

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

January 28, 2021

Due to CoVid-19 protocols, this meeting was offered via tele-conference. Those in attendance: Commissioners: Robert Rosencrantz, Lois Robertson, Terry Zakar, Lynnette Elswick and Susan Johnson; Chief of Medical Staff, Aaron Reinke, MD; Directors: Tom Wilbur, Kim Manus, Joseph Clouse, Susan Schwartz, and Chris Wagar. Others: Casi Densley, John Stuivenga, Jane Tilley; Chelsea Stumph, Casey Scott, Jen Allbee, Jennifer Johnston, Donna Hershey, Tina Batsch, Jan Steinbach, Becky Dana, Michelle Knight, Glenn Talmadge, Carrie Russell, Regan Ireland, Jenny Smith, Michelle Nedved, Newport Miner, and Nancy Shaw.

CALL TO ORDER:

Terry Zakar, Chairperson, called the meeting to order at 10:02 a.m.

READING OF LEGAL NOTICE:

The regular meeting legal notice was distributed as required.

APPROVAL OF AGENDA / CONSENT ITEMS:

Included in the consent packet: Meeting Agenda, Auditors Report and Uncompensated Report. Commissioner Rosencrantz requested 3 additions to the Action Item Agenda: 1) Motion regarding an offer of employment and compensation details for a "key position"; 2) Motion regarding proposed changes to the Organizational Structure; and, 3) Motion(s) regarding other matters before the Board. The proposed additions were accepted with no objections.

APPROVAL OF PREVIOUS MEETING MINUTES

The regular meeting minutes of December 17, 2020 were approved by motion made, seconded and unanimously passed with the following correction: Pg. 4 Para. 5 remove words: "A review of the".

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

Auditors Report – December:

|  |                  |
|--|------------------|
| Warrants disbursed: #219315 through #219591                          | 2,036,797.12     |
| Premier Warrants #300001 through 300106                              | 894,727.64       |
| Electronic warrants: #002375 through #002376                         | 580,269.36       |
| Premier Electronic warrants: #400001 through #400004                 | 84,616.98        |
| Mountain West, Loan payment, disbursed 01/11/21                      | <u>40,000.00</u> |
| Total, warrants and disbursements                                    | \$ 3,636,411.10  |
| <u>Bad Debt/Charity:</u> December 2020, inclusive District Write-off | \$ 64,402.83     |

COMMITTEE REPORTS:

Joint Conference: Dr. Aaron Reinke, Chief of Medical Staff, stated EPIC training was progressing and noted that the delay of our "go-live" date to March (from January) was the right decision for the organization. He indicated that Theresa Hollinger, RN (potential CNO) had met with the medical staff and they believe she will be a great fit for the position; there is a significant need for nurse leadership and staff development. He also said the medical staff felt Theresa could grow into a potential option for CEO succession.

Finance: Casi Densley, Controller, overviewed the new Premier financial statement programs and various features, which include the ability to “flex” budget adjustments using percentages, statistics, and drop downs to department level details. The financials (new format) was displayed with Casi explaining the department was working to combine data for the past seven years. Initially, financial reports will appear the same as audited financial statements vs. the operational formats used in past reporting. Casi reported that training will occur for managers the third week of February.

She noted that December’s preliminary bottom line, listed at \$7,400, would turn to a loss once additional expenses (inventory adjustments, EPIC costs) were included; approx. \$140K will be expensed. A final ruling has yet to be determined on how to capitalize \$1.8M in costs for purchase of the software and amortize over the life of the contract.

Kim Manus noted we were working with DZA to determine the amount of CARES Act funds we will retain and the year(s) in which it will be applied; noting that net revenue was down approx. \$2M 2020 vs. 2019. Kim added there are two options to establish revenue loss – either compare the prior year to current year, or compare to the budget amount (so long as the budget was adopted prior to March 2020 – NHHS’s did). She noted our budget anticipated a bump in gynecology procedures would start in April, but this was delayed until September; also, the clinic volumes were lower, and the new FP clinic provider’s start date was delayed. Surgery volumes were also down due to Covid. Kim explained that we will retain any funds specific to CoVid if it is demonstrated that the funds were used for CoVid-specific purchased items.

It was noted that the final accounting rules (CARES Act and PPP grants) will probably be modified before any final reporting is concluded, but that right now the team was feeling confident that all funds received would be used to cover Covid/program related expenditures.

