

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

June 25, 2020

Attendance

Commissioners: Robert Rosencrantz, Lois Robertson, Sue Johnson, and Lynnette Elswick.
Staff: Tom Wilbur, Kim Manus, Pete Peterson, Chris Wagar, Casi Densley, Joseph Clouse, Walter Price, Susan Schwartz, Jenny Smith, Diane Anderson, John Stuivenga, Regan Ireland, Glenn Talmage, and Michelle Knight.
Excused: Terry Zakar, Commissioner; Jeremy Lewis, DO, Chief of Medical Staff

CALL TO ORDER

Commissioner Lynnette Elswick called the meeting to order at 10:15a.m.

READING OF LEGAL NOTICE:

The regular meeting legal notice was distributed as required.

APPROVAL OF AGENDA/CONSENT AGENDA:

Commissioner Lynnette Elswick asked for a motion to approve the consent the agenda.
Commissioner Robert Rosencrantz moved to adopt the consent agenda which was seconded and passed, unanimously. Items included:

Auditors Report

Warrant Disbursements:

Warrants #216863 through #217158	\$ 1,484,589.94
Electronic warrants #002242 through #002259	804,868.48
Mountain West loan payment - 04/10/20	<u>40,000.00</u>
<i>TOTAL warrants/disbursements</i>	<i>\$ 2,329,458.42</i>

Bad Debt/Charity Care write-offs

District Write-offs, May 2020, inclusive	\$ 40,902.25
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APPROVAL OF MEETING MINUTES

Commissioner Robert Rosencrantz proposed a correction under the Action Item No. 4 (pg. 5). With the noted change to be corrected; a motion to approve the regular meeting minutes of May 28, 2020, was made, seconded, and passed.

BUSINESS FROM THE AUDIENCE. There was no business from the audience.

COMMITTEE REPORTS

Joint Commission: Dr. Lewis was excused. Aside from the minutes noted in the board materials there was no additional report from the medical staff.

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COVID-19 UPDATE Chris Wagar provided an update on the restart of non-emergent medical services at the hospital. She noted that she worked with medical staff to add policies and procedures to keep staff and our patients as safe as possible.

We are screening patients and visitors (temp. and symptom Q's) who enter the facility for the foreseeable future. Governor Inslee has mandated that citizens wear a mask when they are out in public. Chris was planning to meet to discuss our process for patients who claim they can't wear masks for medical reasons. She will also be having a meeting with Jenny Smith to discuss what our social media messaging will be.

Before elective procedures restarted on May 18, the team met with Pete Peterson and Dr. Chavis to develop a new policy requiring we conduct a COVID test on patients coming in for non-emergent procedures. We will use the results to inform patients and to protect staff prior to and during any procedures.

Since the County has reopened, all of our departments have been busier and Chris is concerned that people are thinking that the pandemic is over; folks are not taking masking, or social distancing as seriously as they should.

Chris noted we have good supply (over 30-days) of PPE; however the supply chain is still not as reliable as it was pre-COVID. Our ultimate goal remains to ensure we have ample supply to keep employees safe so that they can take care of patients.

Questions were asked regarding how we would handle an employee exposure or case infection?

Chris responded that if the employee was wearing PPE we would probably not quarantine them but they would have to self-monitor for symptoms. If they were not wearing PPE, then yes, they would be quarantined for 14 days, and that would be covered with sick (EII) time.

Chris also reported we did receive test kits from the State for RMV residents and staff, but we are still waiting on direction from DOH about when/where the testing for residents and employees will need to be conducted. We are working with DOH and WHCA to get clarity.

HUMAN RESOURCES Joseph Clouse presented the latest District FTE statistics and provided a review of our current District open positions, the processes for filling those needs, and included a list of positions filled. He noted two minor changes made to the Org. Chart: 1) Social Services was moved under Chris Wagar (as part of care coordination); and 2) Security was moved from under Chris and now reports to Dave Mall, Facilities Manager.

Joseph presented the 2020 Incentive/Bonus criteria and up-to-date results. He noted that due to the pandemic and CARES act, some customary reporting (cash flow and net income) is under review for modification – which will be noted when we post results to staff. Patient satisfaction survey and computer based training results will remain the same.

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Joseph provided an update on Paycom – the new HR_IS system, where the HR crew is busy downloading data from Meditech to the new HRIS system. Staff is very excited about the functions the new system will allow us to do electronically. Our current onboarding process, which now takes about two hours, will be completed electronically under Paycom before new staff walk in the door. He anticipates efficiency will occur with onboarding, benefits, compensation, and performance management; all will be managed online.

Joseph pointed out that with three new systems coming on board (Paycom, Premier, and EPIC), it will have a significant impact on our staff as they work to download data and customize our processes and incur training. Typically, an organization takes on one system upgrade at a time, each taking a year. We are trying to accomplish all three while staring down a COVID outbreak in the community, which will add to the potential toll on employees.

