

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

July 26, 2018

In Attendance: Commissioners: Thomas Garrett, Lynnette Elswick, Terry Zakar, Raymond King, and Lois Robertson; Tom Wilbur, CEO; Angelika Kraus, MD Chief of Medical Staff; Directors: Kim Manus, CFO; Chris Wagar, Director Primary/Ancillary Care; Jen Allbee, Jenny Smith, Justin Palmer, Jennifer Johnston, Beverly Mayfield, Robert Rosencrantz, Jenny Smith, and Nancy Shaw.

Excused: Joseph Clouse, Pete Peterson, Walter Price, and Trina Gleese,

CALL TO ORDER:

Chairperson Thomas Garrett called the meeting to order at 12:32 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 2018: Warrants #207308-#207691 and wire transfers #1723-#1749 in the amounts of \$1,774,084.35 and \$2,579,937.08, respectively, plus an automatic loan payment deduction of \$40,000 for a grand total of \$4,394,021.43.

Bad Debt/Charity Care: all-inclusive July District Write-off's for \$82,042.31.

APPROVAL OF PREVIOUS MEETING MINUTES

The regular May 24, 2018 meeting minutes and June 28, 2018 meeting minutes were approved by motion made, seconded and passed.

BUSINESS FROM THE AUDIENCE:

Tom W. presented questions posed from audience member, Robert Rosencrantz: "Is NHHS taking steps to strategically plan for changes to operating costs, structures – such as stenographers in examination rooms, aka scribes to allow physicians more face-to-face time with patients". Tom W. responded stating we are considering options – for both live and remote scribes.

A second question: Will we, "expand the role of RN's to allow physicians to see more patients, such as annual wellness visits, completing the majority of the questions prior to the patient seeing physician, etc." Tom W. indicated that in fact we have already instituted that particular change with annual wellness visits and we are also exploring other means to find return on investment as it relates to coding under value-based models. We are trying to adapt services to capture any/all potential reimbursement available to offset the cost to build "wellness" infrastructure. Tom again thanked Robert for the great questions.

Commissioner Garrett explained the Board held a Board education program at 11:00 am to discuss board member fiduciary responsibility. He noted the Board will remain diligent in maintaining a monthly education schedule around matters of governance, focusing on the "Critical Questions Every Hospital Board Needs to be Able to Answer," manual produced by the Washington State Hospital Association.

COMMITTEE REPORTS:

Joint Conference/Planning – Dr. Angelika Kraus, Chief of Medical Staff was welcomed; she reported that Dr. Kersting would like to inform the Commissioners of a new Palliative Care Program. Commissioner Elswick noted that she and Commissioner Robertson attended the meeting on July 20 and felt the program is a beneficial service to our patients and families.

Commissioner Garrett requested notes related to the meeting; Chris Wagar stated the group is working towards developing a "rural" program in conjunction with the Department of Health. Dr. Kraus explained that palliative care is defined as end of life treatment for patients in an effort to provide comfort and to improve quality of life. Tom W. added that patients with chronic, incurable conditions such as COPD are candidates for palliative care to explain how the disease course will progress. The intent of the program is to identify patients at onset to determine their understanding of disease progression, assist with patient and caregiver training, to determine patient's desires and anticipate potential needs in advance. The goal is to set clear expectations early and provide the best care/comfort possible.

Jennifer Johnston commented that the program is based upon the patient's goals and desires for improved quality of life. Typically, these patients do not yet qualify for Hospice care but are at the stage in their disease progression that they require intervention measures to assist with care and decision support. Jennifer offered to forward notes from the meeting to Commissioner Garrett (at his request).

Finance Kim Manus, CFO stated June was a positive month financially, with a \$105K gain from operations and net income of \$302K; to date we are doing well compared with our year-to-date budget. Cash remains steady at 109 days of operating expenses in cash on hand; although this is down slightly, we are working with Amerigroup regarding encounter rates vs. fee-for service payments. All issues with Molina on clinic payments have been resolved, Kim noted.

At the recent Finance Committee meeting, the group discussed on-going work with State officials regarding licensing/reimbursement for our new ALF advanced care facility. Two meetings with Adult and Aging Services have been held to discuss "exception rates" during the transition from LTCU to AL/EARC. An RCW provision indicates an exception rate to regular fee schedules applies under our transitional circumstance; the last exception approved by DSHS was at a rate of \$145/day, compared with \$70 to \$115/day. The exceptions would apply for four years on all Medicaid eligible admissions.

