

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

July 23, 2020

Due to Covid-19 precautions, the meeting was offered via tele-conference; those in attendance: Commissioners: Robert Rosencrantz, Lois Robertson, Terry Zakar, and Lynnette Elswick; Directors: Tom Wilbur, Kim Manus, Chris Wagar, Walter "Buzz" Price, and Joseph Clouse; Others: Casi Densley, Jenny Smith, John Stuiwenga, Deanna Watson, Susan Fox, Carrie Russell, Regan Ireland, and Lisa Fisher.

Excused: Commissioner, Susan Johnson; Chief of Medical Staff, Jeremy Lewis, DO

CALL TO ORDER:

Terry Zakar, Chairperson, called the meeting at 10:06 a.m.

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 moved to approve the agenda; it was seconded and unanimously accepted.

Commissioner Robertson requested clarification for agenda approval, noting that the meeting agenda is included in the consent agenda. There were no objections.

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

Auditors Report:

Warrant disbursed: #217159 through #217468	904,415.00
Electronic warrants: #002260 through #002279	878,108.33
Mountain West, Loan payment, disbursed 03/10/20	40,000.00
Total, warrants and disbursements	\$ 1,822,523.33
<u>Bad Debt/Charity:</u> June 2020, inclusive District Write-off	\$ 116,124.13

APPROVAL OF PREVIOUS MEETING MINUTES

The regular meeting minutes of June 25, 2020 were approved by motion made, seconded and passed.

BUSINESS FROM THE AUDIENCE: Commissioner Zakar indicated that our Coronavirus Update will be addressed under Committee Reports for the foreseeable future.

Covid-19 Update: Chris Wagar requested direction from the Commissioners related to pertinent reportable CoVid-19 information. Chris offered to report statistics related to PPE, staffing, and the number of tests performed (to include the number of positive cases). Other pertinent information will be included, as indicated.

Commissioner Rosencrantz noted he is interested in the staff's morale and energy levels and doesn't want to see those diminished by the extra work load and stress due to these uncertain times. Chris stated some staff are anxious and frustrated, especially with the political climate. A few patients and visitors have displayed anger at our masking requirement; she noted an occurrence this week where security was requested to respond. The ever-changing nature of the situation also creates confusion. Overall, staff members are supportive of each other as we work through the unknown.

Chris noted that approximately 15-30 daily CoVid tests are being completed at our lab, with a total of 1,200 tests collected to date. Of those, 23 tests were positive from throughout the area and three Pend Oreille County residents have been hospitalized in Spokane. Chris noted there have been challenges with transfers on some occasions.

Chris raised concerns with potential staffing issues, especially with staff that may need to quarantine. In addition, she has met with Dr. Jones to discuss the possible impact of an upcoming influenza season. A team will meet to discuss management/impact of a large case load of people testing positive, as well as discuss the best method for testing patients at the clinic.

Newport School District members will be meeting tomorrow with Jenny Smith. OSPI has indicated that the decision to open schools will be directed to the school districts to work in conjunction with the local health department. At this time, the State has not required any mandates.

Jenny reported that Fall sports considered high-risk have been moved to season three (March 2021); but is subject to change. Chris reported that our annual free sports physical event has been cancelled; appointments may be made for a sports physical for (\$30) due at the time of service.

Chris announced that HR is sponsoring "dessert day" for employees today and plans to host other employee events in the future. Commissioner Rosencrantz added that the Board members would welcome invitations to participate at those staff events.

Chris stressed that wearing masks is of the utmost importance; she noted that masks have been ordered displaying the NHHS logo and she is encouraging all care providers and Board members to wear them whenever they are out in public.

Commissioner Robertson inquired whether Pend Oreille County CoVid statistics are available to the general public; she noted it can be difficult to keep the public updated on current statistics. Chris and Jenny Smith have strived to inform the public via the website and social media – Drs. Jones and Lewis have also published letters in the local paper. A video is being considered to promote mask use; Chris encouraged suggestions.

Robert Rosencrantz commented that he feels politics are downstream from culture; effectiveness is typically meeting people where they are. In his opinion, masks may become a reality of a way of life, and one person's freedom of expression should not jeopardize another's health. Chris added that she feels that freedom requires a responsibility to our communities.

Chris currently sends the CoVid situation report to Commissioner Elswick; she will include the other Board members in the future.

COMMITTEE REPORTS:

Human Resources: Joseph Clouse, HR Director presented the Statistics and Benchmarking report for June 2020 – highlights included:

- 408 Total Employees – 269.4 FTE (an aberration due to Covid furloughs in May/June).
- Furlough Status – 4 FT employees remain furloughed as of mid-July.
- 9 Current Open Positions; 8 Positions Closed since June Board report

Joseph reviewed the number of new hires, retention and turnover rates, total terminations and turnover by department/job code. Year-to-date, there are a total of 75 unemployment claims as compared to a total of 13 claims in 2019; there have also been a total of nine L&I claims.

