

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

**September 22, 2016**

In Attendance: Commissioners: Lois Robertson, Terry Zakar, and Thomas Garrett; Thomas Wilbur, CEO; Clayton Kersting, MD; Directors: Kim Manus, Shelley Froehlich, Walter Price, Michele Page, Chris Wagar; Other: Ken Fisher, Nancy Shaw, Jenny Smith, Donna Palagonia, Heidi Hedlund, and Bob Eugene.

Excused: Commissioners Lynnette Elswick and Ray King; Joseph Clouse, HR Director.

CALL TO ORDER:

Chairperson 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 / 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: August 2016: Warrants #198023-#198373 and wire transfers #1332-#1351 in the amounts of \$1,215,998.10 and \$1,668,795.69, respectively.

Bad Debt/Charity Care: all-inclusive District Write-off's for August 2016: \$124,670.58.

APPROVAL OF PREVIOUS MEETING MINUTES

The regular meeting minutes of August 25, 2016 were approved by motion, seconded and passed.

BUSINESS FROM THE AUDIENCE:

Jenny Smith presented a promotional video series titled, "Jewels of the Northwest" sponsored by Pend Oreille County EDC, PUD, Kalispel Tribe, and Newport Chamber of Commerce. The video series, to be broadcast during KXLY-4 nightly news, highlights a different community each evening. The "Pend Oreille Country" edition features our new NHHS health clinic and includes an interview with Chris Buscher. The videos are being posted to You-Tube and are available for advertising and marketing; they will be useful for staff recruitment. The Board members thanked Jenny for her contribution to the effort.

COMMITTEE REPORTS:

Joint Conference/Planning – Commissioner Robertson informed Dr. Kersting of the Board's unanimous agreement to dismantle the smoking shelter no later than September 30. Tom W. added that the District's goal will continue to promote health and wellness and will try to assist those

employees who have a desire to quit smoking. He noted the District has always maintained a non-smoking campus policy, but was concerned about patients and staff who were smoking on the street corners – which are officially not on the hospital campus. He does anticipate a transition period will be fully enforced to include employees must be smoke free during their on-site shifts. Joseph and the Directors have developed a wellness plan that addresses and promotes a healthy lifestyle including diet, exercise, even finances – trying to ensure everyone enrolls in our 401(a)/403(b) retirement plans. Tom will also broaden the discussion to medical staff to explore how the District will promote increasing the health of our community – including the broader promotion of flu shots.

Dr. Kersting noted that the move to the new clinic is complete with only some very minor issues; some patients have complained that they are unable to find the new building even though reminders are forwarded with patient appointments. Signage has been placed at the entries to our old clinics with additional signs planned at the First St. intersections on both Cass and Scott Streets. Dr. Kersting feels the clinic move has gone well; the clinic space is much larger and quieter than what most are accustomed. Chris W. added that the Family Medicine clinic has been in the new building for only three weeks; she is working with all staff to keep a minor issue “tally sheet” to address with the architect, general contractor, or internally, as needed.

Our recruiting efforts are having positive results – Jennifer Eickstadt, PA-C and Lisa Mackey, ARNP both started work this month; Dr. Aaron Zabriskie, FP w/OB and Dr. Stacy Harms, General Surgery (a husband/wife team) will begin in late October for a one-year commitment. Tom has also been in negotiations with Dr's. Aaron and Tessa Reinke (FP/surgical OB) and anticipates they will be signing final contracts very soon; he noted that they both look to be excellent additions to our medical staff and for the entire community.

Dr. Kersting lectured recently at Kadlec Residency Program in Richland; he found that in speaking with students and Directors, face-to-face encounters appear to be the best recruiting strategy - Tom W. explained that he and Lisa Fisher (HR) are planning to attend a Family Medicine Resident Career Fair in Renton, WA in late October. Mostly, to find out what the experience is like.

Finance – Kim reported an uptick in the financials for the month, noting ED visits are considerably higher year-over-year. LTCU census remains slightly lower. The FTE count is 271.2 per quarter with a budgeted amount of 263.9; though most all of the variance was due to our hiring summer time high school interns. Kim added that the RHC FTE total is down; the reason being that we anticipated hiring providers and support staff at an earlier date.

The budget season is upon us and Kim plans to review FTE counts with managers to determine whether there are opportunities to make adjustments. Surgical volumes should increase when Dr. Harms begins her practice in October; outpatient visits are expected to continue to increase; and clinic volumes, September and beyond, should be positive as providers return from summer vacations and we onboard the new providers into their practices. Things should look up.

The Emergency Department is settling in with more permanent providers coming on board; community feedback has been positive and the providers enjoy working here. Kim reported that billing complaints should start to taper the service is brought back in-house effective September 1. We have not yet filed the (55-A) for the new clinic (change of location); Kim has been working with Commissioner King and the City/County to consolidate our contiguous properties; Kim is hopeful to



obtain all the necessary information by tomorrow to finalize and submit the application. The next step will be to file the paperwork to recalculate our HPSA score – which was changed to an 11 in 2013; a score of 14 is required to qualify as an approved loan repayment site (16 has been our historical score).