HR Update: Joseph Clouse, HR Director, distributed his monthly report, including Open Positions as of January 22<sup>nd</sup>, noting: a resume was submitted for the UR Case Manager; two individuals were interviewed (w/another pending) for the Compliance Officer position, one was very promising; and two candidates have expressed an interest in the Social Worker opening. Positions closed: ACU RN’s (2), NAC’s (2), Patient Access Representatives (2) and a Dietary Cook were filled from December to current.

Quality / PI: Jen Allbee offered a set of 2020 statistical data, but there were technical difficulties in sharing the PowerPoint presentation; Jen stated that she would forward the report to the Board members via e-mail. ED visits 2012-2019 steadily increased, with a record number of patients being seen in 2019. Jen shared the data as related to impacts from CoVid for OB, surgeries, endoscopies, admissions and ED visits.

CoVid Update: Jenny Smith provided the latest information relating to NHHS vaccinations: 123 employees have now received 2<sup>nd</sup> doses of the Covid vaccine; total community member/hospital staff counts: 571 1<sup>st</sup> dose and 246 2<sup>nd</sup> dose vaccinations. Another vaccination clinic is planned on Friday. Jenny noted that the District received 90 (2<sup>nd</sup> doses) from the Tri County Health District but supply remains a concern – we are currently not receiving any 1<sup>st</sup> dose vaccination allocations from the State. The vaccine hotline will remain closed until additional vaccines are received. Lori Stratton has been working diligently to retrieve hotline messages and return phone calls. Jenny is developing an online vaccination registration tool similar to that used by Bonner General Hospital.

NE Tri-County Health District announced they have implemented a vaccine call center in an effort to alleviate the burden of calls to NHHS as well as other vaccine providers in the area. Jenny has been coordinating with the agency to place people on a list and she extended her compliments to the Core Team for all of their work in planning and coordinating the vaccination clinics. She thanked Glenn Talmadge, Chris Wagar, Jan Steinbach, Lindsey Bourneville, Lori Stratton and Dave Easley.

Jenny stated that the hospital has not had more than three CoVid positive patients at one time; and we continue to see CoVid positive patients in the hospital. She announced that overnight stay orthopedic surgeries will re-open on February 1<sup>st</sup> and noted our PPE supply remains adequate; single use gowns being an exception until a supply was received yesterday. We recently received a very large supply of gloves. WSHA announced they will be providing an N-95 mask exchange.

Since March 2020 thru Jan. 2021, 54 NHHS staff members have tested positive CoVid-19. Jenny extended thanks to Tina Batsch and the entire Laboratory staff, noting that 10,000 tests have been completed during that same period. Positive cases in Pend Oreille County are on the decline; however, Jenny noted that everyone needs to adhere to strict masking protocols.

She was thanked for her informative report.

#### Superintendent's Report

Tom Wilbur stated that due to the CoVid pandemic our 2020 Strategic Planning process and initiative drives were effectively placed on hold, setting us back (creating urgency) heading into 2021. We had no opportunity to conduct our routine, in-person, annual offsite strategic planning meetings; and our ability to move anything other than our transition of core EPIC/Premier platforms and ACO restart was non-existent. He noted he was taking the opportunity to "hit reset" and effectively start from where we were exactly one year prior with evaluating our immediate and intermediate term goals.

Strategic Planning 2021-22: Tom provided two documents he's historically used to outline strategic initiatives: 1) CEO, core strategies and Wildly Important Goals (WIG's) which outlines a basic NHHS one to three year plan (WIG/course direction) – this is generally done in conjunction with the Board and senior team during budget (Q4) and year end close; and 2) our Leader Clarity, Foundational Tactics, and Big Bullets that culminate the entire leader (30+ director, manager, coordinator) group's tactical goal setting for the year (usually done in a Q1/early Q2 during an off-site group planning session). Neither meeting was held in 2020, due to the pandemic.

Tom went through the two documents, outlining his philosophies (contribution statement, target initiatives, WIG outlines, that vary little year-over-year) to the leader team's tactics and goal setting that are centered around NHHS's key strategic goals/targets/clarity statements and identify the "big bullet" targets our leaders set each year. He noted that we started on the 2021 review at our Manager Meeting this month to get the team started thinking beyond conversions/pandemic – which will still remain *all there is* thru Q1; however, we do need to pick up on our thinking beyond those ends.

Tom noted that primary strategic focuses will be on value based healthcare delivery economics and hospital/clinic space re-design/development (also centered on VB service utilization and/or design expansion of existing services in the queue (ED, OR, therapies, etc.), create alignment/adaptation and develop informatics/ systems around our system conversions (process flows/revenue cycle under EPIC and Premier) and striving to meet VB/ACO cost and quality metrics. Staff/leadership will continue to be developed around the 7 Habits, 5 Choices and 4 Essential Roles concepts.

