

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

March 21, 2019

In Attendance: Commissioners: Raymond King, Lynnette Elswick, Thomas Garrett, Lois Robertson, Terry Zakar; Tom Wilbur, CEO; Directors: Kim Manus, Pete Peterson, CRNA; Walter Price, Chris Wagar, Susan Schwartz; Michelle Knight, Casi Densley, Diane Anderson, Jennifer Johnston, Jennifer Allbee, Robert Rosencrantz, Steve Maki, Trina Gleese, and Nancy Shaw.

Excused: Dr. Jeremy Lewis, Chief of Medical Staff; 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: February 2019: Net Vouchers #210634 – #211032 and electronic warrants #1905 - 1928 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 February District Write-off's for \$164,427.88.

APPROVAL OF PREVIOUS MEETING MINUTES

The regular February 28, 2019 meeting minutes were approved by motion made, seconded and passed.

BUSINESS FROM THE AUDIENCE:

Mr. Robert Rosencrantz, (audience member) voiced his opinion that we consider assisting our patients and customers in the decision-making process when navigating the complicated health care system. He shared his recent experience involving his mother and suggested that providing a friendly, helpful service to our patients to answer questions would be beneficial. Tom Wilbur agreed, noted that this is an industry-wide challenge, and assured Mr. Rosenkrantz that we are continuing to try and address this issue locally – to provide “service/financial navigation” and the difficulties that the number of insurance plans and options present to the market. It is a very difficult task to way find as an expert service provider, let alone a lay person.

Mr. Steve Mackey (audience member) thanked the Commissioners for their time to address his concerns related to an ER visit he had in July 2018. He referred to a letter that he delivered to the Board members and Tom Wilbur last month and offered to provide a copy to others that may be interested. Specifically, he was unhappy with the level of service provided in the Emergency room. He noted that he has visited the hospital ER many times in the past and his visit in July was not that of

the ER protocol he had grown to trust. In his opinion, this practice places the hospital at risk, as potential medical emergencies could result in an untoward outcome for patients waiting to be assessed (depending upon the severity of the condition). He invited questions from those in attendance.

Commissioner Garrett thanked him for the letter and comments; noting that Steve's request was to point out his negative experience with regards to service and a request for financial adjustment to his bill. Steve stressed that the most important point was to note the lack of communication during the treatment process. The matter will be addressed during Executive Session and the Board members will determine any action upon returning to the Open Session of the meeting. Jennifer Johnston and Pete Peterson also agreed to further discuss the instance with Mr. Maki after the meeting.

### COMMITTEE REPORTS

Joint Conference/Planning – Dr. Jeremy Lewis, Chief of Medical Staff was not in attendance; therefore, there was no report.

Finance: Casi Densley, Controller reported a positive month, noting that our operating budget is on track. She provided detail of Kilgore Construction's schedule of values, noting the building project is 79% complete; when the funds are drawn out in March, the remaining balance in the Construction Fund (bond proceeds) will be approximately \$1.5M. Depending on the next two invoices, we may need to start withdrawing from Board Designated Funds on the project. This was not unanticipated and the latest project reconciliation will be compiled by the Finance Department next month.

Quality Assurance – Jen Allbee explained that she has been working with Laura Davis on a sepsis infection monitoring project. This measure is being reported in conjunction with the WA Rural Health Collaborative. The report was also shared with the Medical Staff this morning.

Jen explained the criteria for initiating the sepsis protocol for patients presenting to Acute Care or Emergency with a suspected infection: two inflammatory responses and Lactaid higher than 2.0. IV antibiotics would be administered within an hour, an IV fluid bolus, repeat of the Lactaid within 6 hours and a volume fluid and tissue perfusion assessment, etc. Thereafter, depending upon the severity, the patient would be transferred to Spokane, admitted, or discharged to home. The physicians support the protocol and Jen will provide updates as data is collected.

The 2019 Quality Plan was included in the packets for approval. Tom W. noted that approval will be addressed under Action Items.

