

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

March 23, 2017

In Attendance: Commissioners: Thomas Garrett; Lois Robertson, Terry Zakar, and Raymond King; Thomas Wilbur, CEO; Directors: Pete Peterson, RN; Walter Price, Chris Wagar; Others: Vicki Richter, Jenny Cooper, Susan Schwartz, DNS; SEIU Representative, Jeanine; RN; Heidi Hedlund, Jennifer Johnston, Teresa Santee, Doris Hiebert, RN; Pam Hoag, RN; Shannon Skelly, Trina Gleese, Chelsea McLaughlin, Jenny Smith, Lori Stratton, Jen Allbee, Tony Ball, and Nancy Shaw.

Excused: Commissioner Lynnette Elswick; Michele Page, RCS Director; Kim Manus, CFO; Clayton Kersting, MD, Chief of Medical Staff; Joseph Clouse, HR Director.

CALL TO ORDER:

Chairperson Garrett called the meeting to order at approximately 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. Commissioner Garrett requested to add the Security Task Force update as an agenda item, which was approved.

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

Auditors Report: February 2017: Warrants #200597-#201016 and wire transfers #1438-#1452 in the amounts of \$1,224,042.38 and \$1,425,285.66, respectively, plus a Loan Payment Deduction of \$40,000 for a grand total of \$2,689,328.04.

Bad Debt/Charity Care: all-inclusive February 2017 District Write-off's for \$98,194.37.

APPROVAL OF PREVIOUS MEETING MINUTES

The regular meeting minutes of February 23, 2017 were approved by motion, seconded and passed – with the correction of a typographical error noted on page 3, fourth paragraph – change morale to moral.

BUSINESS FROM THE AUDIENCE:

Capital Purchase Inquiry - Mr. Ball, a member of the community, explained that he recently participated in a “Vein Viewer” product demonstration in the Laboratory. His veins are typically very difficult to access and he was impressed with the equipment which greatly enhanced a view of his vein, making his blood draw much easier. The equipment cost is approximately \$5,000.

Chris Wagar requested more information related to the Vein Viewer equipment; Jennifer Johnston remarked that the equipment was brought in for a demonstration on a trial basis. In the meantime, it was discovered that the Anesthesia department was obtaining a new (budgeted) ultrasound machine

that features the same component as the VeinViewer; therefore, we will have the ability to offer the same service. Pete Peterson confirmed the Anesthesia department is purchasing the budgeted ultrasound of equipment with attachments. The nursing and laboratory staff will be training to use the equipment in the next several weeks.

Jenny Smith reported that the Foundation will fund a newborn hearing monitor. The outdated equipment was funded by a Lions Club grant in the past and is being replaced at a cost of approximately \$5,000.

SEIU, RN Contract - Doris Hiebert, RN introduced herself, explaining that she has been an RN at the District for 30+ years. She stressed that the RN's desire to settle the Union contract, noting negotiations seemed favorable last November but that the RN's are discouraged at the time it has taken to reach an agreement. Doris expressed that she believes there are no major issues and there are tentative agreements in play. She also feels that the nurses value is not appreciated by Administration as relates to wages and noted that funds tend to be directed towards other projects, such as the new clinic, rather than nursing wages. Doris stated that she has not seen an increase in her wage in the past 10-15 years other than a cost of living adjustment. The "step" increases are inadequate. Doris noted that she very much enjoys working here and believes that the nurses and Administration can work as a team.

The Board thanked her for her observations and look forward to completing the negotiations.

Security Task Force Update – Chris Wagar, Director of Safety and Security for the District reported that the group has met bi-weekly since January. Chris has worked extensively to research security options and has distributed information in order to make an educated, informed decision about hiring a security firm for the NHHS campuses. Involvement has included managers, Board, and line staff; Chris expressed her appreciation to the Security Task Force for their contribution to the process.

