

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

February 24, 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, Theresa Hollinger, and Joseph Clouse. Others: Chief of Medical Staff, Aaron Reinke, MD; Jenny Smith, Lori Stratton, Glenn Talmage, Theresa Johnson, Tina Batsch, Casey Scott, Casi Densley, Jane Tilley, John Stuiwenga, Chelsea Stumph, Becky Dana, Jen Allbee, Sonya Scaufaire, Selkirk Sun; and Nancy Shaw.

CALL TO ORDER:

Lois Robertson, Chairperson called the meeting to order at 10:04 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 –January:

Warrants #303750 through 304118	1,530,913.15
Electronic warrants: #400209-400222	336,238.92
Mountain West, Loan payment, disbursed 01/10/2022	<u>40,000.00</u>
Total, warrants and disbursements	\$ 1,907,152.07
<u>Bad Debt/Charity: January 2022, inclusive District Write-off:</u>	\$ 42,555.81

APPROVAL OF PREVIOUS MEETING MINUTES

The January 27, 2022 meeting minutes were approved via a motion made, seconded and unanimously passed.

OTHER BUSINESS:

Jenny Smith welcomed two new Board members to the Foundation – Julie Maynard and Sherry Griffith and presented the 2021 Annual Foundation Report highlights:

- The Foundation Board committed \$40K to provide upgrades to Labor & Delivery rooms.
- The Golf Tournament raised \$30K+; the 2022 tourney is planned for June 17th at the Highlands Golf Course in Post Falls.
- A \$10K unsolicited Covid response grant (received from Empire Health Foundation) was used to purchase digital thermometers, pulse oximeters, and home Covid tests for local residents in need.
- Received an EHF Rural Facilities Capital Grant to support the Sterile Processing Safety Project – to purchase/install a new instrument washer in the amount of \$92K.

- Festival of Trees - the Foundation was not able to sell raffle tickets due to pending approval from the WA State Gambling Commission for the raffle license – instead, one ticket was given to each person who visited a sponsoring business location.

Tom W. commended Jenny and the Board's marketing efforts and dedication to community engagement. Commissioner Robertson volunteered to assist in Foundation events where needed.

2022 Community Health Needs Assessment - Jenny Smith presented the results of the assessment and shared some program development feedback:

- Improve patient access: evaluate feasibility of urgent care / walk in visits, phone system upgrades, improve community education around tele-health visits/access;
- Access to behavioral health and substance use disorder treatment services;
- Work jointly with NE Tri County Health District and the school district to address immunization solutions via the school-based PCP program;
- Review possible expansion of the Healthy Kids Snack Bag program for children in Pend Oreille County.

Other significant needs identified: transportation, homelessness and economic development. Tom W. offered background information relating to CHNA's, noting tax-exempt community hospitals are required to update needs assessment at least once every three years. This can prove to be challenging when folks want to address economic development, housing, comprehensive transportation solutions, etc. vs. health care functionality/integration. NHHS has strived for many years to work with all of our community partners (via the POHC) to identify community needs, improve integration of service (with a focus to not replicate efforts), and improve community services (examples: jail clinic, school clinic, POCCS w/BH_SUD services, shared training courses, etc.). NHHS' focus remains to improve access to care, minimize costs, and strive to achieve the greatest impact. Jenny added that our community partners communicated the areas that clients were not being served.

Chris Wagar explained that the components of the CHNA are very specific and required by the IRS. She commended Jenny for her networking efforts in researching and ensuring that all requirements were met.

COMMITTEE REPORTS:

Joint Conference: Aaron Reinke, MD, Chief of Medical Staff reported challenges in staffing, especially the OB dept. As a result, we are not performing any new inductions – for the interim these are being referred to Holy Family Hospital. However, if the patient arrives in labor, we will deliver. Dr. Reinke noted that every effort is being made to keep the OB unit open.

