

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

January 24, 2019

In Attendance: Commissioners: Raymond King, Lynnette Elswick, Thomas Garrett, Lois Robertson; Tom Wilbur, CEO; Directors: Kim Manus, Pete Peterson, CRNA; Walter Price, Susan Schwartz, and Joseph Clouse; Steve Price, Tim Rumph, Casi Densley, Diane Anderson, Kyle Stussi, Jennifer Allbee, Robert Rosencrantz, and Nancy Shaw.

Excused: Terry Zakar, Commissioner; Dr. Jeremy Lewis, Chief of Medical Staff; and Chris Wagar, Director of Primary & Ancillary Care

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: December 2018: Warrants #209769-#210175 and wire transfers #1858-#1880 in the amounts of \$1,978,377.60 and \$3,030,254.65, respectively, plus an automatic loan payment deduction of \$40,000 for a grand total of \$5,048,632.25.

Bad Debt/Charity Care: all-inclusive December District Write-off's for \$167,275.36.

APPROVAL OF PREVIOUS MEETING MINUTES

The regular December 27, 2018 meeting minutes were approved by motion made, seconded and passed.

BUSINESS FROM THE AUDIENCE:

Robert Rosencrantz commented on a portion of a report that was distributed in December titled, *Seven Trends in Healthcare*. He referred to the Cyber Security and Health IT Costs article that cited "most systems could spend their entire IT budget on cyber security". Robert inquired about the District's state of cyber security. Buzz Price responded, noting that the Board has always been supportive of any requested IT security improvements and there has been no impact from any ransomware attacks; the last one which occurred approx. two years ago. He noted a great deal of IT time and resources have been focused to ensure cyber protection. A cyber security service provided by Barracuda networks captures all incoming e-mail and reviews all links and attachments. Buzz estimates the numbers to be in the thousands of potential malware threats monthly. Our internal security "firewall" is continually updated by the Barracuda service to identify suspect domains and to filter specific words or phrases. We also have two independent off-site backup systems which are updated daily.

Buzz added that our vendor Design IT Solutions hosts a disaster recovery setup in the event of a hardware issue and a third party auditor performs a vulnerability assessment and penetration testing on an annual basis. The audit resulted in only five findings (all of which have since been mitigated). Kim added that cyber liability insurance provides coverage in the event of a breach. Tom W. thanked Buzz and his crew for maintaining due diligence and their proactive efforts to test our systems and keep us secure. He also thanked Robert for the question and noted that system security is virtually impossible to guarantee.

Annual Safety Committee Report – Steve Price, Safety Committee Chairman reported the 2018 Safety Committee activities. Committee Officers are Tim Rumph, Vice Chairman and Candace Abrams, Secretary. Chris Wagar is the District Safety Officer. The Committee meets monthly and Steve extended an invitation the Board members to attend at any time.

The highlights of the Committee's 2018 work were shared: Evade Workplace Training was provided to personnel that are located in high risk areas of the facilities. The goal is to eventually train all personnel. The departmental inspection policy was changed to ensure that each department receives a safety inspection bi-annually. There were 19 L&I claims for on the job injuries; of these, only seven resulted in time loss. A historical departmental breakdown was shared.

Steve reported that we practice and conduct Emergency Code drills throughout the year. There were six Code Stork (OB emergency) drills completed during 2018. Steve provided explanations for Code Blue, Gray, Silver, Red, Amber, Stork and Orange. Fire drills are conducted bi-monthly. Code Blue drills increased to 11 in 2018.

Patient Falls and Medication Errors are reviewed monthly. There were no significant trends identified. Acute care improved their fall occurrence and medication error rates by implementing process improvement programs.

Hazmat will be a focus of education during 2019 to ensure that employees are aware of how to handle situations that could arise. Steve reviewed that accomplishments during 2018; all Code Gray drills were completed in conjunction with the Safety Task Force. Evade training will be offered to all staff members. A Code Gray response team is being formed with the intent to enlist a group that will respond with a show of force to situations that may require de-escalation. Commissioner Garrett noted in his experience it has been beneficial to preface drill announcements with "This is a Drill" in order to minimize confusion.

An electronic incident reporting software program was implemented in November that replaced the outdated "QMM" system. We continue to deploy the Nixle and Net Notify electronic (e-mail and text message) emergency alert systems as a means to notify employees of disasters, hazmat or other hazardous occurrences. The Safety Task Force completed the annual Safety Risk Assessment, overseen by Chris Wagar.

