

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

**April 28, 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 Laura Hamilton. Others: Justina Stern and Phillip Ventress – Washington State Auditors; Jenny Smith, Casey Scott, Casi Densley, Jane Tilley, Trina Gleese, Brent Broadstone, Carrie Russell, Theresa Johnson, Jennifer Johnston, Jen Allbee, and Nancy Shaw.

Excused: Chief of Medical Staff, Aaron Reinke, MD

CALL TO ORDER:

Lois Robertson, Chairperson called the meeting to order at 10:04 a.m. Lois stated that she would like to acknowledge the passing of Rita Little, a caring, dedicated, long-term employee of the District who had originally worked at Newport Family Medicine for many years before it was purchased by the District. Laura Hamilton announced a matted picture is available for employees to sign that will be presented as a remembrance to Rita's family. Services for Rita will be held 1:00 pm, May 6<sup>th</sup>, at the Newport Cemetery.

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. There was one Agenda change noted: the Safety Committee's annual report will be presented next month.

Auditors Report –March:

Warrants #304442 through 304765	1,500,687.92
Electronic warrants: #40024-400254 & 400257	248,023.29
Mountain West, Loan payment, disbursed 03/10/2022	40,000.00
Total, warrants and disbursements	\$ 1,788,711.21
<u>Bad Debt/Charity: March 2022, inclusive District Write-off:</u>	\$ 38,432.32

APPROVAL OF PREVIOUS MEETING MINUTES

The March 24, 2022 meeting minutes were approved via a motion made, seconded and unanimously passed.

OTHER BUSINESS:

Justina Stern and Phillip Ventress of the Washington State Auditor's Office (SAO) presented results of their accountability audit for the period January 1, 2019 through December 31, 2021. Copies of the draft audit report were provided and highlights of the Audit and Conclusions presented by the SAO team included:

- The District complied with all applicable laws, State regulations and policies, and also provided adequate controls over public resources. Justina noted this is the highest opinion that the District can receive for accountability.
- The SAO utilizes a risk-based audit approach to ensure that high risk areas are the focus. Compliance with maintenance contracts was reviewed due to a prior finding and security policies & procedures, practices, and controls of financial systems were reviewed since the District recently moved to a new financial system.
- Open Public Meeting minutes, meetings, and executive session requirements were audited as per RCW for compliance.
- The District's financial condition was audited for any indications of financial distress, especially since the Covid 19 pandemic.
- Surplus item disposition/receipt of sale proceeds was reviewed to ensure policies and procedures were also followed.
- The SAO acknowledges that the District utilizes the auditing firm of DZA for the financial audit – noting there were no concerns identified in its review.
- Last year, issues of maintenance contracts and conflict of interest were fully resolved. The corrective actions taken by the District were included in the packet.

Phillip explained that Tracker is a new client website portal program that enables access to prior audit recommendations. It also allows status updates on progress.

The SAO offers free services that are available throughout the year and its local government support team offers services through its client portal where they can answer questions related to internal controls and also provide workshops and training. A Center for Government Innovation also offers services related to process improvement and access to a Best Practices library; a metric comparison tool of similar-size facilities is also available.

Justina thanked Kim and the entire staff for their efforts in providing documents in a timely manner. There were no questions and the Auditors were thanked for attending.

#### COMMITTEE REPORTS:

Joint Conference: Aaron Reinke, MD, Chief of Medical Staff was not in attendance at the meeting.

Finance: Casi Densley, Controller explained that routine 2022 financial reports will be postponed approx. two months due to staff turnover and the impact on workload caused by our new systems implementation. Staff will focus instead on our CMS Cost Report (due at the end of May) and our 2021 financial statement audit preparation for DZA.