He noted that Dr. Tessa Reinke has provided oversight of the day-to-day clinic management in an effort to address policies, including staff feedback to integrate improvements in provider, patient and staff satisfaction. Other topics under review:

- Medication refill program – whereby an independent pharmacy would review medication refills (clinic only). This would free up time for the Medical Assistants (we are very short staffed), and physicians as well as streamline the refill process.

- Pain Management – a veteran CRNA has expressed interest in providing a pain management clinic – the providers are in favor and are considering the feasibility.
- Dr. Reinke has been discussing orthopedic injection programs with Dr. Schicker.
- An Urgent Care clinic is also being discussed.

The Board thanked Dr. Reinke for the updates.

HR Update: Casey Scott provided the current Open Positions report (as of February 21, 2022). There were approx. 28 total positions open; 8 employees were hired in the last week (w/12 total for the month). He noted challenges remain in filling nursing positions for night shift, L&D and surgery. All NA-C positions are filled. A survey is being sent next week to step up recruiting efforts with a focus on retention.

Theresa Hollinger is also researching foreign nursing programs. For perspective, she noted we are currently using two agency RN's (cost \$10K per pay period, each) and are paying temporary night shift RN positions at \$100 per hour. Theresa, via a recent WSHA session, learned there are two different types of foreign nursing programs – one is a direct contract, the other works through a staffing organization. Theresa noted that the benefit of working through an organization is they will manage of all details – including ensuring green card status, licensure, and the potential to become a permanent resident. One company's commitment required 6,200 hours at \$90 per hour; the other company required 5,000 hour commitment at \$70 per hour. The solution is considered long-term, as the nurses would not start arriving until 18 months post contract signing.

Commissioner Elswick inquired about a nurse-in-training program, and questioned whether it has been considered. Casey Scott responded, noting there are three nurses on staff who have been offered the continued education program. In addition, the State is considering options similar to the former RONE program; students would complete training at the home site hospital by completing the didactic requirements online and the clinical training on site. Skills are checked monthly at a Spokane Skills Center.

Commissioner Johnson asked about referral bonuses; Casey Scott explained that NHHS employees are offered a referral bonus for those referrals that successfully complete the first 90-days employment commitment. The bonus currently applies to all open positions. Theresa explained that our nursing tech program requires only one complete semester of clinicals.

Finance: Casi Densley, Controller, reported that managers will be required to review and note variances (over or under) to department budgets under our new BFR system. Casi shared the system spreadsheet and response/explanation - she anticipates the new system will streamline our future budgeting and monthly review process.

Casi explained the 2020 DZA financials are complete in draft form; DZA Accounting firm provided guidance for the new GASB cloud space computing system and noted that \$1.7M is attributed to the Epic implementation costs. The CARES Act and grant funds were recognized in the financial reports, which had a positive financial impact on the 2020 bottom line. Casi and Tom explained the details of funding and run rates – there were no further comments or questions.

340-B Pharmacy Program – Kim Manus, CFO explained our 2020 to 2021 340B revenue decreased substantially (\$1.3M); attributed in part to the decreased clinic visits. Kim distributed correspondence letters from drug manufacturers explaining they will be changing payment

methods to exclude many high priced drugs. Kim spoke with a 340B vendor and obtained a report that outlined the dollar impact to NHHS. Kim provided a list of the drug manufacturer, date of the medication exclusion and the financial impact. Changes are being proposed legislatively; but it is uncertain whether there will be success. Options include: we could choose one pharmacy out of five where we currently receive funding; however we are not permitted to tell patients which pharmacy to frequent. Under 340B, program savings are intended to help the community; however, under the proposed changes, all monies will be going back to the drug manufacturer. Kim does not foresee a return to the program without building our own retail pharmacy and is anticipating a response from Century to learn more of the progress; she also plans to contact our legislature at the Federal level. Tom added that this will likely exacerbate and we need to be proactive in our goal to self-insure – i.e. 20-30 hospitals with 10,000 members vs. 300 members.