Chris noted the Task Force has identified a need for an external, third party security service to provide coverage between 8pm and 8am, seven days per week, as this is typically is the time when we have fewer staff in our facilities and a portion of those hours there is no scheduled staff coverage for the local Sheriff's office – they are on-call, only.

Discussions have been conducted with POC Sheriff's office, Spokane Valley Sheriff's Department Deputy Chris Johnson, SHMC, Deaconess, Spokane Valley, and Kootenai Medical Center Security Directors. In addition, County crime risk assessments and statistical data were reviewed by the Task Force. Overall, most started with the opinion that security officers should be armed with a handgun. However, following interviews with larger, tertiary centers (including those with psychiatric units), it was discovered that none of their security officers carry firearms. Few, if any, carry tasers (only those at psych units); Chris learned that SHMC's first taser deployment occurred a month ago (following almost three years after patrol deployment).

The Task Force recommends the following to the Board of Commissioners:

- Enlist the services of a third-party security firm to provide 8p-8a on-site security services
- Require security guards to be uniformed, carry a flashlight (or strike weapon) and handcuffs
- Guards will be required to possess significant de-escalation training and experience
- Guards will carry a radio and/or a cell phone

A NHHS job description and operational policies and procedures are being fine-tuned to present to four companies to be interviewed on April 19th. The task force members, Deputy Johnson and Under Sheriff Servog will participate, in addition to Joseph Clouse, HR Director and Commissioner Garrett.

Commissioner Garrett commented as a task force member, noting that his initial belief was to hire armed security guards; however, following the research and with our lack of experience, he came to realize that armed security guards do not align with our public service mission. He stated that this could be a consideration at a later date, if necessary.

Tom W. complimented Chris Wagar and the entire Task Force for their extensive work and diligence to research the issues involved with hiring a security firm. Commissioner Zakar concurred that she believes that de-escalation is generally the best option vs. weapons.

Tom noted that our highest security risk area is the ED, especially since patients with behavioral/mental health and chemical dependency issues present there more frequently having significant events or "in crisis," which requires a medical screening exam and clearance by the ED provider prior to admission to an inpatient setting. Today, the ED summons 911 in the event of a threat instead of calling for an internal Code Grey and placing other staff in potential harm's way. Tom agreed that de-escalation is the best method to deal with unpredictable circumstances.

Chris added that she and the team consider employee training an important priority, especially in high-risk departments to implement the best methods to mitigate risk factors. Chris will also solicit ideas and suggestions from the selected security service and Pend Oreille Counseling Services on how to improve and disseminate our training programs.

Commissioner Robertson stressed the importance of ensuring he selected company be well-versed in providing security services in a hospital environment. Chris responded, noting that the job requirements indicate a health care security certification within 90 days of hire and health care specific de-escalation techniques. Chris further explained there are established criteria to address health care security experience and management skills. It was noted that two of the prospective companies have existing health care facility contracts.

COMMITTEE REPORTS:

Joint Conference/Planning – Dr. Kersting was not in attendance at the meeting; there was nothing significant to report.

Finance – Vicki Richter, Interim Controller announced that a Financial Analyst has been hired and she started working today. Our 2016 financial statement audit is in progress and must be completed prior to issuing the bonds for the new ALF facility project. Vicki is working to finalize the nursing home cost report, which is due on March 31. Cash flow is positive; Vicki anticipates that the final 2016 and interim 2017 financial reports will be available next month.

Quality Assurance – Heidi Hedlund explained her presentation today is titled "Advances in Newport Hospital Quality," noting that much work has occurred and accomplished across the entire District, involving nursing, infection prevention, management, etc. The projects have had a positive impact on patient safety, encompassing infection prevention, OB, surgery, clinic, administration, laboratory, patient financial services, the Foundation and quality.

