

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

**September 23, 2021**

Due to CoVid-19 protocols, the meeting was offered via tele-conference.

Those in attendance: Commissioners: Terry Zakar, Lynnette Elswick, Lois Robertson, and Susan Johnson; Executive Officers: Tom Wilbur, Theresa Hollinger, Chris Wagar, Kim Manus and Joseph Clouse. Others: Aaron Reinke, MD; Casey Scott, Jennifer Johnston, Jen Allbee, Jenny Smith, Casi Densley, Deanna Watson, Carie Russell, Jan Steinbach, Michelle Knight, Carol O'Leary, Becky Dana, Walter Price, Lori Stratton, Sharon Jacobson, Tammy Roberts, Brent Broadstone, Melanie Endicott, K. Storlie, 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:

Consent Packet: Meeting Agenda, Auditors Report and Uncompensated Report. A motion made, seconded and passed unanimously approved the Consent Packet.

APPROVAL OF PREVIOUS MEETING MINUTES

The August 20, 2021 special meeting minutes and August 26, 2021 regular meeting minutes were approved via a motion made, seconded and unanimously passed.

BUSINESS FROM THE AUDIENCE:

There was no business from the audience to discuss.

Auditors Report – August:

Warrants #302196 through 302492	1,160,695.55
Electronic warrants: #400120, 400130-400131	
#400135-400146	801,746.20
Mountain West, Loan payment, disbursed 08/10/21	<u>39,453.85</u>
Total, warrants and disbursements	\$ 1,825,476.80
<u>Bad Debt/Charity: August, 2021, inclusive District Write-off:</u>	\$ 44,240.28

COMMITTEE REPORTS:

Joint Conference: Dr. Aaron Reinke, Chief of Medical Staff noted there was nothing of significance to report. The medical staff continues to battle Covid vaccine misinformation and vet exemption requests. There are six in-house CoVid positive patients. He noted providers are experiencing compassion fatigue as patients are irate, argumentative, and impatient. Tom W. and Terry Z. commented on the great informational article that was published by the provider group in the local paper.

Dr. Reinke noted that he believes an additional provider will likely be needed as our providers retire or transition. Tom agreed, noting his goal will be to schedule a group meeting with the providers (post

pandemic) in an effort to re-engage; Dr. Reinke noted that as the population size increases and staffing decreases we will need to make adjustments, reallocate resources, and consider new options. Of concern is the ability to staff the OB dept. (RN's) to keep it operational and provide social services. Commissioner Johnson added that it will be difficult to match the competition's offer of sign-on bonus, wage and shift choice that is being offered in Spokane.

Theresa Hollinger is developing a comprehensive plan to market our services to the community. Dr. Reinke agreed there is much to offer to our patients, who typically are very positive of our services and love of the area. Tom W. agreed, adding that we are maintaining under "CoVid survival mode" but anticipates a brighter future in serving our community when we get through the pandemic.

HR Update: Joseph Clouse, HR Director, provided the current Open Positions report, noting there were now approx. 33 openings, but three RN's are slated to be filled in the coming weeks. Other than that, the hiring process has been slow. The Compliance Officer position remains open; though, we had a qualified candidate set to accept the position, he ultimately decided to decline and stay put.

To fill NA-C positions, we will hire NA-R's and provide two week on-site training at RMAC and RMV. The District will pay the \$85 registration NA-C certification fee. Casey is also enlisting assistance from Rural Resources and Jenny Smith has placed advertising.

Joseph shared a comparative report of the Collaborative hospital facilities that included staffing level changes, percentage of care provider positions, details of staff losses due to vaccine mandate, wage-specific solutions, etc. He pointed out that 8 of the 14 facilities are considering market wage adjustments, something that NHHS has implemented. Kim added that a few members of the group have yet to respond, but many are experiencing similar staffing shortages. Joseph noted that we have been innovative in that we are offering premium pay and double time.

Regarding the vaccine mandate, to date, 60 employees have submitted exemption requests, 8-10 employees have resigned (though only three have indicated it was due to the Governor's mandate). Joseph explained the blinded process used to consider employee medical and religious exemption requests. For exemption requests initially denied, options were offered for employees to further explain in person, or in writing. He noted the deadline for final submittal is October 18; as of Monday, 38 employees have not been vaccinated or submitted an exemption form. A follow up letter was sent as a reminder and Joseph noted that we are allowing some leniency with the October 18 deadline for those that are sincerely considering the track to full vaccination. It was noted that we will not testing employees as an accommodation. Chris explained that private employers are mandated to test employees weekly; the healthcare sector is not.

