

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

December 19, 2019

In Attendance: Commissioners: Raymond King, Lynnette Elswick, Thomas Garrett, Lois Robertson, Terry Zakar; Robert Rosencrantz, Susan Johnson, Tom Wilbur, CEO; Directors: Kim Manus, Walter Price; Chris Wagar and Pete Peterson; Controller, Casi Densley; Diane Anderson, John Stuiwenga, Jenny Smith, Jen Allbee, Nancy Shaw, Marianne Nichols, and members of Bluetree Consulting, Jeannie Pomi, Director and Michael Esterl.

Excused: Dr. Jeremy Lewis, Chief of Medical Staff; Susan Schwartz, RN, RCS Director;

CALL TO ORDER:

Chairperson Raymond King called the meeting to order at 1:30 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 Agenda was updated with two Action Items: EPIC software license purchase and Final 2020 Budget approval.

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

Auditors Report: November 2019: Net Vouchers #214427 – #214866 and electronic warrants #2114 - 2134 in the amounts of \$1,430,060.01 and \$613,461.85, respectively, and an automatic loan payment deduction of \$40,000 for a grand total of \$2,083,521.86.

Bad Debt/Charity Care: all-inclusive November District Write-off's for \$203,387.55.

APPROVAL OF PREVIOUS MEETING MINUTES

The regular November 21, 2019 meeting minutes were approved by motion made, seconded and passed.

BUSINESS FROM THE AUDIENCE:

Members of Bluetree Consulting firm, Jeannie Pomi and Michael Esterl were welcomed and introduced. The company provides consulting services associated with selection and implementation of EHR platforms. Michael stated that it can prove to be a long process as Bluetree outlines job responsibilities and develops policies. Michael and Jeannie stated the importance of ensuring that our needs are being met, especially if we are considering the addition of service lines to the mix during or after implementation. It was noted that Providence Health had purchased Bluetree near the date of our contracting with Bluetree, but we are very confident that an arm's length service is being provided.

Michael named the team members at Bluetree who have been working with groups and members at NHHS who will be involved with our transition from Meditech to EPIC. He stressed the need to review a multi-year plan (not only for NHHS, but Providence as well). All functionality and customizations are based upon "Best Practice." Other sites that are supported by Providence are not necessarily Full Connect sites; they tend to deploy internally first and then deploy to the Connect sites. Jeannie created a

5-year Cost of Ownership report – including both one-time and ongoing expenses. The initial 2020 payment to Providence and payments through 2025 were detailed: the grand total of \$6.6M includes a one-time cost of \$3.3M; annual maintenance and capital costs over 5 years of \$3.3M; this takes into account offset costs of \$1.8M (these will eventually fall off as GE Centricity and Meditech systems are replaced).

Providence's totals = \$3.7M; include a one-time licensing cost of \$1.8M, net of a 15% subsidy (\$300K), administrative fees and a 3% increase of annual maintenance fees, and other licensing, interfaces, conversions, and 3<sup>rd</sup> party system contract requirements (e.g.- clearinghouses that are specific to the EPIC platform). As a total package, the costs are kept as low as possible by integrating with select vendors, managing contracts, etc.

Jeannie explained that professional fees for informaticists, physicians, build teams, infrastructure, and 3<sup>rd</sup> party optionals were not required, but available. Conversion costs are included in the model. One time fees were reviewed per category – i.e. equipment replacement, prescription printers, etc. Training costs were estimated and these were reflected for the implementation cost. Jeannie stressed the need for Informatics staff – ideally, 3 staff members: at the clinic, ACU, and billing office. A 10% contingency is reflected in the budget figures to factor an adjustment that will accommodate impacts to provider's productivity during the transition.

Offsets – Jeannie reviewed the offsets - these are costs that will eventually drop off as the EMR is implemented. Kim added that the first year figures were very conservative, and factored our contract commitment terminations into 2021. Buzz noted the offset considerations were those that were absolutely known and not estimated. It was noted that INHS costs will be offset; however the amounts have not yet been determined. Our average monthly payment to Engage is \$32K for Meditech support.

Timeline targets have been established to proceed with full implementation, including G/L, accounting, HR, and finance systems. Jeannie noted that Engage offers a service that would allow us to remain on the Meditech system, though Buzz added that the Engage/Meditech model will eventually become obsolete. The HR/Payroll/Supply chain will be implemented by October 2020; in August 2020, the EMR Providence implementation will commence for six-months and go live January 2021. July 2021 would be the second choice/opportunity for implementation.