Joseph noted there was an update to the Revenue Cycle Informaticist position due to the role being much broader than initially thought; the person will now report to Kim Manus vs. Regan Ireland. Joseph indicated we want to ensure that billing systems will efficiently and effectively transition to the new Epic platform.

Joseph assured Commissioner Rosencrantz that redefining the position will broaden our capabilities and ensure we maintain the integrity of District processes. Kim added that work flows between departments as related to revenue cycle includes registration, referrals, billing, collections, and eligibility software. Kim recently received a resume from a candidate that assisted with an Epic transition at Skagit Valley Hospital with extensive revenue cycle experience.

Commissioner Rosencrantz expressed concerns with the addition of a management position, noting that he was assured last month that Regan Ireland met our necessary qualifications. Tom W. indicated that defining an “Informaticist” in the healthcare realm is complicated and covers a broad range of skills: EHR data/development of clinical processes is night vs. day to one who develops revenue cycle process and effectively translates clinical data/information to billing systems. He noted that EPIC transition failures typically occur in the revenue cycle process development.

Commissioner Rosencrantz requested feedback from Regan Ireland with regards to the change. She explained that she and Kim were unable to locate a Revenue Cycle Informaticist of the required caliber for the position. She noted there are three key areas in a conversion: clinical, revenue cycle, and the areas these cross over. Regan noted that she is confident that the transition will be successful as long as the manager devotes the necessary time and corroboration in these areas. Commissioner Rosencrantz requested that Regan provide feedback should any mission-critical elements begin to fail.

Quality Assurance/PI: Jen Allbee provided a recap of some key 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.

Jen compared total ED visits over the past five years, noting an average of 614 visits per month – this has occurred 3 times in 2020. She noted that April saw the most significant impact from CoVid. The OB department is anticipating over 10 deliveries in July. Overall, NHHS scores and rankings were good in all categories.

Finance: Casi Densley provided the financial report and noted an increase in visits to the ER, Clinic, Radiology, Surgeries and Laboratory. Aside from the \$720K booked in April, no CARES Act funds have been allocated pending further analysis of Covid related revenue loss or added expense. June operations included a positive bottom line, with A/R days up slightly for the month; though the business office had recently decreased Days in A/R to 45 (from approx. 60), so it was not unexpected when business picked back up. Casi added that the department continues to try and streamline processes in an effort to reduce redundancy working with multiple systems as we transition to EPICs.

Days Cash on Hand also increased; days reflect outstanding Mountain West Bank loan (\$2.6M); PPP loan funds (\$4.8M), and CARES Act (\$3.8M); yet to be applied to Operating Income.

Commissioner Elswick asked if the increase of Days in A/R (61) is attributed to any one specific payer. Casi responded that she wasn't sure. She noted PFS staff was working to collect the oldest/largest outstanding balances, but will follow up with them to confirm.

Kim noted that revenues (\$5.3M gross) for June, much which likely hadn't yet been billed, along with reduced April/ May revenues, likely skewed the 90-day revenue (denominator) calculation. Carrie Russell also noted that due to CoVid, no accounts will be sent to collections until after September. She and Kim are also working to clear untimely accounts.

Casi discussed changes to the SBA (PPP) loan, noting they expanded the eligible spend down period from eight weeks to 24 weeks. Our funds were received in mid-April, now ending our coverage period the first week of October, and payroll costs were also lowered from 75% to 60% of funding. As for the CMS, Medicare advance funding, the loan term was increased to five years; our first payment is due 10 months following the covered period. Tom W. clarified any amounts not forgiven (highly unlikely it would be more than a nominal amount) would be at 1% interest.

SUPERINTENDENT REPORT

Tom Wilbur included the latest ACO update noting that we are leaning heavily PSW/Northwest Momentum Health (an Olympia-based regional ACO) vs. Caravan. Tom stressed that joining an ACO is important to our providers, who agree with the premise of providing coordinated, chronic disease managed care, that tries to address social determinants (when possible). Lack of resources (payments) is the barrier; more than our desire to accomplish the work in delivering better care.

Tom noted that the healthcare market continues to shift: hospitals (rural) are becoming (have always been) community health systems, private payers are becoming providers of service (think Premier, Kaiser, PHS, etc...), PCP's are being paid to manage a population rather than being paid to treat clients on a per-visit basis when they get sick, and revenue centers are becoming cost centers (i.e.- if you don't control the premium dollar, you will simply be a cost center on someone else's books).