Joseph distributed a Market Adjustment report, noting the mid-year Milliman survey adjustments that were under consideration. He explained that in the past we utilized Milliman survey data that generally included only rural hospitals, and excluded the Puget Sound and/or Seattle and Portland markets. Wage scale minimum is set at 98% of market and the established salary range includes 25 steps with an incremental increase of 1.5% for each year of experience (aka – step). Since Washington State started implementing its minimum wage hike, it has become more difficult to keep par with the market.

This year, 100% of the Puget Sound/Other survey was is utilized to determine wage scale starting points. Using the revised (and management recommended) methodology applied to all staff who have yet to receive market increases (and including RN's), the total annualized adjustments would equal approx. \$1.14M and affect 222 staff members; an average increase of \$5,100 per staff member.

Joseph indicated that he will submit changes to the District's compensation plan at the next meeting, noting he will propose automatic step adjustments. Commissioner Johnson requested additional details prior to approval; Tom indicated a breakdown of job codes, etc. will be provided to her and she can review those with HR. It was noted that the Finance Committee reviewed the information with Commissioner Elswick and determined that the matter will be discussed in detail during the Executive session of the meeting.

Finance/funding: Tom W. explained that, in reviewing our District 25 year history (pre and post-CAH), we operate with a slight loss under cost-based reimbursement model's, but our bottom line typically levels up to a 2%-4% margin with taxes, investment, and other operating and non-operating revenues. Over time, our reimbursements increases/decreases in direct relation to our costs; which is how the system is designed; it just lags the incremental change. So, in theory, barring any changes as we enter 2022, this will repeat. Tom noted that using 2020 Cost Report rates, if volumes come back in 2022 as we expect they should, we would generally be overpaid throughout 2022 and would have a payback under our cost settlement; however, with the proposed market wage adjustments, this should mitigate and push us closer to a net zero settlement, but that won't be determined until June 2023.

Kim Manus, CFO also added that the District's PRF funding process has been finalized (DZA Accounting firm reviewed) and we will retain all of the federal funds we have received to date. CARES (\$4.5M) will cover District qualified revenue losses in 2020-21 and the PPP (loan application) should be forgiven in 2021 (\$4.8M). Both of these are significant amounts that will not require offset on the Cost report. Kim added that our focus is to retain and hire staff to ensure we remain open and able to care for our patients.

Kim also noted the Acct. Dept. has been working with DZA to complete our District audit; once completed, Casi will present the final 2020 financial statements. Onsite training has occurred with the purchasing dept. for the new Premier software. Weekly meetings have been occurring without issue.

Casi stated that the BFR budget software program training is underway. The base budget has been built and meetings with managers are scheduled to review dept. budgets including staffing level projections. A permanent AP clerk has been hired; Casi is confident that her team is up to speed and will be productive.

RCS & RHC Updates: Chris Wagar, COO, provided the weekly care status report for both residential facilities noting an outbreak occurred at residential care that resulted in weekly testing at the facility. This has since resolved and biweekly testing will resume. Staffing levels at RMAC is maintaining and both facilities are accepting new residents.

Chris stated that the clinic and hospital greeters are experiencing animosity and disparaging comments from the public. Security and law enforcement will be dispatched if necessary.

We have reached the six month mark for the Epic transition. Chris commended Candace and Carol for their assistance in the process.

Quality/PI: Jen Allbee, Quality Manager reported that she has been working on the plan of correction response to the State survey. A 60 day waiver was submitted and accepted to allow more time to develop the corrective action plan.

Jen explained that we switched our patient satisfaction survey vendor from Press Ganey to Survey Vitals in July and our new response rate has been exceptional, with 49% clinic responses yesterday. The inpatient survey responses will be arriving soon.

Coronavirus Update: Jenny Smith shared the monthly updated report and noted we have only one monoclonal antibody treatment in house. The supply source was changed back to an allocation model; but the Pharmacy placed an order and there is a supply coming. Jenny noted that we were able to secure two doses from Tri-County Health District; she thanked John Wagar for volunteering to pick up and deliver the doses from Chewelah. There have been many opportunities to network amongst our local agencies to assist one another to reach the same goal. Sen. Shelly Short has participated regularly on the ZOOM call, as well as members of DSHS, DOH, etc.