Buzz explained that the EPIC Community Connect version is reasonably priced with a quick implementation timeline due to prior experience. We anticipate adapting our work flows strategically to implement as soon as possible. Readiness activities will involve staff education and adopting the new system features and requirements.

Questions were raised regarding cost estimates; Buzz stated that the estimates should be very close to the true cost of the system implementation; he noted it was very prudent to hire the experts from Bluetree. He also noted that under STARK requirements, we will pay 25% (of \$1.8M) for the licensing fees owed to Providence at contract signing and will need to pay the remaining 75% prior to going live. Kim noted that we have options for paying including financing (approx. 4.2% interest). It was agreed to pay the 25% up front in order to receive the 15% subsidy on the licensing fee.

Jeannie and Michael were thanked for the informative presentation.

COMMITTEE REPORTS

Joint Conference - Dr. Lewis was not in attendance at the meeting; there was nothing significant to report.

Finance: Casi Densley, Controller reported we realized an additional reimbursement of \$46K as calculated by the interim cost report for the first 7 months of the year; annualized is estimated to be \$70K. Our final nursing home cost report was also completed and submitted in December.

Casi complimented staff members, Diane Anderson and John Stuvenga for their efforts in detailed tracking of the LTCU building costs that included breakdowns of specific line items - all which have been capitalized in detail. The CIP is also completed for property and equipment for the new facility.

The State Auditors reported they will conduct a further investigation into the business practices of Integris, a company contracted by the District to provide quarterly maintenance services. Otherwise, there were no findings based on the audit of our accounting, financial statements, etc. Casi anticipates the State Auditors will likely schedule the follow up audit after the New Year.

Kim explained that Travis Williams, former District Plant/Maintenance Manager enlisted general contracting services of Integris and the State Auditor was focused on determining if the District received all services for the charges invoiced by Integris and sub-contracted parties. Integris' bookkeeping practices did not supply complete documentation; in addition, once we identified a potential problem, Travis quit his employment with the District – making it difficult to find all service documentation. If it is determined that the District did indeed incur a loss, the State Auditor Office will provide representation on the District's behalf (pay attorney fees) as well as pursue reimbursement of those losses from Integris and possibly Mr. Williams.

As shared last month, Casi stated that under our recent annual audits, DZA reported that, due to our limited number of staff, certain controls around check verification were a concern. To better ensure compliance, Casi implemented an automated system that verifies all checks (number, amount, and date) with the local bank electronically – to verify submitted vs. cashed. She reported the State Auditor's Office submitted written verification (to be provided to DZA) indicating that these controls are now in place.

Quality Assurance: Jen Allbee, Quality Manager presented comparative data taken from the Press Ganey patient satisfaction survey scores.

Overall, we remain above the average for inpatient scores with the exception of Quietness of Hospital. Jen reviewed the comparative data scores for NHHS, State and National averages.

The hospital Star Rating is reported via MBQIP separately and is not factored in the reports that Jen presented. The overall hospital rating is 78%; State average 72% and National Average is 73%. The Willingness to Recommend ratings: 83%; vs. 72% State and 72% National.

Jen explained that the patient satisfaction surveys are sent directly to our patients randomly; Press Ganey submits the responses on the District's behalf – this ensures that the data cannot be changed or manipulated.

Following a question from Jenny Smith, Jen explained that CMS uses a 5-star rating system for Medicare hospital providers, with 5 being the highest score. Jen received notification from CMS that Newport Hospital will receive a 4-Star rating in 2020 (up from a 3-Star in 2019). The information is published on the CMS Hospital Compare website.

The Board members thanked Jen for the informational report and updates.

#### SUPERINTENDENT REPORT

Tom W. deferred to Kim Manus for a final overview of our 2020 operating and capital budgets. Kim explained the remaining items confirmed our Milliman Salary Survey changes and the impact for changes to employee benefits, subsidies and dependent coverage. Kim noted there was a slight decrease in changes to the benefits; dependent coverage was less than anticipated by the initial employee survey. In addition, there was also consideration of staffing changes specific to the EPIC transition (addition of three Informatics staff).

