BOARD OF COMMISSIONERS
PUBLIC HOSPITAL DISTRICT NO. 1 OF PEND OREILLE COUNTY
January 27, 2022

Due to CoVid-19 protocols, the meeting was offered via tele-conference.
In Attendance:
Commissioners: Lois Robertson, Lynnette Elswick, Susan Johnson, Melanie Endicott, and Becky Walrath. Executive Officers: Tom Wilbur, Kim Manus, Chris Wagar, and Joseph Clouse. Others: Chief of Medical Staff, Aaron Reinke, MD; Casey Scott, Casi Densley, Jane Tilley, John Stuivenga, Chelsea Stumph, Becky Dana, Carrie Russell, Nicole Kingery, Tammy Roberts, Judy, Jen Allbee, and Nancy Shaw.

Excused: Theresa Hollinger, CNO.

CALL TO ORDER:

Lois Robertson, 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:

The Meeting Agenda, Auditors Report and Uncompensated Report (Consent Packet) were approved via motion made, seconded and passed unanimously.

Auditors Report –December:

Warrants #303391 through 303749	1,579,483.96
Electronic warrants: #400191-400208	844,996.73
Mountain West, Loan payment, disbursed 11/10/21	40,000.00
Total, warrants and disbursements	$ 2,464,480.69
Bad Debt/Charity: December 2021, inclusive District Write-off:	$ 35,619.52

APPROVAL OF PREVIOUS MEETING MINUTES

The December 23, 2021 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.

COMMITTEE REPORTS:

Joint Conference: Aaron Reinke, MD, Chief of Medical Staff was late to the meeting and had not specific updates for the Board.

HR Update: Casey Scott provided the current Open Positions report (as of January 18, 2022). There were approx. 30 total positions open; 3 were filled during the month. He noted challenges remain in filling positions in L&D, ACU (RN's) and Lab service areas – though for the Lab Medical Tech. position we will have five North Idaho College students rotating thru in the near future. We have received several applicants for CHRO position.

Staffing at RMAC is now good; we have seven recent new hires attending the NA-C program.

Finance: Casi Densley, Controller, explained the financial statements remain "preliminary," due to the books being held open an extra couple weeks to close year end. She noted there remained a $2.4M to post as lump sum adjustments as well as the Medicare cost settlement.

Casi pointed out the dept. navigated three software conversions in the last year and our 2020 audit is nearly complete with no findings; 2020 net income is approx. $1K, prior to recognizing an additional $4.2M in Cares Act funds (working with DZA Auditing Firm to confirm) for 2020. In 2021, the SBA (PPP) loan of $4.8M has been fully forgiven, so it will also be recognized on final audit. The State Auditor's started on their 3-year accountability audit (2019-2021 periods). The audit will focus on internal controls, procurement, surplus items, and new software programs.

Residential Care & RHC Updates: Chris W. stated that the regular monthly statistical reports were not available due to IT issues, but will forward them when available. In other program updates:

Clinic – staffing challenges continue due to illness, but are slowly resolving.

Residential Care – Census is down at RMAC and both facilities (RMAC/RMV) are addressing staffing challenges; but, as noted above, there have been several NA-C applicants were hired and new admissions for RMAC is anticipated over the coming weeks.

Chris referred the Board to a copy of our Board Committee & Council Structure form included in their packets; Committees / Council structure outlined: Compliance, Finance, Medical Staff, Personnel, Safety, and Quality, listing each sub-committee. Chris explained how the process includes the flow of information to the Board of Commissioners.

Quality/PI: Jen Allbee provided an overview of 2021 data and historical comparisons. Our ED patient satisfaction rate is 54% over the past 90 day period with a survey response / rate at 27.6%.

The Clinic overall patient satisfaction rate is 45%, as compared to 43% in December. There were 1,170 surveys returned, a response rate of 43.9%. The overall composite is slightly above the National benchmark.

We currently receive the ACU (HCAHPS) reports on a monthly basis; however, the data is somewhat outdated (Q3 data was received this week) due to the CMS requirement that surveys be returned by mail (hard copy form). Jen noted members of Collaborative are addressing the issue with Survey Vitals in an effort to obtain timelier information. 107 surveys were distributed to our inpatients with 26 returns, a response rate of 24%. The overall score is 1.03 – scores greater than 1 indicate the hospital's patient satisfaction is better than the National average.