Kim is planning to revise the District's travel expense policy from a receipt/cost model to a daily per-diem rate reimbursement to streamline the process and simplify accounting procedures. We have not done a comparative cost analysis, but it is expected any cost difference will be far outweighed by the savings in staff time for accounting and tracking of expenses.

Our Charity Care policy is being revised to define the District's routine service area to include Oldtown, Priest River and Blanchard. Emergency services charity will remain available to all patients. Kim explained that under the existing guidelines, surgical services provided to patients with high deductibles require write off, even though patients are willing to make payments. Tom clarified the requirement is per State statute. Lisa Morse will be present the annual Charity Program update at the September meeting. The new policy will be submitted to the State following Board approval.

Kim noted that a number of rural facilities in the State define specific service areas. Commissioner Elswick added that potential changes to the law could have an impact on our business practices. For example, a face-to-face encounter to explain the charity program with every patient could be required. If patients opt out of applying for charity care at the time of service, they will still be eligible to apply up to 4 years after the service date, at which time the District would be required to honor the request.

Kim noted that home health services are critically lacking in Pend Oreille County; she is looking into opportunities to utilize clinic nurses to provide home health services, which would be eligible for RHC reimbursement. Chris Wagar explained that a Care Coordination team has met to address the dilemma. Currently, the only WA based home health service provider in Pend Oreille County is Assured Home Health (formerly NEW Home Health). The company has failed to provide home health services for many of our patients due to lack of adequate staffing. The issue has progressively worsened and needs to be addressed. Chris and Kim will continue to work with the State and insurance companies to find a solution. Kim added that if the barriers are resolved our staff members could provide assisted living residents with home health care; which will be essential once our long term care residents transition to the new facility.

Quality Assurance – Beverly Mayfield, RN presented a departmental labor and delivery report and discussed the C-section rate (overall), unplanned C-sections and causes, national birth rates and trends, vaccination rates, newborn hearing screening results, etc. Patient satisfaction survey results were also shared with the group – the survey is typically completed prior to discharge. The department offers prenatal classes and education to new parents. Bev noted the goal of the program is to promote a healthy community. The Board thanked Bev for her informative report.

Jennifer Allbee, Quality Manager explained that we are participating with the University of Washington in an Anti-microbial Stewardship Program. She explained that anti-microbial stewardship involves a commitment to use the appropriate antibiotic for the clinical indication. CDC statistics indicate that 20-50% of antibiotics prescribed are either unnecessary or incorrectly prescribed. This leads to increased antibiotic resistance, which in turn causes mutation of bacteria, which may ultimately render a medication ineffective over time. Jennifer explained that up to 30 hospitals from Alaska, Idaho and Washington participate during a tele-health session. Cases are presented to the TASP team, which encourage discussion and feedback. Chris Wagar stressed that the program has been a very beneficial resource to our facility.

Jennifer noted that she reports NHHS antibiotic usage to the State, which indicates five different classifications. Standardized order sets have been designed to address care plans as related to diagnoses. The TASP offers education to our staff members. A Penicillin allergy testing program was initiated this week. Everyone thanked Jenn and the team for their participation in the worthwhile program.

SUPERINTENDENT REPORT

Tom W. provided an overview of our District professional liability insurance premium trends. Costs peaked in 2004-05 and have decreased pretty steadily ever since – we are now in a historic premium expense trough (very low rates). He noted we reviewed a group self-insured option in 2015-16 via our WRHC members, but it was determined to be unfeasible at that time. Instead, during 2017, we joined the WRHC group to develop a 12-hospital rating pool but with individual member pricing. We made a 3-year commitment and 2018-19 is our second year renewal. Tom will meet with the brokers tomorrow; however, aside from major provider changes (add/subtract), our premium rate is pretty much set for the next two years.

ALF Project – Work is really starting to take shape on the building and Tom will obtain preliminary figures from the engineer, architect and general contractor to determine costs to rough in vs. finish the additional 18-unit neighborhood. Approximately \$350K remains in our planned contingency on the project and, to date, actual costs incurred plus Bond Reserve Funds is closer has us with \$500K in available funds. Tom will provide comparisons and report at the August meeting.