In light of that, we are trying hard to keep morale up, stay positive, and have been doing something for employees each month. We ordered Pizza for all staff for their hard work on initial COVID response, in May we had Hospital Week, and next we are planning to have a staff BBQ.

He noted the event responses are short-lived, so we are also encouraging staff to take adequate time off to rest and regroup. He outlined key calendar dates for staff trainings that are off limits, where employees need to be present for new systems go live, and is trying to communicate clearly to staff to take time off in between. Joseph's biggest concern is that people aren't grasping the magnitude these new changes are going to have on employees when everything hits this fall.

Joseph pointed out we made some changes to the Pine Street Café to add menu items and increase self-serve options. Employees are encouraged to call ahead and order in advance for pick-up at breakfast and lunch. Each day they will have a special that you can choose.

Question was asked if someone is diagnosed with COVID or if they have been exposed and it is a mandatory quarantine are they required to use their PTO or EII?

Joseph indicated they would use their EII first, and noted we have established an emergent EII bank which contains PTO hours donated by employees to staff who may be in need. After that, staff would use their PTO. Presently, due to COVID, we have made an allowance for staff on low census to use EII to fill time gaps, where they would have customarily used PTO in the past. We try to evaluate the situation to see where they are at with their sick leave and whether they have enough.

Commissioner Johnson noted that she felt that didn't seem quite right; it isn't the staff's fault if they contract COVID at work, you would think that they could use L&I and it wouldn't be staff expense? Chris W. indicated that if there was enough documentation to confirm the exposure we would send it on to L&I, just like any other work related incident. Joseph noted we are monitoring that closely and we do have the ability to modify those policies. Susan wondered if we could check if CARES Act funding could be used to cover that time off.

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FINANCE: Casi Densley reviewed financial data with the board noting we started doing non-emergent surgeries in May and net income was \$3,600 for the month; which is not that bad considering it does not include any allocation of Cares Act funds received in May (\$3.8M). We will continue to look at the methodology to allocate those funds; presently, it is designed to cover any lost revenues and increases in expense directly related to COVID.

Casi noted the balance sheet also included our Medicare Advanced payment (to start being paid back in Aug. – to cover Medicare claims) which brought days of cash on hand to 238(gross).

QUALITY ASSURANCE: There was no report this month

INFORMATICS MANAGER: Regan Ireland, Informatics Manager, introduced herself and detailed her qualifications and prior experience with Epic conversions. She explained that she will be in charge of our Epic EHR implementation and noted her excitement for the project. Due to her prior experience, Providence has allowed us to move forward faster than they would a typical client so we are already four weeks ahead of schedule. We are in process of training with Providence, three key staff members who will receive training credentials in Epic. She also offered her personal philosophy/mission on transition support; she and her team will be available on every shift and to every provider when the system goes live for as long as it takes to make it a successful.

A question was posed about her experience and what NHHS may encounter with strategic liability as we move forward. Regan responded that the most common unintended liability comes from lack of training. Providence sets expectations of staff training, a very critical component being provider training and provider adoption. She plans to train all providers personally and to be on call as they need her. Regan noted the other risk we have is filling Revenue Cycle Informatics position, which are very difficult to find. She and Kim are still looking and talk on a regular basis.

Regan is also working on creating a new training area.

SUPERINTENDENT REPORT Tom presented an overview on our decision to participate in a new 2021 ACO; which we are trying to finalize in July. He noted we have two options (Caravan and PSW/NW Momentum) and provided an overview of the two alternatives, which are distinctly different in their approaches and programs. To highlight the differences in our 2021 options, Tom provided NHHS's history in participating under an ACO, the rationale we used in 2014-15' to make our initial to join the Rocky Mountain ACO in 2016-18', and the actual results from the RMACO endeavor. The highlights:

- Our "value based purchasing" proposition/rationale has not changed. The fundamental premise of trying to coordinate care and manage chronic conditions, to assist clients with their health (in lieu of just treating illness when they get sick) remains in our DNA.
- VBP models are where the industry is headed; as a country the U.S can do better with the "balance" on money we spend on healthcare vs. social supports. It will be expected.

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- Our providers are fully vested in the VBP premise and we were successful under our “rookie” go around in the RMACO to meet both the quality/“value” metrics and also to produce shared savings under CMS’s ACO guidelines.
- The consolidating of provider/payor functions will only get more urgent when the federal and State budgets start feeling the impact of COVID stimulus and economic slowdown (shift in insured lives) caused by the pandemic. The push to first dollar flexibility (obtain premium and redirect it to meet your local needs) will only exacerbate.
- We opted out of the ACO 2019-20 to focus on meeting the WA State 1115 Waiver Funding value and project goals – for which we will successfully meet targets and receive funding.

