

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

April 23, 2020

Due to Covid-19 precautions, the meeting was held tele-conference; those in attendance: Commissioners: Robert Rosencrantz, Lois Robertson, Sue Johnson, Terry Zakar, and Lynnette Elswick; Directors: Tom Wilbur, Kim Manus, Pete Peterson, Chris Wagar, Walter "Buzz" Price, and Joseph Clouse; Other staff: Tessa Reinke, MD, Casi Densley, Jenn Allbee, Jenny Smith, and Trina Gleese.

Excused: Chief of Medical Staff, Jeremy Lewis, DO

CALL TO ORDER:

Due to tele-connection issues with Terry Zakar, Chairperson, the meeting was called to order by Commissioner Lynnette Elswick at 10:16 a.m. Note: Commissioner Zakar was connected in time to vote on the consent agenda.

READING OF LEGAL NOTICE:

The regular meeting legal notice was distributed as required.

APPROVAL OF AGENDA / CONSENT AGENDA:

Included were the meeting Agenda, Auditors Report and Uncompensated Report.

Commissioner Robert Rosencrantz requested an item for discussion / potential action be added to the Agenda. Action Item #4 – Resolution 2020-06, Hiring of Key District Employees, was added.

Commissioner Lynnette Elswick asked for a motion to approve the consent agenda. The following consent agenda items were approved as presented by motion made, seconded and passed.

Auditors Report:

Warrant disbursed: #216053 through #216412	1,152,106.04
Electronic warrants: #002200 through #002219	644,885.16
Mountain West, Loan payment, disbursed 03/10/20	40,000.00
Total, warrants and disbursements	\$ 1,836,991.17
Bad Debt/Charity: March 2020, inclusive District Write-off	\$ 116,124.13

APPROVAL OF PREVIOUS MEETING MINUTES

Commissioner Rosencrantz had two minor modifications: Joseph Clouse was in attendance; and page two, paragraph two, last sentence, should state that "the withdrawal of cash at this time would be counterproductive." Tom W. indicated those changes would be made and with the denoted changes; via motion made, seconded, and passed, the regular meeting minutes of March 26, 2020, were approved.

BUSINESS FROM THE AUDIENCE: No business from audience.

**COMMITTEE REPORTS:**

**Finance:** Casi Densley provided the financial report and noted our overall loss for the month of March was less than what we expected with the slowdown in services due to Covid-19. In fact, days cash on hand actually increased due to an on-going accounts receivable clean-up project that was started late last year. Payments increased month-over-month and day's operating cash on hand increased to 124 days (from 113 in Feb.). The PI project was targeted to reduce days of revenue in accounts receivable and implement steps to monitor how long it takes to get from patient visit to payment collected. The goal is to bring gross A/R down to 45 days (from approx. 60). The PI project was implemented in order to get out in front of our EPIC conversion – we want to have AR balances clean; to reduce the need to work three systems (Meditech, EPIC and Centricity).

Casi overviewed the CARES Act and potential funding, including: Small Business Administration - Payroll Protection Program (SBA\_PPP) loan (approved at \$4.8M), the CMS, Medicare Accelerated Payment program (\$5.4M requested), and receipt of emergency relief funding (\$644K). HRSA SHIP funds (\$90K) are also in the queue.

She noted we had also furloughed 27 employees, almost all on a volunteer first basis, which equates to about a day's cash of savings per month. Days operating expenses in accounts payable is 30; the average operating cash expenses equate to approx. \$100K a day.

**Quality Assurance/PI:** Jen Allbee provided a recap of some key 2019 WRHC QA/PI comparative measures with NHHS and our 15 rural critical access hospitals peer group. The power point slides included data on: patient falls, readmissions, sepsis protocols, ED transfers and communication, and key HCAHPS questions. Overall, NHHS scores and rankings were good in all categories.

**SUPERINTENDENT REPORT**

Tom Wilbur asked Joseph to overview NHHS's general processes for hiring staff. Joseph detailed the process from position posting (internal vs. external), to advertising, recruiting/searches, interview phases, completion of background checks, and hiring. Joseph noted that the process was similar for all levels of NHHS employees; the bottom line is we are striving to find the most qualified candidate for each position. There was group discussion and Q&A around the process on recruiting, how/where positions are posted, search qualifications, and the interview process and background checks.

Commissioner Rosencrantz reserved time for addition a questions when we got to Action Items.

**COVID-19 related updates:** Tom asked the Directors to provide the latest on Covid-19 testing, supplies, space, and staffing.

**Supplies** – Buzz Price noted that due to the supply sourcing that his team has been able to find, we were looking good on most critical supply needs. Access to our “standard” N95 masks remained an issue, but we have ample supplies of other versions of N95 and KN95 masks.