Organizational Chart: revisions were presented for a review. Tom explained the proposed changes stemmed from filling a system gap and finding a strong, hospital-based nurse leader. He noted the Org. Chart hadn't been updated since 2014, though a number of internal revisions have occurred throughout the years. He noted that our "operators" (Coordinators/Managers) have always managed their departments effectively, noting our structure uses a "bottom-to-top-to-bottom" philosophy whereby operator's/providers run the business lines and the Directors (senior leaders) set strategy, align goals, assist to develop capital and system budgets, and ensure we hit our strategic goals.

Commissioner Robertson asked why Laundry, Dietary and Facilities report to HR; Tom explained this was a system rebalance done a few years back as we shifted to VBP/ACO models and brought on new facilities and security. Plus, we still face some huge tasks ahead - the new ACO model, integrated behavioral health, residential care shifts, facilities planning, etc. Lois recapped that essentially the work is being divided equally amongst the Chief Officers to balance tasks.

Commissioner Johnson asked why the Director titles were replaced with C-suite titles at higher salaries, even though they will be doing the same job? She also noted that it looked like an extra layer of management was added; the chart Tom proposed in December included Chief and Director positions – she didn't recall any discussion with regards to the structure being proposed today.

Commissioner Rosencrantz asked whether the changes to the Org. Structure are separate and distinct from any salary increases; he noted the original proposal listed some of the now C-Suite positions to have increases in compensation, including incentive compensation; are those CEO determined vs. Board determined? He stated that he would not approve this and asked whether the org chart proposed today would refer only to structure and *not* compensation levels? Tom stated that any/all of Org. Chart and any compensations changes *would depend* upon Board approval.

Tom noted the District utilizes annual Milliman Survey data to review job codes and wages; however, with the new CNO posting, this is the first time we have really reviewed senior team compensation. The Chief vs. Director (as well as manager, director, coordinator) titles have evolved over the years and there is no hard and fast method for labeling positions. He noted the prior Org. Chart (2013) was more "Chief" labeled; in 2014 we switched titles to primarily Director. Tom stressed this review was conducted part and parcel with the CNO search, noting a true wage analysis for senior suite positions has not been conducted in many years. He stated our NHHS DNA is not to arbitrarily raise costs.

Commissioner Rosencrantz clarified that his question related to whether the three proposed positions are being elevated to "Chief" titles; the significant salary/incentive comp. increases caught him off guard – especially during times of financial distress among Pend Oreille County's general population. He added that the meeting minutes will reflect that Tom W. has delegated approval to the Board for any salary increases.

Commissioner Elswick stated that the Org. Chart lists COO, CNO, CFO and CHR; but the COO definition described under Milliman survey does not match what is included in our job title. Lynnette suggested job titles/descriptions/duties should be developed before a final Milliman survey be conducted. Tom stated that could be done, but noted that a Milliman job code classification that include responsibility for the operation/oversight of both clinics and residential care services would not exist; nor would a role that blends clinical and administrative type services exist. Tom offered to look at options; the art vs. science of titles will come into play and we'll include the Finance and Personnel Committees.

Sue Johnson requested clarified job descriptions be completed prior to approval of the proposed Org. Chart, adding that, in her opinion, all departments that have any nursing elements, including residential care services (RCS, aka RMV), should be reporting to the CNO.

Jennifer Johnston, RN, ACU Mgr. stated that, from a nursing perspective, she feels there is too much responsibility being placed on the CNO if the RCS/RMV service lines were to also report under the position. Jennifer conveyed that she is concerned the hospital based nursing staff would suffer as a result; she feels that our hospital staff could use a focused leader, which has been lacking for the past few years.

Sue Johnson stated that would depend upon position title - Chief Nursing Officer vs. DNS.

Commissioner Lois Robertson questioned why we are adding "Chief" titles to the senior group? She didn't understand why we can't merely hire a CNO now without changing the org structure and asked whether changes to the organizational structure are related to hiring a CNO? She also raised concerns about finances (when CoVid relief is no longer in play) and added the proposed org structure appears "top heavy" - noting it might not set well with the community and staff members.

Commissioner Rosencrantz stated that the proposed organizational chart somewhat conflicts with our current hospital operations and what is reflected on the chart.