2021 ACO options: Caravan participates under CMS’s MSSP program under a Track 1+ model. Their model strives to develop like-minded providers under mega-ACO’s (120K lives or larger) that will do the “value” work and generate savings. They charge \$60/PMPY + \$16K Admin. /Interface fees to join the ACO [\$100K]. They are on a glide path to risk – starting in Level B [gain share only] in 2021 and moving to up/down (+/-) risk share under Track 1+, Level E in 2022.

PSW/NW Momentum participates under CMS’s CMMI program and is fully engaged in (+/-) up and down side risk. They accept first dollar gains/losses and have negotiated a +/- cap with CMS of 4.0%. They charge only a system interface fee to join and participate [\$6K].

Tom overviewed the two ACO scenario options and what would have been the results using actual 2016-18’ results from the RMACO – which was made up of five WA and five CO hospitals. He also included the entirety of the Community Care Alliance (CCA) group, which supported two ACO’s during the period [RMACO and a 2nd CO based ACO]. He noted the RMACO’s covered lives were primarily WA based (80%) under the five WRHC participating hospitals. All of those facilities are also reviewing the PSW/NWM option for 2021. The highlights:

- The RMACO generated \$11.7M in shared savings over its three year term, but because of CMS-MSSP risk sharing thresholds (total spend <= benchmark – minimum saving requirement [MSR]) to share in savings, the RMACO only qualified in the 3rd year (\$2.3M), even though ample savings were generated in all three years.
- Under the Caravan model (Track 1+, Level B), the results would have been the same (\$2.3M, as it is effectively the same program), but would have increased under Level E to \$5.87M (50% share in the savings) for the cumulative three years due to MSR rate changes.
- Under the PSW/NWM, CMMI-model, the RMACO would have received 1st dollar gain sharing and would have earned the full \$11.7M in shared savings for 2016-18.

Tom was quick to point out the old investment adage, “past results have no bearing on future returns” and that +/- risk could generate equivalent losses, too. He also showed a graph showing year-over-year volatility of results of all ACO’s [2013-18’], based upon the size of the ACO, and noted where Caravan and the PSW/NWM “effectively” participate along that curve.

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Tom noted that he would continue to dive into the data under both scenarios and would work through the Finance Committee to explore options. He did feel that 2021 ACO participation is essential, regardless of COVID effects. The fact there will be volatility in the reimbursement markets is inevitable due the federal and state budgets. He will have more next month.

Recruitment – Lisa Matelich, MD is scheduled to be here this fall, but with COVID (and her inability to travel) she may come sooner. Dr. Vandersloot is now finally up and running and it's going well – again, he could easily be a \$1.0M/year service provider (depending on desire to work, which appears very positive) in a “normal” year.

Capital planning - we have discussed new facilities and scope, but with the present uncertainty of COVID, we will keep this on the back burner for the foreseeable future.

EMS/Ambulance – remains an ongoing conversation, but Tom's desire to form an EMS District to operate first response and emergency transport services in the County, is probably going nowhere. He noted the just announced closure of Ponderay Newsprint might add a wrinkle to the equation.

ACTION ITEM AGENDA

1. **ACO Participation** – We will continue to review alternatives: Caravan vs. NW Momentum (PSW) and may need to move quickly to sign documents in order to establish in one of the ACO's. Note: under either alternative we will always have an exit option (generally, Nov./Dec. date) prior to 2021.

ACTION: approve the Finance Committee to authorize preliminary ACO agreements, if needed, prior to the July Board meeting. Final documents will be brought to the July meeting for final review and approval. A motion was made, seconded, and passed unanimously to authorize the Finance Committee to explore preliminary ACO agreements for 2021.

2. **Clinic, back parking lot clean-up/grading** - we continue to explore campus parking and storage alternatives and conducted a general walk-around with the City Administrator to review NHHS campus plans and the City's plans for the Scott St. improvement. In addition, we have carried on conversations with POEMS to explore hosting an ambulance crew and barn/rental on NW corner of campus. We would like to clean up (remove trees, fencing and grade that area – W of clinic, South of Spruce St. The final cost is not to exceed \$10,000.

ACTION: A motion was made, seconded and passed for the back parking lot clean-up.

OTHER BUSINESS: There was no Other Business discussed.

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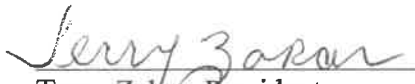
NEXT MEETING DATE: The next regular meeting of the Commission will occur July 23, 2020

EXECUTIVE SESSION: The meeting was moved at 12:20 p.m. to an Executive session for approx. 20 min. to discuss a personnel matter.

RETURN TO OPEN SESSION: The Board returned to open session at approx. 12:40 p.m.

ADJORNMENT: There being no further business, the meeting was adjourned at 12:42 p.m.

Minutes recorded by Lisa Fisher and Tom Wilbur, CEO.


Terry Zakar, President
Board of Commissioners


Lois Robertson, Secretary
Board of Commissioners