Tim Rumph introduced himself and announced that he has accepted the role of Safety Committee Chairman in 2019. His goals are similar to those accomplished during 2018 with plans to continue and improve the work of the Committee. The Committee plans to engage staff to ensure the safety and security of our facility, patients, staff and community. Tim plans to increase committee member attendance and engage participation in code drills during 2019. Managers will be responsible to

provide annual inspections of their departments with a focus on engaging staff members and prompting discussions to identify opportunities for improvement.

Commissioner Garrett suggested implementing a means to quantifiably measure training goals. Steve and Tim were thanked for the informative report.

### COMMITTEE REPORTS

Joint Conference/Planning – Dr. Jeremy Lewis, Chief of Medical Staff was not in attendance; Tom W. noted there were no significant requests to report on the provider front.

Finance: Casi Densley, Controller, welcomed and introduced Financial Analyst, Kyle Stussi. The financial reports are preliminary with year-end adjustments being calculated for cost report and audit work papers. The DZA auditors will be on site mid-February to complete the accountability audit.

Casi explained that we have historically reported ER physician “face-to-face” time with patients for Medicare cost reporting purposes. As a new means to track that time, we are reviewing an electronic badge monitoring system to be worn by providers that will record the amount of time a physician is in the patient room. Buzz Price explained that the system uses blue-tooth technology, which is optimal as it allows tracking locations by distance, and provides the most accurate reporting method. Casi anticipates that the new system could realize annual savings up to \$185K due to accuracy of the data.

The initial implementation cost is \$10K, with a \$3K monthly software fee. Kim explained that the purchase was not initially included in the budget, but we would like to move on the product because the ROI will pay off the investment in a very short time. She explained that we are required to staff the ED 24/7; however, Medicare will not reimburse our cost for the time spent face-to-face with the patient. Tom W. explained that physician costs (salary, wages, fees, etc.) are excluded from Medicare hospital cost reimbursement; instead we are reimbursed under professional fee schedule payments; a per-unit payment for every visit. However, physician time spent “being available” to treat patients is considered to be a technical component/ED cost and allowable for cost reporting purposes, which is essential because prof. fee payments only cover approx. 30% of our provider cost.

Kim added that another benefit of the system provides the nurses with a badge alert to summon help and the system also monitors and sends an alert when a scheduled provider isn't present. The initial commitment is for one year with renewal option available. Buzz added there are other features to the technology – i.e. asset tracking, etc. The receivers are wireless and do not require electricity or changes to the infrastructure. There was no action required.

The Novatime timeclock system continues to be phased in with 4 departments being added this week. Full implementation should occur by the end of May.

Commissioner Elswick questioned why five of our revenue-producing departments in 2018 had a decrease in census while FTE's increased? Tom W. noted that he would update the FTE review we had done last fall and report back; he pointed out he remembered increases in the clinic due to care coordination; residential care had held steady, and the OR had increased due to added procedures. Kim explained that Diane Anderson has worked to verify statistics reflect actual billable tests (lab) which could be a reason for decrease in census. Commissioner Elswick complimented the Finance and Accounting departments for doing an excellent job.

Quality Assurance – Tom W. noted that the QA/PI Committee is in process to review our monthly KPI dashboard and PI projects. The State surveyors requested clarification of our improvement processes and specific targets and outcomes. Financial and quality statistical data may differ. An update will be provided next month.

Jennifer Allbee, Quality Manager shared an overview of statistical information from 2009 to present. There were 293 surgeries in 2018; 117 more than in 2017. In 2018 there were 506 scope procedures as compared to an annual average of 409 from 2013-2017. Annual deliveries were 79, slightly lower than the 12-year average. Tom W. noted there has been a national decline in overall birth rates nationwide.

There was marked improvement in minimizing patient falls during 2018 with only 6 reported fall occurrences in the acute care unit. The goal is exceed or longest run without a fall occurrence; the department longest run is 183 days. Our overall hospital readmission rate is 6%; compared to the State average of 15.8%. All readmissions are reviewed at the UR Committee meeting and discussed with the Committee physician to determine whether preventative measures were possible. Patient satisfaction scores improved slightly. The Press Ganey survey return rate is climbing and there are plans to encourage patients to return ACU surveys. Jen explained that measuring HCAP scores is a Medicare-mandated condition of participation. 82 surveys were returned in the past year; the facility is eligible for star rating when 100 surveys are returned; Jen plans to meet the quota for star rating eligibility. In 2018, the goal for patients that left without being seen by a provider was set at the State average of 2% - the National average is 3%. 144 patients left without being seen, or 1.9%.