Tom pointed out we are at a juncture of considering which hospitals we will partner with and what payment models (form of "value-based") that we will participate under. He noted that over the past four years we have performed all of the key elements required to manage VPB care: provider alignment, care coordination, technology/analytics, links to social determinants of health, etc., so we do know "what" is being asked under the models. By 2022, the State has indicated they desire to move to Category 3 and 4 VBP models – those facilities not willing to participate in alternative payment model (APM) risk not being able to contract with the State plans (2.2M covered lives).

Under the State's 1115 Medicaid Waiver commitment with CMS, we have continued to explore value-based contracts with our MCO partners, Molina and Amerigroup. The Medicare ACO is predicated (or vice versa) on the same premise (bend the cost curve while focusing on chronic disease management. Tom remains confident that the work we have already accomplished, along with the nature of rural systems (fully aligned), will allow us to work more effectively.

Transition to Risk, Points to Ponder: will existing State and Federal budgets hold steady? Do we expect private insurance payments to increase? Does coordinating effective care produce a negative financial outcome? The simple fact is, nothing is guaranteed (it never has been in rural health care) and the federal fiscal deficit is going to push to \$3.0T in 2020, the State's budget (revenue shortfalls) will follow on similar lines in 2021. Tom believes that pushing to build better systems of care and reducing inefficiencies, and trying to move toward sharing in those savings (and push toward premium capture) if we can do the work, is simply the right (only?) path.

Tom reviewed all Next Generation ACO's performance from 2016-2018: reimbursements (costs vs. benchmarks), percentage gains/losses, those that opted in or out, and performances year-over-year. Discussion ensued over results, the waiver exemptions you can receive under ACO models: co-pay waivers, SNF 3-day qualifying stays, home health and tele-health visits, etc. The pros and cons between the two ACO participation options were reviewed at length. Outside of a data interface connection, PSW charges nothing to participate in the ACO (so confident they are in generating savings) and presented a 50/50 shared risk option (gain or loss) to WRHC members.

Presently, three WRHC Members from the former RMACO (two have opted out for 2021) along with up to five new participants are considering the ACO; members will be meeting tomorrow. Tom has proposed back 75%/25% risk share (noting the RMACO would have generated approx. \$11M in gains in 2016-18, if it were under a similar program). Commissioner Rosencrantz commented on key concerns/considerations from the Board's perspective: understanding the potential risks while remaining progressive and actively being engaged in future prospects and changes in order to survive.

ACTION ITEM AGENDA

ACO Participation: There was no action required; Tom stated that we will continue to review options, work through the Finance Committee, and bring further information/final proposal forward next month, or push up as required if deadlines change (unlikely).

Training Center Equipment: Tom will continue to remain engaged with the Board members on the latest updates and information.

Capital Purchase –Wheelchair Transit Van –was approved in May [Dodge, \$40K]; however, Tom and Kim had reservations regarding the warranty/paperwork and determined we needed to find a better option. Walter Price noted he called WHCA and they highly recommended a dealership that been in the business for 70 years. Another vehicle was located that will carry 2 wheelchairs and 4 passengers, at a cost of \$55K; which was better equipped and set-up better than the original van.

Commissioner Rosencrantz clarified that the new Sunset Transit Van does meet all compliance regulations and needs of our residents; he moved to approve purchase of the Sunset Wheelchair Transport Van in the amount of \$56,000 (includes tax). The Board recognizing the \$16K increase in cost from the previously approved item. The motion was seconded and passed unanimously.

OTHER BUSINESS:

Legislative Update: The State budget is facing a projected \$8-9B shortfall in 2021-22.

Physician Recruitment: Lisa Matelich, MD will be here to in Q3, working with our core medical group.

NEXT MEETING DATE

The next regular meeting of the Commissions will occur on August 27, 2020, 10:00 am, via Zoom.

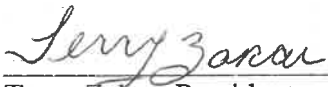
EXECUTIVE SESSION:

There was no Executive session.

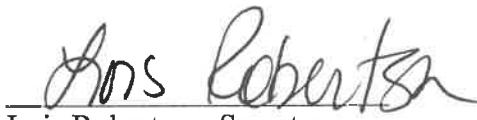
ADJORNMENT

There being no further business, the meeting was adjourned at 12:30 p.m.

Minutes recorded by Lisa Fisher, transcribed by Nancy Shaw and Tom Wilbur, CEO.



Terry Zakar, President
Board of Commissioners



Lois Robertson, Secretary
Board of Commissioners