Heidi noted the Foundation secured an \$8,500 Coverys Patient Safety grant and Jenny Smith was instrumental in submitting the proposal; the funds were awarded Q4, 2016. In January, a MRSA pre-surgery swab testing program was initiated. The program ensures that all pre-surgical patients are tested at least 48 hours prior to surgery; MRSA results take 48 hours to process. There is no charge to the patient. Heidi shared MRSA rates of other facilities in comparison to NHHS. She noted that, to date, 18% of scheduled surgical patients tested positive for MRSA in the past 2.5 months. If a patient is known to be MRSA positive, pre-surgical treatment involves nasal swabbing and the use of Iodine on the surgical; which has proven to reduce the incidence of contracting post-surgical MRSA.

Unexpected mortality cases are routinely reviewed to ensure that everything medically possible was done for the patient to prevent death.

Jen Allbee reported that a nurse-driven fall prevention program was undertaken last July involving Jackie Naccarato, John Wuennecke, Bethany Rogers and members of the Quality team. Two fractures resulting from patient falls occurred within the first six months of 2016; NHHS' fall rate is higher than many of our Washington Rural Health Collaborative peers. The group implemented communication flyers indicating number of days without a patient fall; the initial goal of 30 days (with no falls) was met and increased to 90 days. However, at the 77 day mark a non-injury fall occurred. In 2016, 87 days was the longest stretch without a patient fall. Our fall total was 16; to date there have been 3 falls – less than half of the amount of falls at this time last year (7).

Jen explained that immediately following a patient fall, a post-huddle occurs as a team-oriented approach to communicate contributing factors and reasons why the fall occurred. Hourly rounding was implemented to review patient status – i.e. toileting, pain control, positioning, and identifying obstacles that may hinder ambulation, etc.

Heidi recapped, noting substantial progress is being seen in the reduction of patient falls; she also commended the Falls Team for their efforts and contribution to improvement of patient safety.

Anti-Microbial Stewardship – Roxanne Huddleston, RN and Infection Preventionist is leading this team. Heidi explained that the group attempts to optimize safe and appropriate use of antibiotics, as there can be unintended consequences to the use/overuse of antibiotics - such as toxicity and organism resistance. As part of the program, patient cases are presented for review to the University of Washington Epidemiologist, who provides recommendations for improvement. This has been an incredible learning opportunity for our staff. A presentation is planned for the medical staff in April. Sepsis protocols were reviewed and discussed; Heidi noted that Drs. Kersting and Jones have been very helpful in the process.

The board members thanked Heidi, Jen and Roxanne for the informative quality presentations.

An Executive Session will be required following the meeting for approximately 15 minutes to discuss personnel matters.

SUPERINTENDENT REPORT

SEIU Contract Negotiations: Tom W. distributed a summary of the comparative proposals between the District and SEIU who represents the RN group. He note the contract period under negotiation is for three years and we are proposing a 1.5%/per year annual wage adjustment (AWA) and the SEIU

is proposing a 3%/per year annual wage adjustment. The AWA occurs on the first full pay period in each new year (Jan.). Tom noted that in addition to the AWA, almost every nurse receives a "step" increase on their anniversary date which can vary from 2.4% to 1.0% per year, depending on where each nurse is the 26 step "years of experience" scale. Tom reviewed the details of the AWA, step increases and the overall pay increases that would be received by the nurses under the two proposals.

Tom acknowledged we have the same issue we faced under the last two negotiations: the entry level on our RN scale is at or above market, but we start to fall behind market as we move from steps 15 to 26, because of how our steps adjust. Many hospitals have the same step increase for 26 consecutive steps, ours scale varies. He also noted that SEIU does not consider a step increase to be a wage increase, because the wage scales have already been negotiated. We disagree, and believe any positive change in wages, regardless the time of year (or reason) to be a wage increase. The Board inquired about the number of RN's at step 26 – Tom thought maybe eight nurses (out of a total of 60 nurses) are at the top of the scale.