### SUPERINTENDENT REPORT

Tom W. explained that the Healthcare Safety Zone incident reporting software has been implemented and is working well – based upon the number incidents reported. We are very happy with the new software – staff is engaged with the process. QA/PI project reporting is being reworked and we are focusing on improvement projects that are documented, measurable and meaningful. Routine reporting will now go through the QA/PI Committee and key projects/initiatives will be shared with the Board on a regular basis.

Tom noted our QA/PI Plan document focuses on three key components (QA, PI, and complaint resolution) and as managers/staff identify issues requiring attention, we utilize a Plan, Do, Study Act method to initiate projects. Commissioner Zakar represents the Board on the QA/PI Committee and the District-wide program is managed by Jen Allbee, RN, Quality Manager. QA/PI projects/results are tracked with outcomes being reported to the QA/PI Committee and management team and Directors.

In addition, any issues that arise that may comprise risk management/provider outcomes – a subset of QA is conducted via independent Medical Clinical Peer Review – this is done through Medical Staff where Lois Robertson participates as the Board representative. The Joint Committee addresses issues involving patient care as it relates to providers and performance – the entirety of that process is also guided by the Med. Staff Bylaws and Rules & Reg's.

ACO Options – As discussed last month, new rules were published on a limited basis in Dec.-Jan., and final rules were published in February. We had reviewed the prospect of joining a “mega-ACO” (greater than 100K lives) with 25-50 partners. Our 2016-18 ACO participants learned much and determined there was no benefit to joining an ACO in 2019. Realistically, we have determined that it is presently not feasible to manage a population, but we will still continue to try and implement the work and review the VBP measures. Participants in the Caravan model would pay \$5 per member, per month (PM/PM = approx. \$120,000) and Caravan would collect the first 10% of any savings under the mega-model.

Tom W. noted that we remain confident that we can do the VBP work, and pointed out that our quality measures produced positive results; however, any savings would be nominal (by the “mega” design) and with the first 10% deferred to Caravan. So, at this point, it was collectively decided by the five WRHC hospitals that we would opt out of 2019-20 ACO participation. We will continue to perform comparative measures and report them and there is a collective effort underway to obtain cost data, as well. Tom explained our ultimate goal is to form a Washington-based rural ACO under a self-directed clinical integrated network (CIN).

1115 Waiver – instead of the ACO (Medicare), we have switched our focus to our Medicaid lives and the 1115 Waiver projects; our BHT Partner Provider plan has been submitted and we will be signing our BHT contract. The four plan goals are to: 1) integrate behavioral health substance use disorder treatment with medical care; 2) care coordination –all services; 3) managing chronic disease, and 4) address the opioid crisis. Through our community partner network we are beginning to track all opioids prescribed across the community. The potential funding under the program is approx. \$700K over 3 years. Tom remains confident that we are well ahead of the curve and will be eligible for the core funding of \$350,000 in 2019, which is the fixed amount for completing our partner plan measures. There is also some bonus funding (\$140,000 paid out in 2021-2023) based upon results; however, it involves the entire region and whether Spokane and five surrounding counties meet the benchmarks. We are not necessarily counting on that funding at this time.

RMV-Advanced – July 9<sup>th</sup> has been slated for our date to move into the new building. Susan reported that she anticipates it will take one to two days to move the residents. Tom noted that the Dept. of Health will conduct the initial survey, ALTSA will approve the building and program, and DSHS will issue our license and contracts. Again, our goal is to “trade in” our long term care beds for guaranteed AL/EARC rates for our first 60 months of operation.

A group met with a home health company from Spokane who is licensed to serve Pend Oreille County; the meeting was very positive and we have committed to work out a variety of details, including accessibility and durable medical supplies (to be furnished by a supplier).

Commissioner Garrett inquired whether the project is on schedule; Tom indicated the keys are still scheduled to be turned over to us on May 31; with a planned move-in date of July 9<sup>th</sup>. We expect that should allow ample time to complete any outstanding punch list items, ensure that staff is trained, and all equipment is operational.

