

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

May 23, 2019

In Attendance: Commissioners: Raymond King, Lynnette Elswick, Thomas Garrett, Lois Robertson, and Terry Zakar; Directors: Kim Manus, Pete Peterson, CRNA; Susan Schwartz, RN; Chris Wagar, and Walter Price. Casi Densley, Controller, Jenny Smith, Candace Abraham, Bob Eugene, Robert Rosencrantz, Trina Gleese, and Nancy Shaw.

Excused: Dr. Jeremy Lewis, Chief of Medical Staff; Tom Wilbur, CEO.

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. Commissioner King announced that the Charity Program Annual review will be postponed until the next meeting. Jenny Smith will present the Pend Oreille County Community Health Needs Assessment.

The following consent agenda items were approved as presented by a motion made, seconded and passed.

Auditors Report: April 2019: Net Vouchers #211430 – #211787 and electronic warrants #1949 - 1969 in the amounts of \$1,715,336.64 and \$1,861,477.52, respectively, plus an automatic loan payment deduction of \$40,000 for a grand total of \$3,576,814.16.

Bad Debt/Charity Care: all-inclusive March District Write-off's for \$192,978.00.

APPROVAL OF PREVIOUS MEETING MINUTES

The regular April 25, 2019 meeting minutes were approved by motion made, seconded and passed.

BUSINESS FROM THE AUDIENCE:

Audience member, Robert Rosencrantz posed a question regarding whether a separate committee exists as a decision-making structure to address real estate transactions. Commissioner Elswick explained that she and Commissioner King participate in the Finance Committee meetings and discuss options/purchases that may benefit the District. A process is followed that involves Executive session discussion prior to any final decisions. Robert was thanked for his interest.

Jenny Smith, Marketing and Foundation Director presented an overview and update of the work of the Pend Oreille Health Coalition (POHC). The group works together and pools resources to improve efficiencies and the overall health and well-being of the community. Jenny explained that the Health Care Authority designated 9 Accountable Communities of Health (ACH) throughout the State. Newport Hospital and Health Services participates in the Better Health Together ACH. Each ACH receives Medicaid waiver funds to transform health care for Medicaid clients in our region. Jenny worked on the BHT Leadership Council and attends learning cohort meetings, alternating with Chris Wagar; Kim Manus participates on the Waiver Finance Committee. The POHC is comprised of a 70 individuals, most representing local and regional organizations. A smaller, local group of 15 POHC

members comprises the collaborative MOU partners, (officially called the Pend Oreille Collaborative) who work to accomplish important County healthcare transformation planning, initiatives and activities.

At this time the group is paid for reporting, when previously the funding paid for planning. The group is currently acting on a grant opportunity with Rural Resources, NE Tri County Health District, and Spokane Regional Health District Data Center to finalize a Pend Oreille County Community Health Needs Assessment. Jenny offered to e-mail the report to the members of the Commission. The group is addressing data center/gathering issues; Dr. Kersting has been proactive in identifying the gaps and recommending solutions.

As a result of the assessment, the Pend Oreille Collaborative (of approximately 15 members) identified the following topics as priorities for Pend Oreille County: 1) mental health; 2) access to healthcare; 3) chronic disease; 4) child abuse and neglect; 5) bullied youth. A summary of the criteria for prioritization and assessment results related to the top issues including definition and weighted value was shared. The next meeting is scheduled for June 19 at noon at the Camas Wellness Center; Jenny invited the Board members to participate. She noted the final result and goal will be to publish a Community Health Improvement Plan, which implements local solutions/activities to address the top priorities. The PO Health Coalition has moved to quarterly meetings and will meet July 10 at Newport Health Center from 3-4:30 pm. Latest work with the Opioid Workgroup included a SWOT analysis to address the opioid crisis, which has identified some beneficial local activities. The Board members thanked Jenny for her report.

#### COMMITTEE -REPORTS

Joint Conference/Planning – Dr. Jeremy Lewis, Chief of Medical Staff was not in attendance. Kim indicated administration will reach out to see if a spokesperson could be selected to report on behalf of Dr. Lewis and the medical staff when he is unable to attend the meetings.

Finance: Casi Densley, Controller reported the latest financial information, noting that IP days, clinic visits, OB deliveries were significantly increased during April, resulting in a positive impact to the bottom line. The department will begin tracking Days in AR in an effort to reduce them to a goal of 45. As we consider transitioning to the EPIC system, Casi noted that receivables will not transfer to the system; therefore, AP will be managing two systems.

The DZA audit is almost completed; financials will be available next week. A preliminary cost report was received this morning, with a receivable of approximately \$581K. Software updates are in the works include: SecurePay for credit card, check scanning/processing, which is expected to improve the overall deposit process. Point-Click-Care, the billing software for RMV is transitioning from the Meditech system. There are approximately 240 employees using the new Novatime timecard system; the final departments to transition are those with shift differential status, due to calculation issues.