Residential Care & RHC Updates: Tom W. explained that we are anticipating a higher daily rate (up to 30%); which will take the State payment rate to 78% of average residential care costs. Chris W. stated that the regular monthly statistical reports were sent to the Board members. She reviewed the data, noting the impact during the Epic conversion last March. Commissioner Johnson asked whether the clinic visit numbers would be impacted due to the revision of our Hospitalist call program; Chris responded, noting that all providers are maintaining their schedules, with the exception of Dr. Geoff Jones. Theresa Hollinger added there will be changes as we convert to the ACO care model. Various aspects of the care model were discussed and much is to be determined in the future.

Residential Care – Census was down at both facilities (RMAC/RMV) due to Covid and staffing challenges; as noted above, there have been several NA-C applicants that were hired and new admissions for RMAC are anticipated over the coming weeks. Residential care reimbursement rates were discussed briefly. The State rates have not been published yet. Tom added that our dilemma remains to keeping our losses at a minimum and striving to stay at break-even. It was noted that NHHS rates are lower than urban areas for private pay clients.

Quality/PI: Jen Allbee provided the Survey Vital patient satisfaction reports for the Emergency and Clinic depts.

The Quality Plan was included in the board materials for review and approval –to be addressed under Action Items. Jen explained the changes included the Committee and Council structure document that outlines the flow of information from the Committees to the medical staff and board.

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.

Following discussion, **a motion was made to change the Board meeting agenda to ensure that the Council and Committee reporting requirements align as needed per the Conditions of Participation for Medicare and Medicaid services; the motion was seconded and passed unanimously.**

Coronavirus Update: Jenny Smith provided the latest statistical data and explained that Covid cases are decreasing substantially. As of yesterday, there were 390 cases per 100,000 in Pend

Oreille County. In addition, hospitalizations have also declined; however, available beds do not necessarily reflect this due to staffing shortages.

Vaccinations continue to be offered in the health clinic on Monday and Friday. An open vaccination clinic is occurring today sponsored by the NE Tri County Health District at the former LTCU dining area.

Jenny explained Covid reporting details as related to diagnosis and the method of counting cases. Patients that are admitted for a diagnosis of Covid, remain with a Covid diagnosis until discharge. She noted that the standard of care is not affected. There were 8 days during the month with zero ACU bed availability. On February 17th the ED reported there were zero Covid-related visits.

We remain in conventional status for all PPE and will continue to do so. There were 117 employees that tested Covid positive since the pandemic began. 41% between January 1, 2022 through February 18, 2022.

CEO Report – Tom W. recapped our five year VBP/ACO activities, noting the importance of explaining to our newest board members the reasons for entering into VBP/ACO programs. Our primary District goals remain: 1) to maintain our local care delivery system autonomy; while 2) developing local and regional affiliations which make business sense to NHHS.

Tom discussed that VBP/ACO alternative payment models are being mandated by CMS (at the federal/state level) and have been since inception of the ACA in 2012. We have been leaning in to the premise ever since because we feel it affords us the opportunity to develop/gain efficiency and share in savings if we can fully implement better care delivery programs.

He overviewed our VBP/ACO premises that started in 2014-2015: target the highest risk populations (2%, 5%, and 15% of population represent 25%, 50%, and 65%, respectively, of care delivery costs), build better care systems to help them manage their health/wellness/chronic conditions, and contract with carriers to share in the savings if we can build better programs.

Tom shared our NHHS population stratification/continuum w/overlays of the various programs (ACO vs. 1115 waiver) we have participated under since 2016. He then provided a recap of the results generated (vs. earned) under our Medicare ACO programs [hindsight 20/20], noting we have forgone over \$4.0M in savings for fear of “downside risk.” He explained we never would have taken that “risk” back in 2015-16; however, now that we have five years of service/program development under our belts and can track historic ACO results/returns, we are in much better shape to review/assess risks moving forward. We have met or exceeded every target, participated under our POHC model since September 2014 – which has also proven advantageous and beneficial to the hospital and community as a whole.

