

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

February 28, 2019

In Attendance: Commissioners: Raymond King, Lynnette Elswick, Lois Robertson, Terry Zakar (via teleconference); Dr. Jeremy Lewis, Chief of Medical Staff; Tom Wilbur, CEO; Directors: Kim Manus, Pete Peterson, CRNA; Walter Price, Chris Wagar, Susan Schwartz; Jenny Smith, Lori Stratton, Chelsea McLaughlin, Terri Ivie, Casi Densley, Jennifer Allbee, Robert Rosencrantz, Bob Eugene, Leif Furman, Bev Mayfield, Melissa Rose, Maryann Nichols, Patty Bozarth, Trina Gleese, and Nancy Shaw.

Excused: Thomas Garrett, Commissioner and Joseph Clouse, HR Director.

CALL TO ORDER:

Chairperson Raymond King called the meeting to order at 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: January 2019: Warrants #210176 – 210633 and wire transfers #1881 - 1904 in the amounts of \$2,392,831.116 and \$1,834,918.52, respectively, plus an automatic loan payment deduction of \$40,000 for a grand total of \$4,267,749.65.

Bad Debt/Charity Care: all-inclusive January District Write-off's for \$165,619.01.

APPROVAL OF PREVIOUS MEETING MINUTES

The regular January 24, 2019 meeting minutes were approved by motion made, seconded and passed.

BUSINESS FROM THE AUDIENCE:

Mr. Bob Eugene, (audience member) explained that he has worked for many years in the public sector and understands website updates can be overlooked. Local media meeting notices should also be checked to ensure accuracy. He noted that District Board meetings have occurred at 12:30 pm for several years; the Newport Miner published the meeting time incorrectly. He noted that the District's website indicates meetings occur at 12:30 pm on the 4th Thursday of the month. The meeting time was changed in October 2018 from 12:30 to 1:30 pm. He added that next month the meeting is scheduled a week earlier and suggested publishing a press release. Tom Wilbur apologized and thanked Bob, noting we hadn't updated our web-site (but will), and that we do provide monthly notices to the Miner, but he was rarely in the habit of actually reading what is published. Jenny Smith responded that she would correct the meeting heading on the District website and prepare a press release for the local media. The Board members thanked Mr. Eugene for his observations and bringing them to light.

Mr. Robert Rosencrantz, (audience member) submitted two comments. He noted that the Saturday evening Iron Sommelier & Brewmaster event was outstanding, and that he enjoyed discussions with Jac Davies, Executive Director of the NW Rural Health Network. He complimented the members of the Board for their commitment to the District and noted that Jac considered Newport to be visionary in its approach to trying to adapt rural healthcare delivery.

Mr. Rosencrantz was recently discussing health care in Pend Oreille County with a couple from Spokane who indicated there is no Medicare Advantage plans in the County - (they are unable to seek treatment at NHHS). Tom W. confirmed this is the case, and noted that those enrolling in an Advantage program are excluded from NHHS's Medicare ACO participation. Medicare Advantage plans generally form in high population density areas that typically have healthier populations. Commissioner Zakar stated that enrollees are encouraged to write to their insurance companies to request service in Pend Oreille County.

Annual Joint Foundation Meeting. Foundation Director, Jenny Smith provided a report on the 2018 Foundation activities and results, which are also available on the District's website. The Foundation has grown and is now celebrating its 11th year. Jenny thanked both the hospital & Foundation boards for their continued support and commitment. She introduced Foundation board members: Secretary, Terri Ivie, Maryann Nichols, Tom Wilbur and Kim Manus. Jenny also welcomed new member Espie Clark to the Foundation Board of Directors. She also thanked Lori Stratton, who recently assumed the role of Event and Program Supervisor, for all of her work on Foundation events and noted she has been proactive in procuring event sponsorships, which has been very successful.

The Foundation Board is seeking a replacement for Michael McLaughlin, who recently retired from the Foundation Board after 11 years of service. Michael was an original Foundation member and in recognition of Michael's service, leadership, and dedication to the Foundation Board, Jenny shared a plaque that she will be presenting to Michael on behalf of the Board.