Walter “Buzz” Price reported that VersaBadge is a passive time collection system for ER physician tracking in patient care areas. Receivers in the trauma and exam rooms, etc. monitor the amount of time the physician spends with the patient providing care or charting. The transmitter badge tracks a combination of proximity and activity; the expectation is that the utilization numbers will change dramatically and increase reimbursement. Kim added that administrative time can be claimed as a cost; as direct patient care is not allowable for cost reporting/reimbursement purposes. Buzz noted

there will be a trial period for several weeks to determine whether there may be any issues. The system has many other applications, such as logging time for shared medical equipment, etc.

Kim Manus announced the Certified Public Accounting firm of Dingus, Zarecor & Associates (DZA), (the District's third party vendor that performs our State audit) will present the audited financial statements at the August meeting of the Board.

Casi noted that once the fund transfer occurs to pay the most recent progress payment to Kilgore there will be approximately \$100K remaining in the RMV Construction Fund. As previously authorized by the Board, all remaining owner/project costs will be paid using Board-Designated Funds. Casi will continue to update the Board members on a monthly basis until project completion.

Quality Assurance – Jen Allbee was not in attendance; therefore there was no report. Pete Peterson explained that the departments are working on their performance improvement projects.

Members of the Board commented that the Press Ganey statistical data is positive and wished to convey their compliments to the team. Commissioner King shared a recent experience of his daughter who was a patient in the ED; she and her spouse were very impressed with the care provided by all the staff members.

#### SUPERINTENDENT REPORT

Kim Manus presented the report on behalf of Tom Wilbur, noting that he sent strategic planning information to the members of the Board. There remain many questions related to future plans for the vacated LTCU building space; office space is under consideration with additional room for potential physical therapy space – albeit temporary, as the existing space will likely be remodeled.

ALF Project – The project is on target; Kim explained regulations require a 60-day closure notice to be sent to our residents, as well as the appropriate State and Federal agencies. Notices are planned to be sent out on June 1, as the target opening date for the new ALF is August 1. Under Federal regulations, we are not permitted to admit any new residents to the existing LTCU facility during the 60-day time frame. Census is currently 38 with 3 anticipated admissions next week. Kim announced that the Chewelah LTCU facility will be closing; the official closure date has not been selected as the facility is working on transitioning their residents to new locations. We have informed Chewelah that our facility can accept admissions until June 1. Admissions after this date will be made directly to the new assisted living. The Veterans Administration has received notification regarding the facility closure and the contract is in the process of being cancelled.

Kim explained that our initial negotiations with the State outlined our care model and that it will include total assistance with daily living activities using lifts, assistance with feeding, bathing, etc. Also, coordination with the Home Health agency servicing the Newport area will allow nursing services outside the assisted living scope to be provided to our residents; this includes tube feeding, wound care, and therapy services. Susan Schwartz explained that the standard requirement for most assisting living facilities require the resident to provide a payment to cover the first two-years of service at the time of admission to the facility. Our assisted living will accept residents for all payor categories with no restrictions on minimum “private pay” status. Kim has calculated a daily rate based upon the services we plan to provide, staffing levels, salaries and benefits. The request has been submitted to the State to set our rates at \$175 per day. This is significantly higher than the average

assisted living rate. Indications from the State have been favorable at this time. The enhanced rate is offered due to the fact we will not “bank” our nursing home beds, but actually will relinquish them. The State legislature recently enacted a provision designed for this purpose. Under the regulation, the enhanced rate will be set for up to 5 years. At this time, the State has indicated the rate cannot be confirmed until the building is inspected and licensed. Once the facility is full, the State will see a significant reduction in the amount paid to provide care to the Medicaid residents. The average Medicaid occupancy level has trended in the eighty percent range. The savings to the State under the \$145 model would result in approximately \$1M in the first year. Susan Schwartz added the cost for the District to provide the care to the residents will decrease, as the District will realize substantial savings for medications and supplies – i.e. briefs, attends, bed pads and other durable medical equipment. It was also mentioned we are anticipating an increase in swing bed patient volumes on the ACU, as patients qualifying for coverage as “Medicare Skilled” will receive care in the acute care unit once the long term care unit is closed.

Kim noted the property located on the corner of Fea and Spuce (immediately behind the clinic) has been negotiated and the terms of the purchase will be addressed under Action Items.

Chris Wagar attended a recent WSHA Legislative Webcast and she provided a review as follows: The Governor signed the budget on Tuesday. The Washington State Hospital Association (WSHA) highlighted the following items: no B&O tax increase for acute care hospitals; no cuts to hospital payments; WSHA’s request for additional funding for behavioral health treatment was partially funded, the RHAP funding was extended for CAH’s and the hospital safety net assessment was extended.