Casi noted two additional system implementations are scheduled for this summer to improve data feeds in Epic and Paycom. Kim explained that our 2018 Medicare cost report audit is also in progress, which required a great deal of data compilation related to professional fees; she noted this is overdue and a good thing - we have been waiting to close 2016, 2017 and 2018 and receive the final Notice of Program Reimbursement (NPR) which has impacted our ability to close Proshare for LTCU. Noridian notified Kim this morning that it anticipated the 2016 and 2017 years will be closed by the end of next week.

Theresa H. added that each department is receiving detail financial information and has the ability to review statements. Casi noted the data feed issues but has encouraged managers to use the BFR system to compare actual-to-budget information on a routine basis.

Kim explained that the State Legislature passed significant changes to the Charity Care program as it relates to Federal Poverty Levels (FPL). Currently, anyone under 125% of FPL guidelines qualifies for a 100% charity write-off. Beginning July 1, 2022, the threshold rises to 200% of the FPL; this will likely result in significant increases in write-off amounts for us. Kim further explained that mandate stratifies write-off requirements to: 75% of the balance at 250% of FPL; 50% is written off up to 300% of FPL. Co-insurance and deductible amounts are eligible for write-off consideration under the guidelines. Kim will present additional information at the next meeting for final approval. Kim noted that public signage, disclosure statements, and website information are required to be published, as is customary under the guidelines.

Residential Care & RHC Updates: Susan Schwartz has announced her resignation effective in late May. Chris noted that Susan's dedication and hard work has been extraordinary in taking the lead when Michele Page left unexpectedly for medical reasons, as well as overseeing the vote/construction of the new building and all of the issues surrounding the pandemic and response.

Chris has been working on rate adjustments for RMV and RMAC. Recent discussions have addressed a working plan that Chris will provide to the Board in the near future.

RHC – the providers met at Clearwater Lodge for a retreat on Monday to discuss challenges and improvement strategies. They also discussed the qualifications they feel are important in recruiting the next CEO. Dr. Tessa Reinke will be providing an update to share with the Board members.

Provider recruitment is ongoing as we seek two mid-level advanced care providers and one more MD provider. We have a PA in clinic that is finishing his final FP rotations and may be available in August. We also have women's health nurse/ARNP in the queue, but she does not possess her FP licensure – she is applying to take the board exam. NHHS OB physicians are very supportive of hiring her. A meet and greet will be scheduled in the near future.

A family practice or internist is also being sought; Chris noting that OB experience is not required and noted that Drs. Jones has closed his primary care practice and Dr. Radke is slowing in hers significantly with the expectation of retiring in the next couple of years.

Chris explained that the phone system issues have been addressed with training and a change in the hold/waiting times, and call backs.

Laura Hamilton was introduced and welcomed to her role as the District's Chief Human Resource Officer.

Casey Scott provided the current Open Positions report (as of April 25, 2022). There were approx. 31 total open positions – the majority of nursing staff positions are for night shift, ACU, med/surg, L&D, and ED. Recruiting has been slower the past month as compared to previous months, but Casey noted it has been picking up this past week.

Laura Hamilton, CHRO explained the Newport Linked-In page lacked ownership, which has been resolved. NHHS is now actively posting on the website, engaging and sharing information on the platform. In addition, new recruitment strategies are being developed.

Safety Committee – Chris stated there was nothing significant to report; Tim Rumph, Committee Chairman will present the annual Safety report next month.

Quality/PI: Jen Allbee provided the Survey Vital rolling 90-day patient satisfaction reports for the Emergency and Clinic depts. She noted improvements to both satisfaction scores and survey return rates. She also shared that a patient recently expressed their appreciation and thanks for the care received.

Jen explained that paper surveys are mailed to inpatients under HCHAPS, which is a CMS requirement, so results tend to lag - Q4, 2021 results were just posted. The return rate and number of surveys is significantly lower than those for the clinic and ED, as it relates to only inpatients.

Jen reviewed the current quality improvement projects. She noted the State cited us for failure to follow our policy to ensure the medical staff followed the policy to sign H&P's for blood transfusions at 90 days. Theresa stated that we will continue to monitor results until 100% is attained for a significant period of time. Evaluation of contracted services is also in process.