Kim provided handouts of staffing (FTE) from 2014 through 2019 (pay period 24) and comparing to the 2020 budget. Increases were attributed to the addition of a Clinic provider, medical assistants, and support staff as well as increases in the Surgery department due to volumes. The three Informatics positions were in Nurse Admin., Finance, and Clinic. Kim noted that elsewhere we are holding to 2019 run rates and are not adding staff; though the doctors are requesting additional medical assistants and extra staff may be required due to the EPIC transition.

RMV Advanced Care – Kim noted it has been challenging to determine an FTE budget for the new facility, since it has been operational for only five months. She noted that actual FTE staffing levels from Aug 1 through current have been higher than anticipated – due to start-up, training, and increased admissions. We opened at 32 and the current census is 52. The budget does not reflect revenue for a 4<sup>th</sup> neighborhood and any furnishings are listed as Priority 2; to be requested/approved by the Board, if it occurs. Kim noted that Susan Schwartz would not consider opening the 4<sup>th</sup> wing until there are twelve residents on the waiting list. Tom W. noted that 27 residents have moved in since August 1; overall, operations are beginning to smooth out and progress on the new facility since opening is great.

Capital expenditures: Kim explained that the budget presented reflects net cash flow from all sources and includes all Priority One capital items and noted that the EPIC purchase is not listed on the capital list. In addition, she anticipates there will be cash flow implications (a reduction of cash on hand), the reality of moving to a new EMR system. Kim reminded the Board that P-1 items are pre-approved by the Board for purchase in 2020 while P-2 items are listed as potential purchases – items that are near/at end of life, but will be brought back to the Board for final approval before purchase.

EPIC Transition - we must ensure that our ancillary technology (telemetry, monitors, IV pumps, fetal monitors, electronic storage, etc.) is up to date. Kim noted that our ultimate goal is to have all documents in one electronic format rather than multiple. Savings and efficiencies will be gained once we have a one-stop registration/ordering/data recording process; however, no saving would be incurred until 2021. Kim noted that we have been very conservative about listing specific items. Tom W. noted there will be always be caveats to any budget, but he extended his compliments to the Accounting team for a job well done, noting that their budgeting track record is impeccable.

Kim also noted that we have not yet paid for the mammography machine; construction review approval is pending from the State, but should be complete no later than February.

Tom W. extended his thanks to Commissioners Raymond King (10 year) and Thomas Garrett (20 year) for their contribution and service to the community and hospital district. He also personally thanked them for their mentorship and guidance to him during his tenure with the District. They will both be missed.

2020 Strategic Planning: Tom W. referred to our three major strategic objectives: 1) EPIC platform and accounting software system conversion; 2) joining a next iteration Medicare ACO; w/final decision due July 20' and Jan. 21' start; and, 3) developing a 10-year capital/facilities plan. Tom noted the Directors completed a building walk through with David Mall, Plant Manager to determine the feasibility of retrofitting our Circa 58' building or starting over from scratch. Tom would like to work toward a June facility plan to determine the building factors and desired services/scope to be developed.

Tom plans to meet with our leadership group in January during a retreat to review historical data, determine future plans, and assess next-generation building concepts. He noted he is looking forward to 2020 opportunities: expanding home health services, addressing the opioid crisis and developing our partnership with Pend Oreille County Counseling. Tom noted that as a group, it is unlikely that we will be in a position to address any other major goals other than the three priorities mentioned. He will involve the Board as we move forward and encouraged them to ask questions throughout the process.

After the first of the year, Tom will meet with the Board and managers to determine dates for a Strategic Planning session and update the members on current plans. A Board retreat is planned in early March to review timelines and present a complete outline.

Recruitment/Retention - our FT OB replacement for Dr. Kersting will not begin working until Q3 '20. A gap replacement provider is in the queue, but has not yet obtained her license. Tom has also received a request for support from members of the N. County Hospital Dist. #2; other possibilities are in the queue for recruiting mid-levels in July '20. We will also continue to explore functional telemedicine opportunities, due to staffing shortages.

### ACTION ITEM AGENDA

**2020 Commissioner Assignments/Confirmations.** Following discussion, a motion made, seconded and passed unanimously confirmed and approved the 2020 Commissioner Board nominations:

Board Positions:

Chair: Terry Zakar

Vice Chair: Lynnette Elswick

Secretary: Lois Robertson

Committee Appointments:

Quality/PI: Terry Zakar

Marketing: Terry Zakar

Safety: Susan Johnson

Committee Appointments (cont.):

Personnel/Insurance: Susan Johnson

Compliance: Lynnette Elswick, Terry Zakar

Finance: Lynnette Elswick, Robert Rosencrantz

Medical Staff: Lois Robertson, Lynnette Elswick

Capital/Facilities: Robert Rosencrantz, Lynnette Elswick

Ethics: Lois Robertson, Susan Johnson

All appointments will be effective January 1, 2020.