Hospital Readmissions: the National average is 15.5%; the WA State average is 13.5%. Statistical counts can vary depending upon whether it is collected for CMS/Medicare patients only (runs higher), vs. all-cause readmissions. NHHS tracks all-cause readmissions with a goal of < 10%, and consistently beats that target. NHHS' total readmission's (2012-2020 annual avg.) is 25; through November 2021, YTD was 16. Jen explained that in May there was a spike with nine readmissions; however, one patient was readmitted five times.

The Laboratory saw a daily of record 112 outpatients in September 2020; in January 2021, a new record was set at 121. Covid tests collected from January 2 through the 15th of 2021 were 575. The Lab processed 95,614 billable tests vs. 86,566 in 2020. It was noted that the Covid swabs that we send out are not considered billable tests.

Coronavirus Update: Chris Wagar provided the latest statistical data and explained that Covid antiviral medications have changed. Regencov is no longer authorized for emergency use, as it does not effectively treat the Omnicron variant. The current approved medications available for treatment are: Sotrovimab, Paxlovid, Molnupiravir and Remdesivir. We continue to offer Covid 19 vaccinations at the clinic; the health dept. is also vaccinating. Bed availability has fluctuated – Chris explained that despite record high Covid positivity rates in the community, the Omnicron variant has not had the same impact as Delta. We are experiencing a great deal of difficulty in transferring patients to tertiary hospitals – as a result, we are caring for higher acuity patients and keeping them in house for longer periods of time.

Recently Governor Inslee issued a proclamation (thru February 17) requiring hospitals to suspend non-urgent surgical procedures. Providers must attest that all procedures are urgent, validate and document the same. Dr. Reinke added a validation process in Epic to ensure compliance.

PPE – the Gov.'s proclamation also required the District to be in conventional status for all PPE, at this time there are no concerns. A significant number of staff members have tested positive for Covid (27 in the last 10 days). Over 30% of the total number of employees testing positive (***throughout the entire pandemic***) occurred in January 2022.

75% of all the Washington reported Covid cases (this week) were of the Omicron variant. Chris noted that the majority of District Covid samples are processed by LabCorp with only a certain percentage of tests being sub-typed for virus variant. Chris shared statistical reports that indicate the spike in the positive Omicron cases, which has not yet peaked in Eastern Washington. Tom referred to a Johns Hopkins report of US hospitalizations, noting that the western Washington peak occurred several days ago.

CEO Report – Tom noted that we continue to persevere in our continued response to Covid and related mandates and he cannot thank staff enough for stepping up to adapt policies, meet demand, staff units, and serve the community. We simply cannot thanks staff enough.

CEO succession planning - Tom explained he will work on a dual path with CEO succession. On one track will be the recruiting/search: he asked the Board for their opinion on whether to engage a search firm (noting the cost would $75K min.) or should we just start with internal recruiting? He noted that we have been very successful in recruiting and have bolstered our search and selection techniques over the past several years. After discussion, it was agreed to start recruiting via internal HR resource.

Tom also suggested the Board start considering their key candidate attributes (experience, education, vision, etc.) and application (vision/execution, track record, communication, community engagement, etc.) and goals/objectives to inform their selection. In that regard, the second path will focus on firming up Board vision and strategic direction. The key to CEO succession will be aligning vision and priorities and finding the right fit – any good CEO will be reciprocating the interview with the Board, providers, and senior team. Key topics of consideration will include operations/history, service line tracks, provider recruitment, capital plans, and clear view on future vision and value based programming.

Tom provided historic District goals/objectives and strategic/operating targets: maintain our local service autonomy and affiliate/integrate services to best serve our community with health care partners that make business sense to NHHS. Local autonomy can be maintained by showing high

measured performance with: patient access/satisfaction, clinical outcomes and financial margin. We focus operations/existence on: improving the lives of others, building best in class systems of care and health support, and defining measurable performance targets to insure our success.

Tom presented the framework and structure of our historical operations. He noted that typically the Board meets offsite with our leaders to review our annual "big bullet" targets; however, due to Covid, this has not been the case since late 2019/early 2020. Areas of focus over the prior decade and future targets include:

Integrated services: continue to build upon our coordinated care model (CoCM) to seamlessly integrate BH-SUD services in our core clinic model and play a proactive role to identify barriers to access and support home visits and education that improve community health.

Tom noted he was pleased with our progress and believes that our providers will want to continue to lean into services/programs that support patient-centered medical home and value-based care models. Tom anticipates that 2022 will be a financially advantageous year under our Medicare ACO model - based upon the very preliminary CMS benchmarks.