The District will transition to the accreditation services of DNV to ensure that surveys are completed annually and that we are continually prepared. The (hospital only) surveys are unannounced and follow CMS standards – the survey team will work with departments to ensure compliance. Theresa noted the surveys typically are 3-5 days (minimum). She noted the week of Christmas has been blocked out, due to the holiday.

Chris explained there are a number of our Collaborative hospitals that utilize DNV accreditation services. DNV places a focus on CMS and State requirements and applies National Integration for Accredited Healthcare Organizations (NIAHO) standards to be used as a baseline; the final goal is a move toward ISO 9001 certification – a performance improvement model. Jen added there is a wealth of resources available to us; many of the rural collaborative hospitals have joined DNV.

Jen explained that The Rural Collaborative (TRC), formerly known as the Washington Rural Health Collaborative, has added new hospital members – now up to 21. The Quality, CNO and HR leaders meet on a monthly basis and utilize common reporting tools. She reviewed our data.

The NHHS 30-day, all-diagnosis readmission rate is 7.5% - the Collaborative average is 7.2% for Medicare inpatients. Fall data now includes any service area in which a nurse is caring for a patient that experiences a fall, though Theresa will be obtaining further clarification, since each hospital setting differs. The average annual total fall incident rate for TRC hospitals is 40.5 – NHHS' fall rate is 10.6 over the past 5 years. It was noted that rates will vary greatly, depending upon hospital size, but primarily swing bed status/census, etc.

Clinic annual wellness visits are 17.6%, with an average of 18.2% - defined as any Medicare patient with at least one annual wellness visit in the past (rolling) 12 months. Jen pointed out that data will change according to the time it is extracted – she typically runs the report on the last week of the month. Diabetes care data includes any diabetic patient aged 18-75 with an A1C greater than 9; NHHS's rate is 24.4 – the Collaborative average is 20.9. Chris explained the data is based on lab results and is not based on claims data. Colo-rectal cancer screening includes patient aged 50-75 with one or more annual cancer screenings – NHHS' is 40% with an average of 51.1%. There was not an adequate amount of hospitals to comparatively report child and adolescent wellness visits.

CEO Report – Tom welcomed CHRO Laura Hamilton, noting that she has already made an impression on staff and, with her expertise and demeanor, has been a great addition to the Senior Team. He also extended his thanks and appreciation to Susan Schwartz for her service and dedication to the District – particularly for her hanging with us throughout the pandemic.

Tom overviewed the two primary tracks we will be prioritizing over the next couple of months: 1) determining our NHHS post-pandemic financial run rate; and 2) recruiting and signing on his replacement as CEO. Both are critical; both are intrinsically linked to moving us forward.

He noted that CEO candidate screening interviews are being scheduled and he is confident that we have a number of candidates that possess the rural hospital experience, expertise, and temperament to lead NHHS into its next iteration. The screening team will be the Board's Personnel Committee members, Tom Garrett, Laura, and Tom. Once final candidates are selected, we will invite final candidates on-site for final interviews where the Board members, physicians, senior team and other key NHHS leaders will be invited to participate.

As for the District post pandemic run rate, a number of questions need to be answered, including:

RMAC contract with DSHS/ALTSA: should be available in the next month. History: in 2017-18 we agreed to give back our SNF licensed beds to DSHS when we built/opened RMAC; in return we received a guaranteed payment rate for our AL/EARC residents at the "E-High" level. We also had to maintain 70% Medicaid AL/EARC resident census – which has been difficult to achieve. Tom noted the State/ALTSA knows it has a "rate problem" - doesn't pay adequate rates for residential care, so he feels comfortable they will grant us flexibility under the new contract – the last thing DSHS needs is for another rural area to dump residential care. The assisted living admission and payment methods were briefly discussed; update will follow next month.