**Testing** - Chris Wagar indicated we have been able to stay ahead of the supply requirements for testing materials (swabs and viral transport materials). Turnaround time for tests is 48 hours.

**Space** - Chris noted at this time we are keeping all capacity plans in place because of the potential for a secondary surge in the fall.

**Services** - Pete Peterson indicated things are holding steady on the hospital side and we will be ready to open back up when we can. Chris noted the clinic was still running very slow and were reducing hours across some of the clinic and ancillary departments.

**General** - Tom W. offered his thanks to Buzz/Chris/Jen for their tracking/reporting of key data/information to the statewide Redi-Coalition repository. The goal of Redi-HCC tracking is if we get a second surge we will be better prepared to track resource needs/demand in the region. Tom reported that we are also trying to provide as much transparency as possible; Jenny Smith and Chris host weekly calls with the Health District and our local print media representatives to debrief and answer questions.

Tom reported on the CAREs/Stimulus and how the monies have rolled out: initially, \$100B was earmarked for hospitals, of which \$30B has been released. Our portion of the \$30B was \$644K. Tom understood the \$30B will be increased to \$50B (to be allocated in a similar fashion); another \$10B will be going to go to rural hospitals, and another \$12B to hospitals that have had the highest incidents of Covid-19 patients. A second round of funding (\$100B) has also been earmarked for healthcare (\$75B to providers; \$25B for testing). All things considered, he was feeling pretty good about our short term fiscal outlook.

Discussion ensued about the SBA Payroll Protection Plan (PPP) Loan: will the funding keep our employees from being laid-off? Tom explained that the intent of the program was to cover payroll, benefits, and utilities for the 8 weeks post receipt of the "loan." Casi noted that the SBA loan could be forgiven only if we meet defined criteria, including a direct tie to our FTE count before and after PPP funding. Another question was asked about the money saved by furloughing employees? Tom clarified the savings was approx. \$100K/mos. and noted that some employees furloughed are likely making more money on furlough than they were making while employed. Presently, they qualify to receive an additional \$600 weekly add-on to unemployment under the CARES Act.

Provider On-boarding: Lisa Matelich will start between Aug. 1 – Oct. 31, depending on her schedule and desire for time off upon completing her OB Fellowship in July. We have two interim replacements (Rachel Bond, MD / Patrick Moran, MD [WA based]) who can provide help, if needed, though that is not looking necessary at the present.

Dr. Jim Vandersloot is our OB/Gyn will be starting in May. He will have modified schedule like everyone else.

EMS/Ambulance: Tom reiterated his preference of setting up an EMS District to be jointly operated by the vested agencies in the County, but considering the Covid-19 happenings he does not see the local agencies pushing the County to form a District anytime soon. He noted that our role in the local service has been as consultant and support for local ambulance services – we remain steadfast in our desire that, as a PHD, we *do not want to own/operate* the service under our umbrella.

#### ACTION ITEM AGENDA

ERP software: As noted over the last several months, before we can install Epic, we must upgrade our underlying software for GL, purchasing, and HR/payroll information systems. Our goal is to be operational by Sept. 1<sup>st</sup> and Paycom has their senior team standing by to help us implement HR\_IS. A motion was made, seconded and passed to purchase the comprehensive Premier/Paycom ERP system platforms.

401(a)/403(b) Retirement Plan changes: Two changes were mandated – allowing staff to delay repayment on any existing outstanding plan loans until Dec. 31, 2020 (CARES Act) and setting the required minimum distributions (RMD) to a start date of age 70 ½ (ERISA rule). The last, to increase the amount staff member can borrow against their existing 403B contributions up to \$100K was CARES optional. The recommendation from the Finance and Personnel Committee was: loans could be made only on the employee's vested contribution account and the employee could have up to two loans, the sum of which could not exceed \$50K, or 100% of employee vested benefit, whichever is less. After discussion, a motion to make the noted retirement plan changes was approved via motion made, seconded and passed.

**Resolution No. 2020-05**, establish an CMS Advance fund. Per CARES ACT stimulus, we requested an advance on future Medicare claims in the amount of \$5.4M (equating to approx. 7 mos. of 2019 Medicare claims). The funds will be used to offset 2020 Medicare claims submitted 120 days *after* receipt of the advance; all funds must be repaid (via claims offset) within 365 days of receipt (aka 8 mos.). Any funds not repaid in 365 days will accrue interest at a rate of 10.25%. The request was to set up a separate account to track funding on the balance sheet. Resolution No. 2020-04 was presented, seconded and unanimously approved.