Jen reported that we were awarded a MRSA grant from Coverys after a spike identified in our surgical site infection rate in 2015 (from 0.08% to 2.4%). All elective, pre-scheduled surgical patients were swabbed for MRSA and patients that tested MRSA positive received antibiotics during surgery to prevent any post-operative infection. The infection rate has since decreased to 0.07%.

The State licensing survey was concluded and our Plan of Correction is due on Monday. Another survey team is at River Mountain Village today. Pete reported there were no significant findings under the hospital survey. He noted there was an air flow issue cited and is uncertain whether any major repairs will be required; apparently, this is not uncommon with older facilities. The board extended their thanks to the staff members for a successful survey.

#### SUPERINTENDENT REPORT

QA/PI Program – Tom W. explained, as noted above, the District's program is under review; he will share plan updates as they develop. Much was accomplished in 2018; however we will focus on our targets for 2019 as the speed of change accelerates into 2020-2021.

Tom announced that new ACO participation rules have been published, noting we, along with our four other WA hospital partners, opted out of the RMACO in 2019. A six-month window exists to re-enroll by July 2019, but Tom indicated we will not consider re-joining until 2020 and will be diving back into reviewing ACO plan alternatives over the coming months.

Information related to our regional partnering provider plan w/Better Health Together was distributed. NHHS will partake under all four projects identified under the regional plan. Our participation plan identifies two aim/target statements outlining what/how will be improved, including milestones. Tom noted that Pend Oreille County Counseling will provide our behavioral health services. He explained

that the District is paid 40% to meet our milestones, 40% to measure/meet pay-for-performance targets (4 during 2019 and 4 during 2020), and 20% for an equity component to identify/improve on access disparities. Details of plan milestones for bi-directional medical and BH\_SUD integration, chronic disease management and opioid management were included. A reporting of “funds flow” and pay for performance model components were shared and discussed. In 2019, payments will be approx. \$140K for meeting milestones; \$140K for reporting and \$70K for disparity targets. Over the term of the work, \$160K is earmarked for meeting performance measures with total available funding of approx. \$800K.

Recruitment – Two physicians will be visiting in February – they are a husband/wife team – he is an ED provider and she is an OB/Gyn. They are being recruited to Bonner General Hospital’s ED group and the local OB/Gyn group on Sandpoint; Tom was contacted to determine whether we may be interested in the providers filling 8-12 (12 hour) shifts in our ED.

Dr. Michael Schicker has been providing orthopedic surgery over the past 16 months and the trial has been very successful; he recently accepted a 5-year extension here at NHHS that includes a retention incentive to Dr. Schicker for each additional year of service. Tom noted our service contracts have been beneficial under both our general and orthopedic surgery contracts; procedures have increased while our annual provider costs have decreased – both cost us far less than an annual employment contract. In addition, Tom explained that the Health Care Authority has been steering patients towards “Centers of Excellence” for services. Presently, the only available CoE for joint replacement surgery is Virginia Mason hospital. The intent of the program is to create savings; however the unintended consequence could reduce access. Our existing contract with Dr. Schicker provides us with greater flexibility to exit the contract if the market shifts due to State or other payer mandates.

EMS/Ambulance Services – With the broader goal of maintaining an ambulance service in the County, we had negotiated with Pend Oreille Paramedics to provide limited services in our ED and/or clinic and to supplement facility-to-facility transport services. Tom outlined the basics of the agreement and our intent is to ensure that comprehensive ambulance services are maintained in the community. Tom presented a revised Appendix A to the agreement signed in December. The simple fact is, current rural system reimbursements for Medicare/Medicaid transports are not sufficient to support full 24/365 advanced life support ambulance services. Legal counsel has reviewed and blessed the document and Kim is submitting it to the State Auditor for review.

Tom also provided a County-by-County table of EMS funding support throughout the State. There are only four counties in the State (Pend Oreille being one of them) that has no EMS funding. His goal remains to continue to work with the County, Cities, and Fire Districts to form an EMS District and develop long term support for our EMS – first response and transport in the County.