2018 Highlights/2019 Goals: A donor wall is planned that will recognize Foundation donors who have made cumulative donations greater than \$1,500. The donor wall design is tailored to complement Pend Oreille Valley and the surrounding area.

Jenny announced proceeds from the Fore! The Health of It! annual golf tournament event met the \$25,000 fund raising goal. The Festival of Trees event grossed over \$22,000 - an all-time record. The 11th annual Newport Autumn Bloom 5K/10K Fun Run also exceeded expectations drawing 170 runners and walkers from the region to Newport in September. The 2019 Iron Sommelier & Brewmaster event was a huge success and was actually overbooked. 2018 was the first year we ran an annual donor campaign; Jenny heard back from many people that were unaware of the Foundation's existence and noted it was a positive public relations effort.

Jenny summarized the Financial Summary and Growth Comparison report. Fundraising revenue was slightly under the goal at \$105,645; noting in prior years we had received a couple of significant one-time donations. Expenses were also up slightly and included the purchase of a commercial refrigerator to store the snack bag perishables. Net revenues were \$59,957; Jenny noted that she and Lori Stratton's salaries and benefits are covered by the District, which offsets certain Foundation expenses.

Jenny explained that effective contributions support the District and community; this year \$44,512 in funds were contributed - this included snack bags. The Healthy Kids Snack Bag Program continues to be a great success, benefitting approximately 200 children each week with generous donations from hospital employees, board members, West Bonner County and Newport School Districts.

In addition, the Reach Out and Read program continues to support pre-kindergarten literacy with new books given to our community's children after their annual well-child exams. The Foundation also purchased an orthopedic surgery Allograft freezer, which allows NHHS Surgery Department to effectively store tissue grafts at -80 Celsius. The grafts are used to repair orthopedic injuries; the freezer protects viable cells long term in the event a surgery is cancelled or rescheduled.

Jenny's goal during 2019 includes funding service line grants – for example, digital mammography.

Tom W. added that Jenny is also responsible for our marketing programs and is instrumental in our community outreach efforts including leading our Pend Oreille Health Coalition. He and the Board thanked Jenny, Lori, and the Foundation Board members for their community work and in making the Foundation a success.

Annual Corporate Compliance Report. Trina Gleese, District Compliance Officer, presented the 2018 report and noted the basic premise of internal compliance includes: audit, monitoring, education, reporting and repeating. Nineteen issues were audited or monitored by 17 departments with 10 policies or processes being reviewed or updated. As a result, three new policies were created and with two more currently in process. Trina provided details on issues identified in 2018 and the corresponding departments who addressed the issues. Included were IT security, HIPPA/privacy, employee orientation, and the goal of 100% completion of our computer based compliance testing for all employees. Trina works closely with the QA/PI Manager, as many process improvement plan initiatives overlap with compliance. Plans for 2019 involve conducting a risk assessment, updating departmental plans and Compliance training/education.

Trina noted the new District-wide QA/PI incident reporting system, Health Care Safety Zone was implemented in November and that incident reporting has increased since that time. A Compliance Hotline is also available. Trina thanked the members of the Compliance Committee/Teams and noted they meet monthly to discuss and address issues/concerns. There were no further questions and the Board members thanked Trina for the report.

Annual L&D/OB Report: Bev Mayfield, RN, OB Manager and Melissa Rose, RN, presented the 2018 Annual OB Statistical Reports. The information included Washington State birth trend comparisons; 2017 had the lowest National birth rate in 30 years. The District's historic trends and percentage of deliveries by individual physician was noted, it included the number of planned and unplanned C-section rates and other L&D/OB statistics. The comparison data included with/without interventions. There were 43 epidurals in 2018, or 60.6% of deliveries, with two failed - a rate of 4.7%.

The department conducts patient satisfaction surveys that pose questions related to admission, physician, anesthesia/epidural, nursing care specific to labor, nursing care specific to mother and baby post-delivery, and discharge teaching/instruction. We received very high scores under all indicators, with the majority having positive responses of 90% or higher. 51% of all newborns received the Hepatitis B vaccine; of the 49% who did not receive the vaccine: 21 parents declined, 11 had plans to vaccinate at the clinic, and 3 had a condition that prohibited receiving the vaccine.