**Resolution No. 2020-06**, Key District Employee Hiring Policy, was presented by Commissioner Rosencrantz for discussion. The goal was to develop oversight by the Board to be able to ensure they had sufficient advisory capacity with key hiring decisions to promote District mission and to monitor CEO performance. A robust discussion ensued between the entire board and director groups regarding the definition of a "key employee," existing recruiting/vetting processes, standard monthly HR notice and reporting options to the Board, the use of Committees vs. the full board for oversight, timeliness of the proposed process, and the language of the resolution. Key takeaways:

- Everyone's goal is to hire the most qualified / best fit candidate for NHHS.
- All must respect the line between Board oversight / CEO\_Director management.
- Board reporting and notice of key hires (definition to be determined) is critical.
- A candidate's request for "discretion until offer" must be respected.
- Monthly HR\_KPI reporting would be beneficial.

After extensive discussion, Robert withdrew the resolution until further discussion and clarification could occur. Tom W. thanked everyone for their active engagement in the discussion and process.

#### OTHER BUSINESS:

**ACO model – 2020-21**: Tom provided an overview of the District's (2014-2020) history and participation in value based purchasing (VBP) and ACO models. He noted his discussion will be on-going as we delve into greater detail over the coming months. He was starting with "his take" on the current care delivery changes, potential long term effect of Covid-19 on any "new normal," and the reality that the federal government is pace for a **\$3.5+ Trillion** annual deficit factoring only current stimulus in the queue. Tom noted that coming review may be the most crucial in District history as it was time to take a very serious look at exploring risk based contracting and trying to obtain first dollar premium to manage care into the future.

Topics/items provided for overview and future discussion:

- The District has been exploring transitions under VBP/ACO models since 2014, starting with the WA State, 1115 waiver application (accountable communities of health – [ACH]) and into a 2016-18' Medicare MSSP, shared saving ACO model with our WA and CO hospital partners in the Rocky Mountain ACO (RMACO).
- We have developed a working infrastructure to conduct VBP services (care coordinators, wrap around systems support, reporting tools, etc.) via grants received under both 1115 waiver and MSSP models. Those costs are now built in to our current clinic and hospital cost rates (i.e.- new investments will be much less than if we were starting from scratch).
- We have generally been successful with VBP/ACO performance on quality measures and systems development. We are on pace to meet our target goals and to receive all funding earmarked to P.O. County via the BHT/1115 waiver and NHHS had excellent quality scores under the RMACO (one of the highest rated partners). The RMACO qualified for shared savings (\$2.4M) in year three of the program, effectively paying back a \$2.5M AIM grant.
- The mechanics of ACO models – size (20K lives vs. 100K lives), set-up (savings-to-risk transitional vs. full-risk), and partners (WA only vs. regional/national partners).
- Timeline for development – presently, along with nine of our WRHC partners, we have submitted a non-binding letter of exploration with Physicians of Southwest, WA (PSW) to compile the numbers for our collective attributed Medicare lives. The exploration analysis will take 3 to 4 months; a final go/no go decision will need to be made in October.

Tom noted the real question and future discussion will center around: do we want to be a revenue center (PM/PY premium recipient and new VBP system developer?) and accept some premium risk, or be a provider cost center on someone else's books (staying in the same model, contracting with carriers under the current per click/per unit service delivery world?).

He felt tele-medicine is here to stay post-Covid (and should be an option to rural providers), our existing model is not designed to pay/develop the means necessary to promote health (aka creating value), and that the rural primary care provider is not the "budget breaker" in the current delivery system model. It truly is time to do something different and he looks forward to further discussion.

#### NEXT MEETING DATE

The next regular meeting of the Commissions will occur on May 28, 2020, 10:00 am, via Zoom.

#### EXECUTIVE SESSION:

There was no Executive session. Tom noted only that Lois needed to sign off on the credentialing files and practitioner privileges approved via Joint Committee and signed by Dr. Lewis, Tom, and Lois. The files approved:

#### Reappointments

Karl Jacobson, CRNA	Anesthesia
Michael Wynn, D.O.	Tele-neurology
Nicholas Okon, D.O.	Tele-neurology
Christopher Fanale, M.D.	Tele-neurology

#### Provisional Appointments

Phillip Smith, M.D.	Tele-Radiology
Neha Mirchandani, M.D.	Tele-Neurology
Michael Posch, M.D.	Tele-Radiology
Allison Tillack, M.D.	Tele-Radiology

**ADJORNMENT**

There being no further business, the meeting was adjourned at 1:00 p.m.

Minutes recorded by Lisa Fisher and Tom Wilbur, CEO.

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Terry Zakar, President  
Board of Commissioners

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Lois Robertson, Secretary  
Board of Commissioners