Tom indicated that staff members understand who our "go to" manager/leaders are and, typically, this doesn't necessarily follow the set lines of an organization chart. Tom reiterated that the last time we revamped the org chart was 2012-14, when we went from 4-5 senior team members (CEO/5-Chiefs/Directors) to seven members (CEO/6-Directors) and now back to five (CEO/4-Chiefs). We have wrangled over titles/descriptions for many years, not only with Chief/Director, but also Dir./Mgr./Coor./Lead (all function is similar veins); however, the true rationale for any structure is to ensure we set/communicate goals, develop structured plans, policies, procedures, and measures to ensure we move on our targets – pulling in the same direction to accomplish goals. It is the collective effort/conduit of our 35 leaders, medical providers, and operators all working shoulder-to-shoulder to accomplish the goals. This new proposed Org. Chart does not create any "new" positions or layers it simply reshuffles the seats on the bus. From our senior to line level remains two steps (three if you count to the CEO as an added "layer") – in that regard nothing has changed.

Dr. Reinke commented that he agrees with Lynnette that if the issue with the chart is salaries matching titles, then further review of the survey descriptions and salaries is warranted. The CNO candidate should start at a certain level, which may be important in recruiting the person we need.

Sue Johnson stated that if the CNO candidate was working in Spokane they would be making the same salary as a charge nurse and she felt the CNO wage was not out of line; however, the other wages Tom proposed are significantly higher in comparison to the other similar rural hospitals. Based on the data/ information provided, Sue noted that only nine PHD's offer bonuses, of which four were limited to CFO's; she questioned why we would expand bonuses to all senior leaders?

Tom stated that not all PHD's are the same and NHHS has performed very well as compared to many PHD peers. In order to accomplish our goals, good operators are necessary; this Org Chart/market review came with recruitment/market review of a new C-Suite/Senior level team member. He noted that he has always felt senior team incentive compensation is appropriate and it has been discussed with the Board in the past, just not this iteration of the Board.

As to the COO position, Tom added that Chris is as good a leader as any he has ever worked with, which isn't always recognized. He noted some of the consternation with title discussion was the muddling of CEO succession planning discussions with Medical Staff, which prompted questions about strategic vision; however, in translating vision to end-results, Chris has proven her worth and capabilities. The Board members added they do not question Chris' skills or abilities.

Michael Zeimantz stated that Chris has provided stellar support to his service line and noted he is very satisfied with the division in which he is involved. He noted that all of us agree that our goal is to provide the best care possible while having the best support at all levels in the organization.

Tina Batsch introduced herself and explained that she succeeded Chris as Laboratory Manager for the past seven years when Chris was promoted to Director of Primary/Ancillary Care to oversee Lab, Radiology, Clinic, PT and Infection Control. Over the years, Chris has assumed managing QA/PI, Social Services, as well as CoVid Incident Command. Chris was also instrumental as a Project Manager for our new clinic construction. Tina commented that Chris truly has been functioning as a COO and agrees with Michael and Jennifer that Chris has offered her department great support. Tina stated should the Laboratory report to another individual, she would be accepting of this change.

Jennifer also added that she did not wish to imply she is in disagreement with Tom's vision and the need for a CNO, she pointed out that she has been here for seven (+) years, Chris has provided great support and follow-up; Jennifer feels that Chris is an incredible asset to the District and should be recognized as such. Leif Furman also stated that Chris has brought great value and support to the Radiology department.

Tom summarized that we proposing only two decisions today – moving forward to hire a CNO and approve the revised Org. Chart. Commissioner Elswick requested any non-CNO salary determinations be placed on hold until we gain a better understanding of our financial position in light of the new Federal Administration change and legislative sessions (State, federal, etc.). Tom asked whether incentive compensation would be considered with the CNO offer. Commissioner Rosencrantz indicated that, if properly structured, yes; and, if we are able to negotiate this in the realm of "incentive/contingent bonus" as related to becoming Tom's successor.

Commissioner Zakar expressed that she wanted to inform all staff members that the Commissioners were not involved in restructuring the org chart; that this is Tom's vision to do what is necessary to foster changes necessary for improvement.

**ACTION:** Following final Board members discussion on the structure/key positions/reporting lines, Commissioner Rosencrantz moved to approve the organizational chart dated January 20, 2021; the motion was seconded and passed 4-1, with Commissioner Johnson opposing the motion.

Chris Wagar commented that the revised structure will be a new undertaking, noting that our behavioral health program will be an entirely new service line and, although we have experienced ACO participation, there will need to be a new focus on population health. Chris stated that she has an excellent rapport and relationship with her line leads; however, the District is growing and there is a definite need for a CNO; she is in complete agreement with Tom's Vision/Goals - despite the difficult challenges and decisions to be made.