Capital planning: Tom recapped the prior decade, noting that a new clinic (2016) and RMAC (AL/EARC) facilities (2019) were placed on line with the next target in the queue in 2019 being an upgrade/replacement of our circa-58' hospital space. Target areas of expansion: ED, OR, OP treatment, and sub-specialty care areas. The goal was to launch detail planning in 2020 and to deliver on a project in late 2022. However, the pandemic completely set-back any real progress. We did review a replacement plan, but the cost ($25M) was determined to be too costly. However, now two years removed, Tom requested the Board start considering risk factors and the financial commitment they are willing to make. We still have the benefit of utilizing the LTCU space to domino or completely vacate the 58' building to construct new spaces. Tom will queue Jeannie Natwick of NAC back into our discussion.

Debt Capacity – Tom reviewed information relating to our borrowing capacity as related to days cash on hand, days in reserve, etc. On the plus side, Tom believes that the County will grow economically. Tom encouraged the Board members to read the capital information to gain perspective; we will also review other avenues of financing for capital projects.

Medicare ACO – Tom noted our initial ACO "shared savings" venture formed in 2016-18 and we jumped back in, forming a rural group/pod (w/six rural Collaborative members) under a larger ACO in 2021. Tom noted that for every year of ACO participation our rural group has ***generated savings***; however, we have rarely ***shared on any savings*** (historical hindsight 20/20) because of risk aversion (justified or not?). Our 2021 program year will be the first in which NHHS collects on any savings from CMS (approx. $450K). That will represent just 25% of the projected savings generated by NHHS with our 2,200 covered lives.

Tom explained NHHS risk mitigation and rationale for joining with other rural CAH's under a larger ACO. He believes the ACO model remains likely to generate savings (cash flows) into 2022 – where our preliminary Plan Year Benchmark increased 40% over 2021 benchmark; the same one we are currently beating by 14% in our shared savings calculation. He noted we will take a deeper dive into the ACO analysis as more data becomes available to us for 2021

Financial forecasting: Tom started with the latest four-year financial recap, overviewing the balance sheet and income statements, noting that our 2021 income statement should include

another seven-figure cost settlement along with the ACO savings yet to be recorded. He indicated NHHS's balance sheet (due to Covid funding) is strong (perhaps our best ever). Our capital planning should start with cash > $20M+, debt < $10M, of which $8M is tax funded (RMAC UTGO Bond). He reviewed cash on hand, depreciation, and routine capital expenses trends, along with annual free cash flow. Tom is optimistic, but we will need to do some quick financial estimating on a post-pandemic run rate (supposing we ever get there…).

2022 Director strategy (post pandemic): Tom noted we had just started overviewing plans with the group and again expressed his appreciation to all of them for their tenacity and professionalism in addressing the daily challenges we have faced over the past 20 months.

Board Retreat - Tom noted that he will set up a Board retreat in the near future (March?) and will prepare Board packets that will include financial and other pertinent District and Public Hospital District law related data. Commissioner Robertson suggested that the Board members meet with Tom either individually or collectively.

Recruitment / CEO Search – Tom indicated that we will likely restrict our search to the West Coast region and begin in late February.

ACTION ITEM AGENDA

Capital Purchase Transfer – Kim Manus explained that the capital purchase of a Bipap unit was approved in December; however, it was not purchased by December 31, 2021 and therefore was not carried over to the 2022 capital list. A motion made, seconded and passed unanimously approved transferring the capital purchase of a Bipap unit to the 2022 capital list from 2021.

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 11:40 am for approx. fifteen minutes to discuss medical staff appointments and personnel matters.

RETURN TO OPEN SESSION

The Commission returned to Open Session at approximately 11:55 am.

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

Re-Appointments: TeleNeurology

Zachary Winter, M.D.	James Jordan, M.D.
Yi Mao, M.D.	Axia Espinosa Morales, M.D.
Maria Recio Restrepo, M.D.	Tarvinder Singh, M. D.
Ravi Pande, M.D.	Corey White, D.O.

Initial Appointments:

Michael M. Chen, M.D. – TeleNeurology, Provisional Status

NEXT MEETING DATE

The next regular Board of Commissioner meeting will occur at 10:00 a.m., Thursday, February 24, 2022 in the Sandifur meeting room. The meeting will be available via ZOOM.

ADJOURNMENT

There being no further business, the meeting adjourned at approximately 12:00 pm.

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

Lois Robertson, President
Board of Commissioners

Susan Johnson, Secretary
Board of Commissioners