The majority of infants born at Newport Hospital received a hearing screen. The reason for those who did not receive a hearing screen: condition, refusal, failed initial screen, returned/did not return for re-screen. Outpatient visits included OB checks, NST/BPP, hearing screens, clamp removals, Rhogam injections, IV hydration, and ER patients. The OB team was complimented and thanked for the very detailed and informative report.

COMMITTEE REPORTS

Joint Conference/Planning – Dr. Jeremy Lewis, Chief of Medical Staff reported there were no significant issues or concerns from the standpoint of the medical staff team. He noted that Brian Taft, PA-C was recently hired and has been a positive addition to the clinic. He stated that our LTC residents and families are looking forward to moving to the new ALF facility.

Tom W. explained that he is in the process of exploring a new electronic health record system to replace the existing Meditech platform. The new integrated system will include one electronic platform for both our clinic and hospital services and is anticipated to improve the exchange of health information among providers.

Finance: Casi Densley, Controller provided the updated 2018-19 financials and noted the January financial outlook is positive. ED data has been updated; Jennifer Johnston has been working with the coders to improve documentation and billing issues. OB deliveries were up slightly (2 births) for the month. Laboratory tests also increased. Next month, line items will be separated to identify billable vs. zero pay tests. It was noted that clinic visits were up by approximately 400 compared to avg. monthly.

Casi reported construction of the new ALF facility is 73% complete and a motion (Action Item) will be proposed to authorize the transfer of needed funds to cover any final construction expenses (owner purchased items) from Board Designated reserves to the General Fund. There is approximately \$2.2M in the construction fund and average monthly payouts have been running \$1.1M. It is not expected that the transfers will be necessary until May and Casey will provide updates to the Board each month preceding and thereafter on the sources/uses of funds.

Quality Assurance – Jen Allbee noted this month's Quality report was provided by Bev Mayfield and Melissa Rose of the OB department. The District's 2019 QA/PI program will be submitted to the Commissioners for approval next month. We continue reviewing and updating our monthly KPI dashboard and PI projects.

SUPERINTENDENT REPORT

As reported last month, new ACO participation rules have been published and Tom noted that we, along with our four WA hospital RMACO partners, have opted out of RM/ACO participation in 2019. The bulk of RMACO's 18K covered lives were from WA hospitals and, upon exiting the RMACO, we reviewed the prospect of joining a "mega-ACO" (greater than 100K lives), the premise being, the larger the ACO, the smaller the year-over-year cost "noise" for an identified population. Tom presented a scatter graph of year-over-year savings/losses by ACO size (number of attributed lives). In theory, as ACO's get larger, the predictability of spend is more consistent and, if you can do the work and produce better care through care coordination and collaboration, the risk of loss diminishes and shared savings might become real. However, Tom explained our WA member hospitals felt that based upon our 3-year experiment we had no means to produce a certainty of results. While the premise of the mega ACO does exist, there was no feeling by our peer hospitals that we were actually managing the results of a population – in fact, we could barely understand how CMS was attributing lives to each of our organizations. In addition, any new ACO membership would come with an added cost and with no Aim grant funding. Simply put, it did not appear that joining any ACO type in 2019 was a viable option.

Tom provided a chart of the 2019-20' ACO models available (5 options) noting the "shared savings" only models at Levels A & B. while Level C, D & E options include greater shared savings %-tages, but also include the risk for potential for losses – on the low end, first dollar loss would not to exceed potentially \$760K. Level E, at 8% (could mean 7-figure in losses). Tom based his numbers on our current ACO high point of 1,900 attributed lives; we believe we have as many as 3,600 covered lives that could be eligible. He noted that he was merely presenting information and does not intend it to be taken as advice to move forward. He will be attending a WRHC CEO retreat and anticipates he will have a better idea of the intention of our rural partners next month. While our 5 WA based RMACO remain uncommitted to an ACO, Kittitas, Lincoln, Ocean Beach and Whidbey are all considering joining the larger Caravan ACO. Pullman, Prosser, Sunnyside, Chelan, Lincoln, and Samaritan hospitals are also contemplating joining a Caravan ACO.

Recruitment – Cheryl Bailey, a Psych-ARNP began seeing patients. We have starting seeing clients in their homes under the new medication management program and are reviewing palliative care with Dr. Kersting. We have continued conversations with an FP w/surgical OB who is beginning her OB Fellowship this fall and will be available the summer of 2020. She is originally from SW Washington and has been in Colorado.