Ambulance Services – since the announcement that Newport Ambulance is no longer doing business in the County, the County and Fire Districts are looking to form an EMS District. Tom noted that NHHS will provide assistance where we can. He noted that the hospital has no desire to operate the service as a separate entity. Another meeting of the FD Chiefs is scheduled for today at 3:00 pm.

Quality Assurance – Heidi shared the District’s benchmark measurements as compared with the 13 hospitals making up the WA Rural Health Care Collaborative (WRHC). Heidi stated that the Collaborative QI Committee has placed a focus on defining specific measures that are being reported/ benchmarked under value based purchasing.

Chris Wagar reviewed the annual hospital acquired infection scores; typically the District’s infection rate is very low but in 2015 there were 7 healthcare acquired infections (HAI) (per 100 patient days) – HAI are rated as infections not present *or identified* upon admission that were present during a 3 day stay in the hospital. A full investigation occurs to determine whether the infection was healthcare acquired. NHHS had three catheter-associated urinary tract infections (CAUTI) in Jan-Feb. 2016; the causes and prevention measures are reviewed extensively; there were three HAI influenza-A cases and Dr. Jones initiated a comprehensive plan to test every patient and initiated full precautions for staff and patients. Since those occurrences, our infection rate has dropped back to historic norms.

Flu season is coming and the team is taking steps to ensure that influenza cases remain low and plan to promote employee vaccinations. Our policy this year requires those who opt out of receiving the vaccination to wear a mask during the entire flu season while in clinical areas of the hospital. Flu season typically runs end of January through mid-March. Chris noted there were zero cases over the course of two flu seasons at the LTC facility (following Michele’s mandatory mask precautions – regardless of receiving your flu shot). Employee flu shots are being offered free of charge at the beginning of October and vaccines are viable for the entire flu season. Egg-free vaccines will be available this year for those with egg allergies.

Shelley F. reported that the Safe Patient Handling Committee has been placing a focus on fall prevention measures. Fall risk assessments are completed for every patient admitted to our facility. Shelley noted that the team forms a “huddle” immediately after a fall occurrence to address the cause and takes a proactive approach.

Heidi noted that NHHS ranked second for inpatient readmissions within 30 days as compared to the collaborative hospitals. Shelley attributes our success to a thorough discharge planning process that places a focus on patient education and ensures patients understand their medication regime. Follow up discharge calls occur as part of the transitional care management plan. This also ensures communication is occurring between the acute care nursing staff and the clinic staff members. Heidi noted that the quality team has met consistently for 2 years to address each readmission and surrounding causes. Approximately 17-19% of readmissions are unavoidable. Kim credited the physicians for being very proactive in the effort to reduce readmissions.

Nighttime noise levels are improved as awareness has been raised; sleep aids are also provided. Shelley stated that the nursing staff has improved in explaining patient medications to ensure that patients understand the frequency and reasons for taking their medications.

The annual and 4-month financial indicators were included. Ken Fisher reported that cash on hand is bouncing back up now that the new clinic is complete. A CT Scan purchase remains the last big ticket capital item to year end. Days in AR were slightly below average at 53.6.

Kim explained that a new Medicare rule was enacted beginning in 2016 which qualifies specific CPT codes as a reimbursable encounter. We are currently receiving reimbursement for evaluation and management visits; however, those additional encounters are not billable until October 1.

Commissioner Garrett inquired about the quarterly benchmark report. Heidi noted that other measures will be included in the future. 13 additional east side hospitals will soon be included in the comparative data. Heidi and Shelley were thanked for the informative presentation.

An Executive Session will not be required following the meeting.

#### SUPERINTENDENT REPORT

Capital Planning: As noted prior, the clinic building is in operation. The 218 N. Fea St. property recently closed and an asbestos review is being conducted; our plan is to demolish the white house (220 Fea) and yellow garage (218 Fea). Options are being considered for potential use (call quarters) of the 218 house vs. demolition.

ALF Project: Michele Page shared footprints of four proposed ALF building lay-outs. The team chose a design that lends to a view of centralized, common and dining areas. Landscaping, walking trails and patios will blend nicely with the existing facility. The architectural theme will be similar to that of River Mountain Village. Parking is designed to be in close proximity to entrances and business traffic will be directed away from the neighborhoods. Dietary deliveries will also be located close to the kitchen entrance. Staffing ratios will remain the same as the current LTCU. Tom W. noted he is very pleased with the options that were presented. Commissioner Garrett recommended that we maintain a media presence as the project progresses.

Tom W. noted there is a redundant water line to our RMV building that could potentially be terminated, depending on what we do with the high pressure line which currently ends on Scott St. between our hospital/LTC facilities. Following the programming completion, the budget will be assessed and the final water plans will be determined. Our goal continues to be to have project ready designs in March, able for bid in April. We are also in communication with bond counsel regarding timing of the project/issuance of bonds.

Circa '58 Remodel: The requests for qualifications are due September 27 to hire an A&E service provider to explore options to remodel the vacated clinic spaces.