The FDA has not approved booster vaccines for the general population, only those 65 and older at high risk. Jenny will share information as it becomes available on the CoVid 19 Vaccine Hotline and on the District website.

On September 21<sup>st</sup>, the District experienced a 13 day run of no available beds; Jenny noted beds are available today. She stressed that her reports are provided on a one day lag and not always real-time. As of September 22, there had been 93 CoVid positive employees – a total of 10 more than reported in August. Jenny is waiting on updates from NETCHD; as of yesterday, there were 132 active cases in the County, and case rates are running slightly below 1,000 cases per 100K lives. Bonner County initiated “crisis standards of care” yesterday, postponing all non-emergent surgeries, and team nursing was implemented (staff are working in other depts. than their home depts.). Additional patient care space is available, if needed. Regionally, CoVid hospitalizations are declining; Jenny pointed out that ICU hospitalizations are on the rise.

CEO Report: Tom W. explained that we continue to work through the Governor’s vaccination mandate, as we strive to do the best we can despite the circumstances.

The State survey deadline has been extended until November 13.

The system conversion is in process and we continue to try and utilize the new systems and tools to the highest operational level – though it is difficult to fully implement changes during Covid.

Tom announced a rural grant opportunity – up to \$10M for capital, etc. Tom will meet with the key players and consider the next steps.

2022 ACO – We have joined the 2022 ACO to begin direct contracting with seven other Rural Collaborative members. Tom anticipates, based upon early numbers and continuing Covid ramifications, we should capture some ACO savings in 2021.

Physician Recruiting – Craig Burns, MD was recently hired to provider coverage in the ED and another provider was recently interviewed. Tom noted that Kootenai Medical is experiencing a transition and their FP-Board Certified MD’s are considering other options.

AIMS Program – Tom stated that under the program, Caitlin Rippey will be providing psychiatry telemedicine services while working in conjunction with Crystal Schluter and our PCP’s.

There are no updates to the AL TSA rates from the State. Tom is not certain whether, or for how long, NHHS guaranteed rates will be continued.

Federal funding is available for a residency program. Although this is beneficial for recruiting, it is difficult for the providers to manage and oversee. Tom believes that we are operating a successful rural model of full spectrum, primary care.

Tom announced that Commissioner Robert Rosencrantz resigned his Commissioner position when he was offered his County Commissioner seat earlier this month. We will start the inquiry for those who may be interested in filling the position on our PHD Board – our target will be to interview and fill the position no later than December 10<sup>th</sup>. Our likely target date to complete the process should be the regular meeting of Nov. 18<sup>th</sup>. We will schedule interviews, open to the public, with the Board making any final candidate appointment decision in executive session. Tom noted that as Commissioner Zakar's position is on the ballot, the candidate who is running behind as of Nov. 5<sup>th</sup>, either Zakar or Melanie Endicott, could opt to apply for the open position. The winner will fill Zakar's seat for a six year term; the one behind could interview for Rosencrantz's open seat. The new appointed candidate would need to run for election in 2023 to complete the stated term and again in 2025 to fill the full six year rotation.

Tom encouraged anyone interested to submit a letter of interest, care of the CEO/Boardchair) via NHHS Admin. Tom recapped the tentative timeline, as follows: Rosencrantz position will be open to interested parties (letter of interest) until November 5 at 5:00 pm. Interviews will be conducted over the following 2 weeks with a deadline to have them complete and appoint a Commissioner replacement at the November 18<sup>th</sup> Regular meeting. Jenny will produce a press release.

### **ACTION ITEM AGENDA**

**Capital Purchase - Commercial Washing Machine.** As discussed in the August meeting, the price for the new commercial washing would be submitted at the September meeting.

**ACTION:** The Board approved the purchase of a new commercial washing machine in the amount of \$21,126, including tax and shipping via motion made, seconded and unanimously passed.

**Capital Purchase – Cell Saver Elite Blood Recovery System.** Theresa Hollinger explained that supplies will no longer be available for our existing device. The replacement is a Cell Saver Blood Recovery System plus the disposables. The equipment is necessary to perform our total knee, hip and shoulder surgeries and useful for other types of surgeries that we are considering in the future.

**ACTION:** A motion made, seconded and passed unanimously approved the emergency purchase of a Cell Saver Elite Blood Recovery System in the amount of \$22,500.

**Freight Cost for Shimadzu X-ray Unit.** When the unit was approved for purchase in February, the cost for freight was not included.

**ACTION:** A motion made, seconded and passed unanimously approved the freight cost for the above item in the amount of \$5,364.52.