### ACTION ITEM AGENDA

**Capital Purchase** – Casi Densley reported that the initial amount budgeted for 12 new ALF beds was \$60,000; however, this was not linked to Priority 1 capital. Casi identified \$25,000 allocated for beds in the Kilgore ALF construction budget and our actual quote for 12 beds is \$38,000; so, Casi requested approval for an additional \$13,500 to purchase 12 Hill-ROM beds for the new facility. **A motion made, seconded and passed unanimously approved the additional funding amount of \$13,500 to purchase the beds.** Casi noted that the beds are under order, but will not be shipped until residents start to move into the new facility.

**SCRILS Interlocal/Advisory Agreement** – Tom W. explained that our region’s six counties formed an interlocal agreement with the BHO. Their work centers on behavioral health and the crisis network to ensure they remain viable. The District is a non-voting participant on an advisory board to SCRILS. Commissioner King questioned the benefits of our participation, noting there are many agendas and meetings to attend, but not necessarily ample time to dedicate while maintaining hospital business. Tom W. indicated that and this agreement places us under no obligation and he won’t necessarily need to attend the meetings, but will provide input via other means. **A motion made, seconded and passed unanimously approved participation in the SCRILS agreement.**

**Pend Oreille Paramedics Contract (Amendment)** – Tom is in the process of obtaining complete POP company financial statements and has been in contact with its billing service. **There was no action taken** and Tom will act through the Finance Committee members to vet the information as it is obtained – including final SAO review.

**Capital Expense (non-budgeted)** – We have a dishwasher is in need of replacement – Joseph stated that the initial replacement quote was \$13K for a Hobart machine; however, the only company to provide service is in Spokane Valley and they have yet to come to the facility and deliver a final quote. Joseph does not anticipate the cost to exceed \$13K. Casi explained that a Priority 2 budget item (a refrigerator in the amount of \$20,000) will not be purchased and will be removed from capital consideration for 2019. A motion was made to remove the P-2 budgeted refrigerator, move the \$20K to Priority 1 to purchase a dishwasher (not to exceed); the motion was made, seconded, and unanimously approved.

**Employee Retention Benefit – Weight Watchers.** the Finance Committee discussed the District’s wellness program. Joseph noted that he has allocated funds in his budget for a Weight Watchers program. He explained that 31 employees are interested and another 18-20 potentially interested. The cost is approximately \$3,200-\$4,000 depending upon enrollment for the 30-week program. The program addresses wellness and weight loss. Joseph recommends subsidizing one third (approx. \$80) of the total cost. (\$242) per employee. The higher the enrollment numbers, the lower the cost. **A motion made, seconded and passed unanimously approved the Weight Watchers employee retention benefit.** Commissioner Robertson requested an accounting of attendees.

**CEO Contract/Compensation Review** – Commissioner King put forth a request to move the CEO/Superintendent Compensation to Executive Session as is necessary. There were no objections and the agenda item was moved to the Executive portion of the meeting.

#### EXECUTIVE SESSION

The meeting moved to Executive session at approximately 3:47 pm to discuss personnel matters for approx. 45 minutes.

#### RETURN TO OPEN SESSION

The Board returned to open session at approx. 4:30 pm.

The board reviewed the results of their annual CEO performance assessment, and determination of Mr. Wilbur’s goal setting/target achievement for 2018. A motion was made, seconded and unanimously passed to award 2018 incentive compensation in the amount of \$37,620, not prior to January 31, 2019. In addition, the Board confirmed the CEO salary of \$224,000 for 2019 and all other contract terms stipulated under the CEO employment contract passed via **Resolution No. 2018-02.**

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

**Medical Staff Reappointments:**

Jeremy Lewis, DO – Family Practice Medicine

**Provisional Teleneurology (Offsite):**

Corey White, DO  
Tarvinder Singh, MD  
Yi Mao, MD

**NEXT MEETING DATE**

The next regular meeting of the Commission will occur on Thursday, February 28, 2019 at 1:30 pm.

**ADJOURN**

There being no further business, the meeting adjourned at 4:35 pm.

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

  
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Raymond King, President  
Board of Commissioners  
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Lynnette Elswick, Secretary  
Board of Commissioners