The Pend Oreille County Health Coalition (POHC) Collaborative plan was completed last month and we are working to complete our Partnering Provider (NHHS) Service Plan w/budget that is due August 1st. To date, the program narratives have included significant effort by our team, particularly for Jenny Smith, but we are making strides and are excited that the work (and funding) is finally going to start in earnest in 2019.

ALF Marketing Report - Jenny Smith reported that the District website contains an ongoing blog with a first page link titled “Construction Update”. Jenny has been reluctant to publish a mass mailer, due to rapid changes as construction progresses. Commissioner Garrett suggested a brief update could be published in the Newport Miner. An informational slide show will be available at the upcoming County Fair, Jenny noted.

Community Survey – Justin Palmer, a WSU student intern shared the results of a community survey we conducted over the last month. He received 219 responses; the majority of surveys were conducted in-person with patients and families at the rural health clinic. The purpose of the survey is to collect feedback on existing services and to find out what services might be offered to assist patients with health, well-being and navigation through the health care delivery system. The 26 questions identified demographics, gender, age, insurance, medical provider/type, services utilized, specialty care visits, desired services, etc. The Board reviewed and discussed the data, noting they felt it to be informational and worthwhile. Justin was thanked for his efforts in conducting the survey and compiling the results.

Kim noted that Empire Health Foundation has approved funding of a \$150,000 (18-month) medication management program that will be overseen by David Easley, RpH, and a designated care coordinator. The goal is to assist clients with multiple chronic conditions who are having trouble understanding, complying with, and/or funding their medication regimen.

Chris added that a clinic patient portal will be deployed within a month. Features include secure messaging, appointment and medication refill requests and access to chart summaries.

OLD/NEW BUSINESS:

There was none to discuss.

ACTION ITEM AGENDA

Revisions to Charity Care Policy – Kim explained the language changes to the existing policy with the addition of a paragraph outlining that our policy is consistent with the Mission and Values of Newport Hospital & Health Services, and shall be applied uniformly to all patients residing in the hospital District's designated service area – defined as the geographic boundaries of Pend Oreille County, WA, and the zip codes of Oldtown, Blanchard, and Priest River, ID. It was suggested that Coolin and Nordman ID zip codes could be included. Kim explained that non-residents remain eligible for emergent services at all times. Financial assistance for uninsured non-residents of the service area for any non-emergent services will be limited to the uninsured discount defined in the policy. Exceptions to the residence requirement will be granted on a case basis as determined by the District.

Kim explained that the uninsured requirement is based upon guidelines within the District's charity policy that allow discounts for those with no medical coverage. The amount changes annually, Kim noted.

A motion was made and seconded unanimously approving the revised Charity Care Policy to be submitted to Washington State for approval. Commissioner Elswick clarified that the Nordman and Coolin ID zip codes would not be included revisions to the Charity Care policy.

OTHER BUSINESS

Kim noted that Diane Schaaf has announced her plans to retire from the District, with her last day being next Tuesday. She is considering work on a per-diem basis when she gets back from traveling for a while and has agreed to be available as a local support resource. Kim expressed her gratitude for Diane's commitment and years of valuable service to the District. In addition, Katie Calkins will also be retiring next month. Jenny Smith stated that an article will be published in the Newport Miner that highlights Katie's long tenure in the field of radiology and imaging.

EXECUTIVE SESSION

As permitted by RCW 4105, the meeting was moved to Executive Session at 2:52 pm for approximately 15 minutes to discuss credentialing issues.

RETURN TO OPEN SESSION

The Commission returned to Open Session at approximately 3:05 pm.

Due to questions from Board Commissioner Zakar, all credentialing files will be held to the August meeting of the Commission after a planned joint sub-committee meeting (Med. Staff-QA/PI) to be held next month.

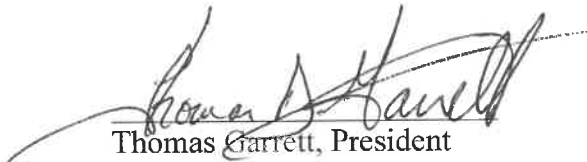
NEXT MEETING DATE

The next regular meeting of the Commission will occur on August 23, 2018 at 12:30 pm. A Board Commissioner education session will **begin at 11:00 am**.

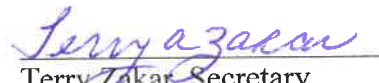
ADJOURN

There being no further business, the meeting adjourned at 3:10 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