Commissioner Garrett indicated the Board and Administration will communicate and provide statistical data to SEIU to indicate our wages are determined by comparative market, our ability to pay a fair wage, and noted the District is trying to provide as fair a wage as possible. Following discussion, Tom noted that he will continue to work through the negotiation process and inform the board members of the progress.

2016 Financial Update: Tom W., stepping in for Kim, relayed our 2016 Medicare cost settlement of approximately \$340K should be received in the next few months. With that, he noted our 2016 loss from operations (internal reporting of 340B funding and value based purchasing/care coordination grants) should be closer to \$1M, rather than the \$1.6M carried at year end. He noted that still remained an unacceptable amount and we are working on a number of things to close the gap in 2017. He also noted our 2016 Net Income, the "bottom line," should be close to \$1.5M.

Tom reported that the Auditors will be here next week to do their fieldwork for 2016; a Financial Analyst has been hired and Kim and a temporary Controller (along w/Vicki) are working to produce Q1 financial statements, finalize the nursing home cost report, and finish the 2016 audit preparation. He noted that Kim's revenue cycle review/billing and systems enhancement continue; Dr. Kersting has done a great job undertaking the annual Medicare wellness visits and Dr. Chavis has been fully engaged in the outpatient service practice revamp.

Capital/Facilities Planning: Tom welcomed and introduced Susan Schwartz, who recently accepted the LTC, DNS position. She had worked in LTC for three plus years as our MDS coordinator before moving to ACU in June 2016. He noted the entire team was glad to have her back the LTC and she is now helping on the design team, too.

Tom shared the latest copies of the new ALF facility cost estimates and drawings showing the grounds layout and core building design components. He noted the building will have two-hour smoke compartments, a feature that lends to a safe evacuation of residents in the event of catastrophic fire; each resident unit also contains 4 fire sprinklers. The facility will have three finished neighborhoods – each with 18 rooms surrounding a dining/activities/living area; the max. resident travel distance to those cores is approx. 60 ft. Each neighborhood contains a laundry, storage area and medication room. There is a mini kitchen in the dining area and entertainment area with a

large screen TV and all will have access to outdoor areas – patios on the lower levels, decks on the upper floors. The main entry includes a full wall fireplace and sitting, meeting, and reception areas. The outdoor spaces will feature flower beds and vegetable gardens and one neighborhood will be privacy fenced for the memory impaired.

The building will have 54 finished units and we will be able to expand with an additional 18 units (roughed in) at a later date. Tom reviewed the probable cost estimates - \$8.268M; including seven to nine alternate bids (up to and including finishing the additional 18 units). Tom noted his estimate included contingencies for additional grounds or other work (\$550K) and with soft costs (\$2.0M) we remain right at our target budget of \$10.8M for the total project.

Tom provided the facility Functional Plan to the Commissioners and noted it will be included in the Construction Review packet submittal in the next few weeks. Complete design drawings and project specification will be ready for bid on April 14, with bid opening May 9. If all goes as planned, a construction contract could be tentatively agreed to and presented to the Board for approval in May. The initial target start date of July 1 may be altered, depending on the bidder's schedule, weather and industry timelines.

UTGO Bond Tax Discounts: Jenny Smith explained that a simple form is available to District property taxpayers for applying for deferral on their hospital bills for self, spouse or dependent child. The forms are available on the District's website (Patient Financial Services section) and will also be available in the Business Office. She noted that a separate form must be completed for multiple dependents. Commissioner Garrett inquired whether the discount would be announced in the local media; Jenny indicated there are no plans to advertise the discount at this time; however, when the new building updates are published, there will likely be mention at that time.

OLD/NEW BUSINESS:

Facility Upgrades: The former Family Medicine Clinic building is in the process of being remodeled as a facility training classroom in the lower level and for patient financial services in the upper level. The basement area is in the finish process and the upper level has been gutted and is waiting potential lay-out options, depending on the number of staff to be moved.