Legislative Update: Chris Wagar reviewed the House and Senate bills that passed Legislation as follows:

- HB 1394 provides funding for continuum of care for long term psychiatric patients, increases rates and provides State capital funding and funding for intensive outpatient care – which is currently not funded as a Medicaid benefit.
- HB 1531 relates to medical debt: pre-judgement interest is reduced from 12% to 9% and prohibits bench warrants. Collections are not permitted until 120 days after the first billing (formerly 90 days). Collection agencies must provide notice prior to assessing interest and cannot generate any adverse credit reports for at least 180 days after the debt is assigned. Information must be provided related to charity care and collections must cease if a charity application is pending.
- HB 1602 relates to consumer debt, reducing post judgement interest from 12% to 9% and reduces the amount available for garnishment.
- HB 1175 expands WA State law to allow an increase of family/friends to make medical decisions on behalf of patients and amends Advanced Directive law to allow notaries to witness Advanced Directives.
- HB 1931 – Workplace Violence Protection, which requires an annual review of workplace violent events in a facility, requiring development of a prevention plan that must be revamped every three years at a minimum with an annual review. Annual training is required for all employees and includes volunteers and contract staff.
- HB 1155 – requires uninterrupted breaks affecting LPN’s, RN’s and a variety of techs. Also, mandatory callback is limited and cannot be used in lieu of scheduled employees for regularly scheduled shifts (unless there is unexpected staff absence or irregular changes in patient

needs). An option must be provided for an 8 hour rest period after a 12 hour shift. The law takes effect January 1, 2020 for nurses and July 1, 2020 for techs; CAH's are required to participate by July 1, 2021.

- HB 1874 relates to family-initiated treatment to increase behavioral health services for adolescents and expands the definition of parents, outpatient services and clarifies when providers may disclose mental health treatment to parents without consent.
- HB 1065 prohibits balanced billing out of network for ER services, anesthesia, laboratory, radiology, surgery if provided at an in-network hospital. Payors are subject to reasonable with arbitration process, if disputed and applies to fully-insured plans, PEBB, and SEBB. Self-funded plans may elect to opt-in. Carriers must make information available through benefits and eligibility process. Hospitals and providers must post on websites lists of carrier networks that are in-network. Hospitals and providers are required to post a notice of consumer rights on websites and throughout buildings. Hospitals must publish a list of non-employed groups providing ER and ancillary services as part of the carrier contracting process.
- HB 1607 applies to mergers or acquisitions.
- SB 5526 The Governor and Rep. Cody signed an act relating to individual coverage on the Exchange using Apple Health, aka Cascade Care – plans will be available on the Exchanges for individuals to purchase.
- HB 1854 – establishes consumer rights and obligations on data processors. It includes rights of correction, restriction of processing, ceasing of processing, portability and disclosure, and the right to delete information from their medical record – the bill was vehemently opposed by WSHA and died in Session.
- HB 1016 & 1166 – requires facilities to have access to sexual assault nurse examiners within 2 hours of presentation to a facility or must be specifically directed to a facility that provides the services. 1166 is a moratorium for destruction of unreported kits and also contains a survivor Bill of Rights.
- HB 1450 – Non-compete agreement relates to agreements with employees that they will not work at other hospital facilities. The bill prohibits non-compete agreements unless the employee earns greater than \$100K per year or an independent contractor earns more than \$250K per year. Terms must be disclosed before the employment offer is accepted and presumed unenforceable if longer than 18 months.

There were 2,200 bills introduced for this Session; WSHA reviewed 380 of these bills as they continue to advocate for Washington hospitals.

### **ACTION ITEM AGENDA**

**Real Property Purchase – 831 W. Spruce Street.** Following discussion, a motion made, seconded and passed unanimously approved the purchase of property located at 831 W. Spruce Street in the amount of \$130,000.

**Resolution No. 2019-03 Surplus Property -** Via motion made, seconded and passed unanimously, Resolution No. 2019-03 was approved, authorizing the surplus of property no longer needed for District business.

### **OTHER BUSINESS:**

Jenny Smith announced three new Board members have joined the Foundation – Jenny Cooper, Denise Stewart and Gay Lewis. The Donor Wall will be completed in June. Jenny also announced the

Foundation recently received a \$10K donation from Food for our Children, of Sandpoint for the snack bag program. Lynnette Elswick noted the Newport Rodeo Association has indicated they will sponsor a tree for the Festival of Trees event. The Rodeo Association celebrates their 70<sup>th</sup> anniversary this year.

The annual WSHA Rural Hospital Summer Workshop will be held in Chelan on June 24-26, 2019.

The ALF Open House will occur on June 28, 2019 at 10:00 am for the ribbon cutting ceremony and tours to follow.

NEXT MEETING DATE

Via motion made, seconded and passed unanimously, the regular meeting of the Commission on Thursday, June 27, 2019 at 1:30 pm. is **cancelled**.

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

ADJOURNMENT

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

Minutes recorded by Nancy J. Shaw, Administrative Assistant and Kim Manus, CFO

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