ED – Tom has engaged in conversation with physicians from the Pend Oreille River Emergency Medicine group (cover BGH and Bonners Ferry). As a side note, a couple of the ED providers have OB/Gyn spouses which could bring additional synergy to our practices. Tom remains encouraged, three members of the group and two recruits come for a site visit.

Capital Facilities Planning – Tom referred to the updated information and will present an outline of a potential RFQ next month to engage with an engineering firm to assist (at a reasonable cost). A complete review of our circa-'58 building and LTCU spaces to determine potential uses/options for our buildings. We believe the buildings are structurally sound; however, HVAC in the circa-58' needs to be replaced/upgraded.

RMV-Advanced – AL TSA cancelled our meeting on Friday to discuss licensing of the new facility (due to weather), but we have scheduled a phone called this afternoon to start the process. Again, our goal is to license the new ALF under RMV and to exchange (trade-in) our LTC licensed beds to DSHS in for a guaranteed AL/EARC rate for all DSHS eligible clients for the first 60 months of operation.

Legislative Update: A nurse staffing bill has made its way back into the collective discussion, though it has a greater impact on PPS, it still makes no sense to legislate staffing in hospital's on a one size fits all basis. WSHA continues to fight to keep nurse staffing plans managed on a facility-by-facility basis via the nurse staffing committees that have already been established and working for the last ten years. The State has a budget shortfall but, to date, there have been no specific cuts defined. The Governor would like to fund behavioral health, but has no funding source. Tom will update the Board as more information comes available.

Rural Payment Model – Tom explained that we continue to review options to the rudimentary version HCA contracted with Milliman to devise. Tom has been in contact with Molina to discuss other options. Agreements will ultimately need to be made between the providers and MCO's; Tom would like to eliminate the middle-man (HCA). Work continues with the Pend Oreille Health Coalition, WRHC group, and our NW Rural Health Network partners to continue our collaborative efforts. Jenny Smith informed the group that the City of Newport recently joined the POHC.

EHR – we remain optimistic that a new system will be in place by 2020. Buzz Price continues to explore the best fit and price options that makes sense.

EMS/Ambulance Services – Tom explained that, with the primary goal being to maintain ambulance services in the County, we had negotiated with Pend Oreille Paramedics to supplement facility-to-facility transport services – to keep another crew available when the first ambulance is out. The intent of a limited time agreement (six months) is to ensure that comprehensive ambulance services remain viable until the County can form an EMS District and that group can develop a broader community-wide solution. Our goal remains to continue to work with the vested parties [County, Cities, and Fire Districts] to develop long term EMS support. Tom expressed his appreciation to all of the Fire Districts for the remarkable work they have accomplished in the community with no EMS funding.

ACTION ITEM AGENDA

Board Designated to General Fund Transfers. As Casi Densley reported previously during the meeting, **a motion made, seconded and passed unanimously authorized transfer of funds (if necessary) to cover additional construction expenses from the Board-designated Fund to the General Fund.** Casi will provide a monthly accounting/report to the Finance Committee and Board of Commissioners until facility completion.

Capital Purchase – Radiology Equipment – Via motion made, seconded and passed unanimously, \$40,321 (the amount of the original budgeted Capital 2 item) plus tax/shipping, was authorized for the purchase of a Radiology mammography workstation, hardware/equipment and professional service. The monitor is compatible with a potential new system.

Medical Staff Reappointments:

Shannon Radke, MD – Family Practice Medicine; Jonathan Leuders, MD – Emergency Medicine

NEXT MEETING DATE

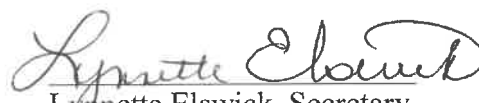
The next regular meeting of the Commission will occur on Thursday, March 21, 2019 at 1:30 pm. and is **one week earlier** than the usual meeting date.

ADJOURN

There being no further business, the meeting adjourned at 3:15 pm.

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


Raymond King, President
Board of Commissioners


Lynette Elswick, Secretary
Board of Commissioners