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

September 24, 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, Michele Page, Walter Price; Joseph Clouse, Other: Nancy Shaw, Jenny Smith, Margaret Cureton, Julie Lohman, Lisa Fisher, Casey Scott, Jennifer Johnston, Debra Heberer, Sharon Weber, Annabelle Payne, Martina Cordes, Mikal Burley, Meeka Bond, Dallas Johnson, Susan Johnson, Margaret Schmidt, Chris McGlothlen, Michele Madison, Dr. Timothy Chavis, John Cain, Gail Cain, Bob Eugene, Helen Masters, Valerie Croy, Doris Hiebert, Jill Monroe, Tina Batsch, Lori Crumpler, Karl Jacobson, Steve Groom, Roxanne Huddleston, Ed Hamilton, Ken Fisher, Heidi Hedlund and several other community members.

Excused: 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 CONSENT 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 August 27, 2015 were approved by motion, seconded and passed.

BUSINESS FROM THE AUDIENCE:

Several community members attended the meeting to discuss the recent decision to change the staffing model in the emergency department from PA-C coverage to full time MD coverage. David F. asked for clarification regarding an article in the Newport Miner that left him with the impression that full-time EmCare (MD) providers would be covering the emergency department (ED); he asked whether this person would be a physician or a bureaucrat.

Tom Wilbur introduced himself and thanked everyone for attending. He explained that our core group of (five) primary care providers are responsible for all medical coverage provided across our care delivery system. From birth (including surgical OB services), to hospital and residential care, as well as oversight for emergency room physician assistants – for trauma cases and for patients who are admitted from the ED to the hospital for acute treatment. It requires a 24/7/365 commitment, tethered to a phone with a 20 minute response time, by our physicians. And, although call is shared

on a 1-in-5, soon to be 1-in-4 rotation, the "tethered call" was taking a toll on our primary care doctors and our ability to recruit new providers to our community.

Tom stressed to the audience that the reason we were opting to change to an MD provider model (in the ED) was because ***it had become impossible to recruit family practice specialty physicians into our clinic model***. It had become very apparent providers were no longer interested in or willing to work under our existing model. The District has recruited for nearly two years without any results. We had no viable candidates interested in our search and every recruiting firm we engaged indicated that physicians were no longer willing to accept our level of back-up and on-call coverage. After two years of searching, we (and our providers) were convinced that something had to give. The need to find another provider in the clinic was heightened with Dr. Ragsdale's pending departure in late October (she was opting for a lifestyle change to do ED/Hospitalist work for one of the companies proposing to do ED work for the District).

Tom noted our inability to recruit to our primary care group has caused delays in patients being seen in the clinic; many experiencing wait times up to several weeks. It had become very apparent that Newport Hospital has been behind the curve in changing our coverage model. Though it had served us well for 20+ years, our model was antiquated. Providers are no longer willing to do what our providers do – some for upward of 25 years.

Tom indicated a final decision had not been made on the company that would provide services, but the core goal for either group would be to recruit physicians to work in the ED and those providers would be permanent placements. He noted the District goal was to recruit MD's who would become part of our core medical group and perhaps have a desire to live in the community. The new providers will work in the ED and handle acute and emergency episodes of care on behalf of our existing physician providers. They would cover the ED, admit patients to the hospital, and ultimately work with our primary care physicians to manage the care of our patients, together.

Commissioners Elswick and Jordan participated in the interviews with EmCare and Coast-2-Coast. Commissioner Elswick stressed that all physicians coming to this facility will be extensively interviewed and hired as the best fit for our facility – District Administration maintains all control in the hiring and retention of any physicians.

Questions and comments were taken from the audience. Concerns included a lack of commitment by new providers to the community, lack of transparency, cost for the service, EmCare prior litigation, and loss of employment of our current physician assistants.

Commissioner Jordan introduced himself and explained the specifics of our MD/PA model in the ED and clinic practices, noting physicians oversee PA-C's in our clinics, too. In addition to that responsibility, physicians are required to oversee PA-C's covering the ED. The proposed staff change would affect *only* the emergency department, where the emergency department will be staffed with physicians vs. PA-C's. He noted factors carefully weighed by the Board included the trust that has been built over the years by our providers and the loyalty to those long term employees. Jordan noted that fundamentally, changing the model is not expected to impact the quality of care, but rather enhance care by providing a higher level (of training) by staffing the ED with physicians vs. mid-level providers.

Chris McGlothlen, PA-C introduced himself and explained his background with the District. He pointed out that he has been instrumental in building the ED team of providers over the past 18 years. He expressed that he wished to clarify that our MD providers were on call only one weekend per month and work one day per week to provide backup oversight for the ED. He noted that a provider is on shared call for clinic, OB, ER, and acute care.

Commissioner Garrett stressed that the decision to replace the PA-C providers in the ED with physicians was a very difficult one. He noted that the questions raised by members of the audience were valid, and assured everyone that he has researched the options and has spoken with members of the public to obtain feedback. He found that the majority understood the decision and were supportive.