Commissioner Rosencrantz asked if all incentives and bonuses are paid via board approval - Tom affirmed, noting there has not yet been any model/goal setting developed for 2021. Historically, scoring has structured around core strategies/deliverables, but it can be defined as detailed and specific as the Board sees fit. Tom believes we deliver great services and have developed excellent programs and should be paid accordingly; noting he has also been transparent with the new CNO candidate regarding the incentive discussions. Commissioners Elswick, Robertson and Zakar added they do not object to the salary or incentive offer extended to the CNO.

Commissioner Robertson commented that she supports the effort to review a comprehensive incentive program, so long as we can guarantee going into 2022 that the District will be in a positive financial position. Tom stated that there are no guarantees, but he and the other Directors have always "driven the train;" regardless the Vision set for the District, the entire leader group/day-to-day operators make us go.

Commissioner Johnson stated that all staff members deserve to participate in establishing incentive goals that trickle down and are not reserved only for the top executives. Tom stated that this has been the case for the last 20 years and anticipates the revised targets for our current plan will be complete by July 1.

Tom added that he has appreciated the conversations with staff members and will continue to develop job codes and descriptions.

With regards to the EPIC conversion being postponed until March, members of the Board questioned why they were not informed. Dr. Reinke explained that there was not enough support staff to assist with training and felt the most beneficial option was to extend the date. Tom noted that we also had server/switching issues in Spokane (via AT&T) that were caused by CoVid delays.

It was noted many notifications to all District staff members are sent via the internal District e-mail system and the board members personal e-mail addresses are not always included. Nancy will place a request to the IT Dept. to ensure that the Board members receive a link and instructions to access District e-mail.

Tom W. extended his thanks and appreciation to everyone that has participated in the EPIC remote site training for EPIC. Commissioner Zakar complimented the staff for the amazing work they have accomplished as related to CoVid.

### **ACTION ITEM AGENDA**

**Environment of Care Plan** – As required by WAC 246-320-296, Management of Environment for Care provides an overview of the District's Safety and Security functions.

**ACTION:** The Environment of Care plan was approved unanimously via a motion made, seconded and passed.

**Owners Representative Consultant Services Agreement** – the agreement for owner's representation between Hammond Facility Consulting and NHHS was presented to assist in facilities planning, design and construction efforts.

**ACTION:** A motion made, seconded and unanimously passed approved the agreement in an amount not to exceed \$25,000.

**2021 District Total Capital and Minor Equipment Budget** – Amounts on the Priority 1 listing are considered “not to exceed” without additional Board approval; it was noted there was a discrepancy related to the radiology room remodel; also it was clarified that the Shimadzu RadSpeed unit is not a portable unit – the main unit is at end of life – the replacement cost of \$280,000.

**ACTION: the revised Capital Equipment list dated 1/28/2021 was approved via motion made, seconded and unanimously passed.**

EXECUTIVE SESSION

As permitted by RCW 41.05, the meeting was moved to Executive Session at 12:20 pm. for approximately 30-40 minutes to discuss personnel and credentialing matters.

RETURN TO OPEN SESSION

The Commission returned to Open Session at approximately 1:00 pm.

It was determined that post final interviews with the Board and other team members, Tom will work with the Board chair/Personnel/Finance to determine a final CNO offer, including compensation.

Per the recommendation of the Medical Staff Executive Committee, the Board of Commissioners approved the following privileges by motion made, seconded and passed unanimously:

PROVISIONAL TO FULL STATUS

TeleNeurology

Abdelrahman Beltagy, MD  
Sheila Smith, MD  
Bruce Geryk, MD  
Lindsey Friesman, MD

Off-Site Radiology

Wendy Eheili, MD

Nephrology

Laura Bergerson, PA-C

NEXT MEETING DATE

The next regular meeting of the Board of Commissioners will occur on Thursday, February 25, 2021 at 10:00 am. in the Sandifur meeting room. The meeting will be available via ZOOM.

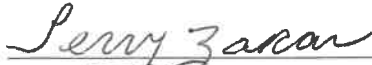


**BOARD OF COMMISSIONERS  
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January 28, 2021**

ADJOURNMENT

There being no further business, the meeting adjourned at approximately 2:00 pm.

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



Terry Zakar, President  
Board of Commissioners



Lois Robertson, Secretary  
Board of Commissioners