**Observance of 2020 District “Legal Holidays”** – per RCW 1.16.050, municipal corporations must list the legal holidays observed for each calendar year. There were no changes to the standard six recognized District legal holidays. Resolution No. 2019-11 was approved unanimously.

**EPIC Contract** – Kim requested approval to contract with Providence Health Services for purchase of the EPIC electronic health record platform, as discussed; she noted that we are scheduled to begin the implementation on January 23 and if not approved, we will need to re-schedule. A motion made, seconded and passed unanimously approved purchase of the new EPIC EMR system.

**2020 Revised Annual Budget** – Tom W. clarified that a preliminary budget was approved at the November 15, 2019 meeting of the Commission; a revised budget was presented at today’s meeting for approval. A motion made, seconded and passed unanimously approved the revised budget outlined in Resolution No. 2019-13.

**2020 Wellness Benefit Renewal** – A motion made, seconded and passed unanimously approved the renewal of the health club benefit for 2020 in the amount of \$18,393.14.

OTHER BUSINESS:

The District Service Awards will be presented today at noon at the LTCU dining room.

Marianne Nichols was present to administer the Oath of Office to Robert Rosencrantz.

EXECUTIVE SESSION

As permitted by RCW 41.05, the meeting was moved to Executive Session at 2:55 pm. for approximately 1 hour to discuss personnel and credentialing matters.

RETURN TO OPEN SESSION

The Commission returned to Open Session at approximately 3:45 pm.

The Board reviewed the results of their annual CEO performance assessment and determination of Mr. Wilbur’s goal setting/target achievement for 2019. The Board confirmed 2019 incentive compensation in the amount of \$43,008, to be paid on or after December 31, 2019, provided that Tom remains continuously employed by the District through that date. In addition, a four year contract was signed that included CEO salary of \$232,960, effective January 5, 2020; and \$243,360, effective January 3, 2021 and thereafter. All incentive and contract terms stipulated under the CEO employment contract were passed via **Resolution No. 2019-12**, via motion made, seconded and unanimously approved.

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

**Initial Appointments – 12/19/2019 – 12/19/2020:**

Off Site Radiology:

Dwane Brittain, MD  
Robert Frost, MD  
Amit Habbu, MD  
Edward Jones, DO  
Richard Nguyen, MD  
Suzanne Shaw, MD

Gurpreet Dhillon, MD  
Timothy Gormely, MD  
Jace Hilton, MD  
Sean Koskinen, MD  
Isaac Reeve, MD  
Stephanie Simonson, MD

Tyson Finlinson, DO  
Pushpender Gupta, MD  
Chet Hunter, DO  
Douglas Murrey, MD  
Casey Schmitz, MD  
Michael Stewart, MD

Off Site Radiology (cont.):

David Thayer, MD

Bryce Turlington, MD

Roy Zimmer III, MD

Teleneurology:

Syed Abbas, MD

Abdelrahman Beltagy, MD

**Reappointments – 12/19/2019 – 12/19/2021)**

Allied Health Professional:

Christopher Buscher, PA-C

Jennifer Eickstadt, PA-C

Keith Bell, PA-C

Radiology:

Robert Arnett, MD.

Hematology/Oncology:

Robert Gersh, MD

Family Practice/Emergency:

Geoffry Jones, MD

Angelika Kraus, MD

Nephrology:

Shaun Joshi, MD

Teleneurology:

Sergey Akopov, M.D.

Robert Lada, M.D.

Ravi Menon, M.D.

Andrew Rontal, M.D.

Biggya Sapkota, M.D.

Lilith Judd, M.D.

Michael Marvi, M.D.

Margarita Oveian, M.D.

Tomoko Sampson, M.D.

Jeffrey Wagner, M.D.

NEXT MEETING DATE

The next regular meeting of the Board of Commissioners is scheduled to occur on Thursday, January 23, 2020 at 1:30 pm. in the Sandifur meeting room.

ADJOURNMENT

There being no further business, the meeting adjourned at approximately 3:55 pm.

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

  
Raymond King, President  
Board of Commissioners

  
Lynnette Elswick, Secretary  
Board of Commissioners