Commissioner Jordan addressed concerns on the transparency and admitted that community input should have been solicited earlier.

Chris McGlothlen presented his proposed alternative solutions to the group and provided a historical recap of his experience working in the emergency department. Two options Chris offered to relieve the physicians workload were as follows: 1) enlist PA-C's to work in the Acute Care area in addition to the Emergency Department – this would remove the physician oversight (via a Hospitalist off-site), and patients would continue to see their primary care physicians while in the hospital; 2) enlist the services of a Hospitalist program with care provided by nurse practitioners who are trained with prior critical nurse/RN experience as Advanced Practice Nurse Practitioners. This certification requires an additional 3-6 months of training. They are independent practitioners and require no physician oversight. Chris pointed out that this has proven to be a successful model across many rural facilities in the country. The nurses perform site visits, provide standing order sets, etc..., are more cost effective, and would accomplish the same goals.

Commissioner Jordan asked Chris whether the physicians were receptive to the options presented. Tom W. felt that the providers were not receptive to the proposed alternatives. Commissioner Jordan added that he gives much credence to the physician's opinions and preferences.

Steve Groom of Newport Ambulance suggested that the Board consider a Community Paramedicine option. The model offers house call services from EMS providers. This alleviates the work load of the primary care physicians, while utilizing paramedic services during down times. Services include EKG's, follow-up, medication reviews, etc..., with feedback provided to the primary care doctor – the model has proven to reduce readmissions and is beneficial to those patients with limited mobility. There are state grants available to fund the program, as well. Commissioner Elswick thanked Steve for attending.

The meeting time of the Commission was discussed. Susan Johnson stated that it is difficult for people to attend the meetings, as the time does not accommodate schedules for those that work. Walter Price commented that comments on the Press Ganey surveys from the public indicate dismay that a physician does not see them in the ED.

The audience was thanked for attending and all were welcomed to continue their questions following the close of regular business.

COMMITTEE REPORTS:

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

Finance- Kim Manus explained there was a lag in outpatient charge posting that otherwise might have allowed us to have reflected a positive bottom line for the month. Our Meditech system closes (for revenue posting purposes) at mid-night on the last day of the month. Because we were doing some system updates for ICD-10 coding, we had a delay in our charge entry at month end – where we usually have a 2-3 day lag, we had a 7-8 day delay. She noted the revenues would post next month.

Work continues to resolve issues with 340B Pharm program reimbursement. There have been no Safeway 340B transactions for 3 months – approximately $75,000 per month. Kim spoke with representatives of the program that have reassured her that the claims are in process. Commissioner Jordan clarified that this is not considered lost revenue, but merely a systems issue. Kim anticipates that September will be a positive month, financially.

ICD-10 goes "live" on October 1, 2015. The coding system has been tested by sending claims in test mode. However, there could be issues once the system is live.

Treasurer Report – There were no transfers or significant items to report.

Auditors Report: The Auditors Report was approved as follows for the month of August 2015: Warrants #192928--#193329 and wire fund transfers #1143-1156, in the amounts of $1,329,923.34 and $1,082,085.35, respectively.

Bad Debt/Charity Care: The proposed District Write-off's for August 2015 were approved for a grand total of $96,742.66.

Quality Assurance/Performance Improvement: Heidi Hedlund reported that the Readmission Quality Team met to review 3 questionable readmissions. Two were failed inductions resulting in the mother returning for delivery and one was a readmission (second) for a C-difficile infection.

SUPERINTENDENT REPORT

Tom W. reported on the following topics:

Finance – Tom Wilbur pointed out "income from operations" on the financials and indicated to the audience that last year was only fourth time in the last 20 years that the District had positive "operating income." He then explained the difference between a for-profit and non-profit corporation is not the "profit," but the requirement to pay taxes on any earnings. He stressed that our strategic goal is to maintain local control of our health care system. This will require that we affiliate with providers and entities that will work with us for our community; to build better systems of high quality care, with measurable outcomes, at a reasonable cost.

Clinic Project – TW Clark Construction has begun work to break ground on the clinic. Of note, two minor change orders have been submitted that will result in cost savings. Tom explained to members of the audience the importance of bringing both clinics into one building. Both existing locations are outdated and do not lend to efficient patient care coordination. The new clinic will have the capacity for 12 providers – we currently have nine. The Clinic Design Team considered future expansion of the clinic and will incorporate modular walls and furniture. Tom added that once the existing clinics are vacated, the space will be considered for visiting providers, home health services, business office relocation, etc... The new bunkhouse on First Street is occupied.

Residential Care/ALF Bond Proposal – Tom and the members of the steering committee are hosting two community barbeques on September 26th at Newport City Park and 27th at the Cusick City Park. The bond funds are earmarked exclusively for construction of an assisted living facility.