**Resolution No. 2021-03 – Surplus Property.** 3 items were deemed no longer necessary for District use: 1) Shimadzu x-ray machine equipment (trade-in for the new x-ray unit); 2) Orthopat (cell-saver) device being replaced; Kim noted that the device was vendor supplied and has little carrying value - the vendor has been contacted to see if they will remove it or would like NHHS to dispose; 3) commercial washing machine being replaced with a new machine.

**ACTION:** Resolution No. 2021-03 was unanimously approved to surplus to 3 items listed above.

**Resident Transportation/Outing Van.** The current activities van is aging and in need of replacement. In 2020, the purchase of a transportation van was approved as a Priority 2 purchase in 2021 (due to the uncertain circumstances). Kim added that the larger van would permit a safer environment for residents with regards to the CoVid pandemic.

**ACTION:** The purchase for a new resident transportation van was unanimously approved to be moved to a Priority 1 capital purchase in the amount of \$85,000.

**OB Warmer Reallocation of Funds.** Theresa explained that a warmer is needed in the event of an emergency C-section; however, she requested that the Board approve reallocation of these funds to help support building an infant care center (at a lower cost). The center is a built-in model that affixes to the wall. Two are required and included in a package that Theresa has been discussing with the Foundation in an effort to update the OB dept.

**ACTION:** A motion made, seconded and passed unanimously approved reallocating the OB warmer funds for the purchase of 2 infant care centers. Kim stated that the purchase is considered capital – the final project amount will be brought to the Board for approval.

**Capital Purchase – Peninsula Laboratory Countertop.** Theresa Hollinger explained a stainless steel countertop was approved as minor equipment in the amount of \$4,999. The measurements and new quote was returned at \$8,039.16. Alternative options have been considered, especially in respect to the consideration of constructing a new laboratory. Laminate countertop surfaces cannot withstand the chemicals, bleach etc. The laboratory equipment is rather sensitive and difficult to move for any extended period of time required for laminate to cure. Theresa proposed replacing the counter with a stainless wrap. The capital threshold is \$5,000, and Board approval is required for any capital purchase exceeding this amount.

**ACTION:** The purchase of a new peninsula countertop for the laboratory dept. was approved unanimously by a motion made, seconded and passed in the amount of \$8650 that includes 7.6% tax.

#### OTHER BUSINESS

There was no other business to discuss.

#### EXECUTIVE SESSION

As permitted by RCW 41.05, the meeting was moved to Executive Session at 11:38 am for approx. one hour to discuss credentialing and personnel matters (detail wage adjustments by Job Code).

#### RETURN TO OPEN SESSION

The Commission returned to Open Session at approximately 12:45 pm.

Following the discussion, a motion made, seconded and passed unanimously approved the proposed market adjustments.

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

Courtesy Staff:

Mary Logsdon, M.D.

**BOARD OF COMMISSIONERS  
PUBLIC HOSPITAL DISTRICT NO. 1 OF PEND OREILLE COUNTY  
September 23, 2021**

2 Year Reappointments – Offsite Radiology:

Jade Regan, M.D.  
Adam Benson, M.D.  
Jeffrey Clark, M.D.  
Kyle Dale, M.D.  
Sarsfield Dougherty, M.D.  
Paul Eikens, M.D.  
David Keaton, M.D.  
Matthew Mesick, M.D.  
Jason Vergnani, M.D.  
Richard Dahlen, M.D.

David Bauer, M.D.  
Joel Brake, M.D.  
Richard Dahlen, M.D.  
Anthony D'Amico, M.D.  
James Eaton, M.D.  
Mark Elliot, M.D.  
Mark McVee, M.D.  
Jacob Pickering, D.O.  
Leslie Russell, M.D.

Initial Appointments:

Jared J. Wyrick, M.D. Cardiology  
Patrick Cox, M.D. - OffSite Radiology

Caitlin F. Rippey, M.D - Psychiatry

NEXT MEETING DATE


The next regular Board of Commissioner meeting will occur at 10:00 a.m., Thursday, October 28, 2021 in the Sandifur meeting room. The meeting will be available via ZOOM.

ADJOURNMENT

There being no further business, the meeting adjourned at approximately 12:50 pm.

Minutes recorded by Nancy J. Shaw, Executive Administrative Assistant.

  
Terry Zakar, President  
Board of Commissioners

  
Lois Robertson, Secretary  
Board of Commissioners