Provider Recruitment: Tom has received a couple of new inquiries from physicians interested in working in the ED; in addition to a permanent hire beginning in October. Dr. Reynolds is moving to Tennessee and we continue our search for a General Surgeon; Tom should be finalizing an Orthopedic contract with Dr. Michael Schicker of Sandpoint in the next few weeks.

EMS District: Ione, Metaline, Cusick, Newport and the County Fire Districts have all expressed interest in being included in the EMS District if the Pend Oreille County Commissioners opts to form one. Tom explained that any potential EMS tax levies must be voter-approved after formation of the EMS District. More information will be available next month. AMR is now providing 24/7 coverage in the County; however we have seen delays due to coordination issues.

Legislative Update: Tom W. announced that the various State budgets (Senate, House, and Governor's) do not appear to have any significant negative impact to health care at this time, but there will not be a final budget until sometime in June.

ACTION ITEM AGENDA

ALF Bond Parameter Resolution No. 2017-03 – Tom W. explained our District approved levy was for bonds not to exceed \$10M (amount) and 25 years (duration). This resolution sets the bond issuance parameters that authorize the CEO/CFO to issue bonds without a need to convene a special meeting of the Board, if the bonds meet the Board parameters. It offers the greatest flexibility to market and sell our bonds, if fluctuations occur in the market. A motion made, seconded and passed unanimously approved Resolution No. 2017-03 setting the 2017 UTGO Bond financing parameters.

Tom W. noted that even with the resolution, he and Kim will work closely with the Finance Committee to review the latest market conditions, our bond ratings, and any other potential issues that might arise with the upcoming bond issue.

2017 Annual Quality Assurance/Performance Improvement Plan was approved unanimously via motion made, seconded and passed.

Death with Dignity Policy – The initial 2009 policy was rescinded last month at provider request. Tom W. explained the new policy was reviewed with counsel from Coverys, WSHA on-line policy documents, and review of the RCW/WAC guidelines. The policy requires use of an outside pharmacy to fill any prescription for life-ending medication and our providers are not encouraged to participate, but may do so at their choice. The new policy has been approved by the medical staff members. Tom noted that he voted “nay” on behalf of Commissioner Garrett at the February meeting to rescind the policy - (4 to 1).

Commissioner Garrett asked whether the medical staff has made a decision to form an Ethics Committee; Tom W. indicated that the Ethics Committee creation was in process. Commissioner Garrett expressed that he morally objects to the premise of the policy and euthanasia and that he has made his position well-known. He realizes that others respect his position - as does he respect their opinion. A motion made, seconded and passed by 3/1 vote to approve the 2017 Death w/Dignity policy. Commissioners Zakar, King and Robertson were in favor: Commissioner Garrett opposed the policy.

OTHER BUSINESS: There was no other business to discuss.

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

Initial/Provisional Status – Teleneurology:

Christopher Fanale, M.D.

Jeffrey Wagner, M.D.

Nicholas J. Okon, D.O.

Michael Wynn, D.O.

Initial/Provisional Status – Radiology/Off-Site

Aditi Modi, M.D.

Re-appointments:

Lynn “Pete” Peterson, CRNA

Dieter Lubbe, M.D.

Anesthesiology

Cardiology (Pending)

Resignations:

Braden Batkoff, M.D.

Cardiology

EXECUTIVE SESSION

The meeting moved to Executive session at approximately 2:24 pm. to discuss personnel matters.

RETURN TO OPEN SESSION

The Board returned to open session at 2:35 pm. and there was no action taken.

NEXT MEETING DATE

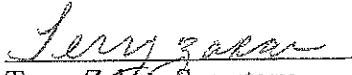
The next regular meeting of the Commission will occur on April 27, 2017.

ADJOURNMENT

There being no further business, the meeting adjourned at 2:35 pm.

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


Thomas Garrett, President
Board of Commissioners


Terry Zakar, Secretary
Board of Commissioners