Recruitment – We received an inquiry from a FP/Surgical OB physician working out of Nebraska, but with recent flooding, he has not been able to move forward. Cheryl Bailey, a Psych-ARNP began seeing patients. Tom has engaged in conversation with physicians from the Pend Oreille River Emergency Medicine group (cover BGH and Bonners Ferry).

Legislative Update: The State has a budget shortfall (never unexpected); but the economy is holding strong. The McLeary settlement and subsequent funding fall-out still remains up in the air. There are no specific health care related funding cuts to discuss at this point, but there are still a couple months left for the current session. Tom will update the Board as more information comes available.

A new, fixed payment system has been discussed under as part of HCA's 1115 Waiver process – it is based upon historic costs. Tom and some other WRHC members have reviewed cost report data to determine possibilities, but the feasibility of the option remains in question. He briefly explained the proposed scenario, based upon the data available under existing reporting systems, and noted the difficulties relating to methods of cost verification and breaking down separate service lines – not all would be included under a contract. Tom discussed the possibility of conducting an education session with the Commissioners to explore cost-based reimbursement (all payors) and Medicare cost report.

Capital Facilities Planning – An analysis of facility spaces was presented outlining broad concepts and past accomplishments. Options, alternatives, and pros/cons were shared relating to the available space in our Circa 58' and LTCU buildings. In the past, considerations included physical therapy, sub-specialty providers/visiting clinics, and office/support spaces. The analysis included square footage details of the Circa-58 hospital, cafeteria/dietary, LTC, and patient financial service area. Potential uses and current square footages were outlined for physical therapy, visiting clinic, HIM/RN, admin/PFS, and accounting offices.

Updates will be required to address deficiencies in the HVAC, exterior/interiors, roofing and e-power. A re-design of the radiology department is extremely cost-prohibitive and likely not feasible. An increase in ED volumes warrants consideration of expanding our number of exam rooms. In looking towards future planning, Tom discussed the concept of creating a wellness "hub" to encompass behavioral health, substance use disorder and medical care; the plan will address parking, access, and ease of way-finding.

Tom explained there is approximately \$3M owing on the new clinic building (original cost \$5M+). The new ALF project debt service is \$9.2M (covered by special levy) on a \$12.1M project. Tom shared the historical cash balance data since 2013. Net cash flows have offset the excess cost to construct the new clinic and RMV and all routine capital for the last five years with no erosion in cash reserves – to the contrary, cash reserves have increased. There are no future plans for any major new construction and year-over-year remodel projects are anticipated to be more financially manageable.

Next steps are to produce a schematic design including cost estimates. However, our first order of business will be to conduct soils testing around the campus – for future remodel consideration and parking lot expansion/development.

### ACTION ITEM AGENDA

**Reauthorize 2019 Quality Plan** Via motion made, seconded and passed unanimously, the District's 2019 Quality Plan was reauthorized with updates.

**Capital Purchase – Portable Floor Scrubbers for Clinic** – Via motion made, seconded and passed unanimously, \$10,685 plus tax/shipping, was authorized for the purchase of floor scrubbers and accessories.

### OTHER BUSINESS:

The Board will attend an educational session next month related to the Open Public Meetings Act, a 4-year requirement for Board Commissioners.

### EXECUTIVE SESSION

As permitted by RCW 41.05, the meeting was moved to Executive Session at 2:53 pm. for approximately 15 minutes to discuss a concern with Steve Maki, audience member and credentialing matters.

### RETURN TO OPEN SESSION

The Commission returned to Open Session at approximately 3:15 pm. Per the recommendation of the Medical Staff Executive Committee, the Commissioners approved:

### Resignations:

Sara Ragsdale, DO – Emergency  
Jeffrey Isperiscu, MD – Pain Management  
Emergency Medicine (Privileges expired): Cody Ellefsen, DO and Randall Fryer, DO


### NEXT MEETING DATE

The next regular meeting of the Commission will occur on Thursday, April 25, 2019 at 1:30 pm.

### ADJOURNMENT

There being no further business, the meeting adjourned at 3:20 pm.

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



Raymond King, President  
Board of Commissioners



Lynnette Elswick, Secretary  
Board of Commissioners