Accountable Care Organization – The District has joined the Rocky Mountain ACO, effective in 2016, with six Washington hospitals and five in Colorado. ACO formation responses to CMS are due at the end of the month and the AIM funding announcement is expected in early December. Tom has been impressed with the new entity and staff. He noted our goal with the program is to build systems of care for Medicare beneficiaries to create efficiencies, reduce emergency room visits and readmissions, and to try and generate systems savings. Any shared savings will go back into our community to improve our services and care delivery systems.

Pend Oreille Health Coalition – the next meeting will occur on October 14. Members include POCCS, Kalispel Tribe, NE Tri County Health District, Newport School District, Rural Resources, etc. The goal is to pool resources in an effort to reduce duplication of services in the community, and addresses diabetes screening and education, vaccinations, wellness and explore collective grant opportunities.

CAHN Network – Tom W. noted that he is transitioning his Chairman role with the Board to Scott Adams of Pullman Regional Hospital. He noted the CAHN will work with the Western Health Alliance, a Colorado collaborative that formed a similar network, to assist with services. The WA Rural Health Collaborative (WRHC) has invited NHHS to join their network of twelve hospitals – Tom noted he plans to join the network.

ECG – This is a national consulting firm that has provided value-based purchasing assessments. Our hospital was highlighted at a recent CEO retreat as being a rural model to emulate. ECG believes that market reform is ramping up to move faster than anyone had anticipated. A key reason: providers are participating at the leadership level serving on boards and coalitions to drive transformation. Tom is attempting to organize a full day of strategic planning with our providers and Board.

Market trends of the ACO's from the consumer perspective reveal that people are gaining an awareness of value, cost and have higher expectations for access and convenience. We have recently gained access to some chronic disease data and new systems will center on a pool of patients per provider. Some patients may be seen rarely, while others with chronic disease may require more resources to manage. Different care teams would be formed around the identified populations.

Tom noted we received a Care Coordination grant from HRSA and the Empire Health Foundation. Providers and carriers are coming together to coordinate in an effort to obtain first dollar funding.

Commissioner Jordan provided to the audience a background of the anticipated changes to the healthcare system, explaining our current payment methodology is based upon receiving a fixed fee for each service we provide. In the future, we will be moving to a managed care population model which will incentivize healthcare providers to encourage wellness and preventative care.

Tom explained the State's application for an 1115 Waiver to CMS for its Medicaid covered lives. It will provide Fed funding to the State (via HCA) and allow for changes to the State payment systems. It is predicated on the State's historic lower per-capita average and flatter spending curve. Washington has been an early adopter and is pushing to create new models of care – i.e. blend behavioral health and chemical dependency with primary care. Tom will invite ECG to provide a demonstration of the new value based system of care to the Board and providers.

Provider Recruitment – Dr. Donald Hay, OB/GYN specialist will be obtaining his WA license, background checks, credentialing and insurance, which should take approximately up to 60 days. In addition, Orthopedic coverage options are still being considered.

MD Contracts/EmCare – Tom will continue to review the contract language and compare services between EmCare and Coast-to-Coast for our group. Ideally, ED providers can perform evening/night hospitalist coverage to relieve the night time ACU call burden, as well as covering the ED full time.

Professional Liability Risk Pool – in an effort to form a collaborative to provide professional liability insurance, Tom participated in three insurance presentations – Physicians Insurance, and two California Hospital Association member self-directed captive pools. Both of the CA entities are marketing outside their state, acting as the carrier, yet are wholly owned by the hospitals that formed the captive. Risk management, patient safety, and QA/PI programs are paid for by premiums and are self-directed by captive staff. Tom was impressed with their track records, noting all are A-rated. He will provide and update in November.

Legislative Update – The State plans to request an 1115 Medicaid waiver – this could effectively allow the State to opt out of paying healthcare providers; per the waiver guidelines, alternative methods of payment for healthcare services are being developed.

ACTION ITEM AGENDA

There were no action items to address.

OTHER BUSINESS:

Tom announced that the WSHA annual meeting will occur October 6, 7, and 8 in Seattle.

EXECUTIVE SESSION

As permitted by RCW 41.05, the meeting was moved to Executive Session at 3:00 pm. for approximately 15 minutes to discuss credentialing matters.

RETURN TO OPEN SESSION

The Commission returned to Open Session at approximately 3:20 pm.

Per the recommendation of the Medical Staff Executive Committee, the Board of Commissioners approved the following privileges by a motion made, seconded and passed unanimously:

Appointments: None.

Full Courtesy Status:

Randall Espinosa, MD.

NEXT MEETING DATE

The next regular meeting of the Commission will occur on Thursday, October 22, 2015 at 12:30 pm. Tom Wilbur stated that he plans to conduct strategic planning sessions with members of the medical staff and board on November 19 and December 17.

ADJOURNMENT

There being no further business, the meeting adjourned at 3:25 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