ACO/CCO: The sub-committees are functioning and we are obtaining data feeds to our systems. Molina and the ACO have separate software systems; we are attempting to streamline the systems to one internal care coordination program.



ED/MD Contract: we have signed the addendum to our ED Provider Agreement and have brought the professional services billing back in-house. Dr. By Pham, a new provider enlisted, has had very positive feedback and is the second permanent MD hired; our goal is to place four full-time physicians in the emergency department. Shelley reported that the now core group of 7-9 has been a positive addition to the ED team and they provide excellent care and service.

MD Recruitment: FP MD's Aaron and Tessa Reinke have submitted their contracts for legal review; Tom expects confirmation by month end and remains very encouraged. Tom noted that our HPSA score declined during a lull in recruitment; however, every provider has taken advantage of the loan repayment program.

County EMS District: Efforts are ongoing with the six local Fire District Chiefs, County, Cities and EMS Medical Director to form a new P.O. County EMS District. A meeting is planned today following the Board meeting to continue discussions. It has been discovered that it is difficult for hospital districts (especially rural) to manage EMT services, (multiple sub-Districts make it particularly onerous). Interlocal agreements are currently in place that allow for transport across the State border. Tom believes the best option being considered is to form one collective EMS District.

Next steps: begin the process to create an EMS District, with Bylaws, to include a 9 member voting Board [six Fire Districts, and one representative each for County, Cities and Hospital District] and 12 member total board [three ex-officio members: Kalispel Tribe, Medical Director (Dr. Ragsdale) and County EMS Director].

#### ACTION ITEM AGENDA

**District Bylaw Updates** – The District Bylaws were included in the board materials for consideration and review. There was no action taken.

**Collection Policy** – An overview will be provided next month. There was no action taken.

#### OTHER BUSINESS:

Strategic Planning: Tom W. reviewed the 2017-18' Strategic Core Elements – the key goals remain: maintain our local autonomy and develop local/regional affiliations that make operational/business sense for us, the District. We will continue to define and move forward to address “community health” and identify target issues specific to rural communities. We will also work with the Pend Oreille Health Coalition to collaborate on community-wide issues and to share resources.

Tom W. reviewed the remaining meeting dates, noting that the next regular meeting will occur on October 27. He requested that the Board consider meeting dates due to the holidays. He noted that the budget is due in the Auditor's office on November 15 (preliminary due Nov. 1<sup>st</sup>). December 22 is the regular scheduled board meeting date.

Tom W. referred to a “Clarity Exercise”, noting the four clarifying questions and results are based upon strategy, structure and execution. Tom believes that we have done well in striking a balance between our business and community service obligations.

As the key health care provider in our community, the needs/expectations will continue to grow in the effort to promote wellness and to bend the cost curve. The shift to value based purchasing is re-defining the District's role in health and wellness and the 340(b) Program continues to play an important role in our sustainability; if the funding is cut, our strategy will require re-evaluation.

SWOT Analysis – Tom W. provided an overview of the core strengths in the care spectrum: Quality, Leadership Development/Ability to Adapt, EMR and Financial Health. Our weaknesses: functional resources vs. large systems – how to best remain independent and viable as a stand-alone facility.

State of Reform – Tom W. recapped our current position, noting our data is now being reported and tracked; we are onboarding new providers and are in a much better position (including ED recruitment); our financial performance is holding steady; the clinic is complete, the new ALF is in process, and the circa '58 building options are under consideration. Our POHC, CAHN and WRHC affiliations continue to evolve and our providers remain active participants in the new models.

Safety and security remain a high priority; Commissioner Garrett will join the Safety Committee to support the endeavor.

Tom W. stated that our employee benefit package is premium as compared to our peers; we will continue to focus on employee health and wellness.

The "Fundamental Shift" materials were reviewed; key questions outlined for consideration as we evolve: addressing bottlenecks in operating efficiencies, maximizing performance, managing care, revenue cycle management, maintaining/upgrading facilities (lowest cost), aligning systems, supporting and empowering physician leaders, and investing in processes to facilitate change.

Commissioner Garrett commented that he believes the District's Vision is on track to address future challenges and opportunities. He noted that our position in the industry as a whole is very stable and focused, noting our success is due to our staff members.

There was no Executive Session required.

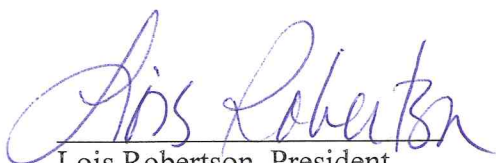
#### NEXT MEETING DATE

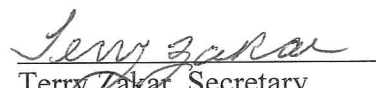
The next regular meeting of the Commission will occur on Thursday, October 27, 2016 at 12:30 pm.

#### ADJOURNMENT

There being no further business, the meeting adjourned at 2:50 pm.

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

  
Lois Robertson, President  
Board of Commissioners

  
Terry Zakar, Secretary  
Board of Commissioners