He noted that under the ACO’s in which we have participated, we generated gross savings of approx. \$275/PMPY in the three years 2016-18, and \$1,300/PMPY in 2021. He noted we skipped 2019-2020, to focus on the WA State 1115 Waiver program, where we collected approx. \$750K in incentives to further develop our programs.

Tom reviewed and discussed five years of collective NextGen ACO data, by Group Cumulative & Trends report by Plan Year report. Refer to the reports for further details. He explained that we are better prepared than we have ever been to do the work and achieve future results (which are never, ever guaranteed). In addition, we now have nine of our 21 Rural Collaborative hospitals who have

participated in an ACO for at least one year and another six to twelve in rural WA who have participated under other rural collaborative ACO's since 2016. We have continued to learn, improve, and build better tools to do the work; and throughout the process keep our community members in better health.

Tom stressed the need to participate in shared savings models (it is one means to offset erosion in current reimbursement) and noted our foray into developing our behavioral health and chemical dependency service integration in 2021 will only continue to improve our service delivery results.

Discussion ensued with the board on expanding a Rural WA ACO group starting in 2023 (under PSW as an operator/manager vs. a rural only/operated option), aversion to risk (how high a risk corridor is acceptable), and program results. Tom stressed the importance of remaining proactive in the ACO participation and management process – to start keeping savings similar to that generated over the past five years – and to build better systems of care. He noted this will be a topic of discussion over the next several months.

ACTION ITEM AGENDA

Authorize the 2022 Foundation Letter of Agreement - A motion made, seconded and passed unanimously approved the 2022 Foundation Letter of Agreement.

Approve 2022 NHHS Community Health Needs Assessment Plan – A motion made, seconded and passed unanimously approved the 2022 NHHS CHNA plan.

Authorize the 2022 Quality Plan – The 2022 Quality Plan was authorized via a motion made, seconded and unanimously passed.

Approve the NHHS Covid 19 Crisis Standards of Care Plan- Following discussion, the action item was tabled until the March 24, 2022 meeting.

Approve Resolution No. 2022-01 – A motion made, seconded and passed unanimously approved Resolution No. 2022-01 to surplus property, specifically ventilators.

Assign Casey Scott, Public Records Officer – Following a motion made, seconded, and passed unanimously, Casey Scott was designated as Public Records Officer.

OTHER BUSINESS

Chris Wagar explained that multiple employees are inquiring of the Board's plans to hire a new CEO that will replace Tom Wilbur upon his retirement later this year. She suggested that the board consider communicating information to the staff as it becomes available. Joseph stated that Tom Garrett and Tom Wilbur are discussing the timeline for posting the position and Tom W. indicated his departure date should be by year end, but the most important goal is to find the right fit and replacement. He noted that we completed our CHRO hire this month.

Commissioner Robertson reported the Board has requested a review of all potential candidate applications and pointed out that the two Board members on the Personnel Committee should be involved in the hiring process. Commissioner Elswick also agreed the two Personnel Committee Board representatives should be involved in the preliminary CEO interviews and hiring process.

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Commissioner Johnson stated the board has discussed the process and the involvement of physicians and Committees and stressed the importance of the Board's involvement in participating in all interviews and selection of candidates.

EXECUTIVE SESSION

As permitted by RCW 41.05, the meeting was moved to Executive Session at 1:35 pm for approx. twenty minutes to discuss medical staff appointments.

RETURN TO OPEN SESSION

The Commission returned to Open Session at approximately 2:00 pm.

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:

Family Practice, Active Status:
Angelika Kraus, M.D.

Family Practice, Allied Health Status:
Brian Taft, PA-C
Keith Bell, PA-C
Chris Buscher, PA-C

Anesthesia, Allied Health Status:
Karl Jacobson, CRNA

Off-Site Teleneurology:
Nicholas J. Okon, MD

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 1:55 pm.

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



Lois Robertson, President
Board of Commissioners



Susan Johnson, Secretary
Board of Commissioners