Tom W. explained that our average daily combined RMV census was 92 at the end of 2019; thereafter, it decreased substantially throughout the pandemic (running 80-85), but recently crossed back over the 90 resident mark. He noted historically, if we could keep our run rate above 85, we had a fighting chance of keeping annual cash flows in the \$2.0M+ range. And, with an average daily census of 90, we can start to focus to potentially opening the 4<sup>th</sup> neighborhood.

Clinic productivity: Tom shared 5-year clinic visit data (approx.): 2017= 29,000; 2018= 29,000; 2019 = 31,000; 2020= 26,000; 2021= 24,000; 2022 is trending to be in the 25-26,000 range. He noted 5,000 visits in worth in the neighborhood of \$1.0M in net cash flow – so we need to get that back on track. As noted, on the recruitment front we have two providers in the queue – a PA-C who should be available in August and a NP that is trying to obtain her FP certification. Tom noted that CMS's annual productivity standard (Medicare cost report measure) is 2,100 visits for an allied provider (PAC/ARNP) and 4,200 visits for an MD. Keith Bell's encounters are substantially higher; Kim added that this is extremely in helping us to maintain volume standards.

We also continue to seek an internal medicine physician and L&D nurse recruiting is ongoing. Members of NHHS medical staff will be training with Holy Family hospital physicians in an effort to maintain the service.

Tom discussed Medicare payments and collecting the "first premium dollar." He noted that we should have better trend data available at the end of Q2 following our final cost report settlement. He noted that our cost settlement for 2021 could again be in the 7 figure category and he looks forward to reviewing the final 2021 and preliminary 2022 ACO run rate data.

2023 ACO iteration: Tom explained timelines for our ACO enrollment and noted the REACH program is being targeted to underserved population – the very nature of rural medicine. He noted the preliminary discussion is that 2023 benchmarks will be adjusted nationally/geographically to target underserved.

Ambulance supports: Tom provided background and details relating to Action Item #4, noting the local, long-term ambulance service provider failed in 2016. At that time, NHHS informed the County and Fire Districts that operating an ambulance service would never fall under our NHHS care delivery spectrum – it simply wasn't/isn't feasible. Tom noted that we have and will always continue to support first response and field services; they just won't fall under our umbrella. Tom provided WA County history (39 counties: 2016, 2018, 2021 data) for EMS support and tax funding by service provider (County, FD, and PHD) for its ambulance/EMS service. He noted that there are only four counties with no EMS funding – Pend Oreille being one of them.

Tom noted his preference for EMS is to have a County-wide system with board representation from the county, cities, hospital, and fire districts to jointly operate the EMS District services (first response and ambulance coverage). Tax rates (senior and junior), funding, and district types can be located on the State's website. The group engaged in a discussion of EMS services, risks and benefits. Tom noted that he is confident in the business practices of Pend Oreille Paramedics, LLC, and the company has always openly shared their financial data – we have a direct line to their accountants. The matter of future support will be further addressed under Action Item #4.

### **ACTION ITEM AGENDA**

**Resolution No. 2022-03 – Surplus Property** - A motion made, seconded and passed unanimously approved to surplus three property items deemed no longer needed for District purposes, specifically, a 2004 Ford Econoline passenger bus, a Millipore water system, and epidural pumps.

**Approve Change in Surplus Disposition** – A motion made, seconded and passed unanimously approved a change in the disposal disposition for a commercial washing machine from donation/sale to be reclaimed by the company that provided the new washing machine for scrap equipment.

**Laura Hamilton, CHRO was appointed as the District's Public Records Officer via a motion made, seconded and unanimously passed.** Laura is designated as the person to whom members of the public may direct requests for disclosure of public records.

**Paramedic Outreach and Transportation Agreement** – As stated above, due to increased ambulance service operating costs, under Appendix B of the Services Agreement, a change to the compensation rate paid to Pend Oreille Paramedics, LLC [to \$400 per transport, from \$350] effective May 1, 2022, was approved unanimously via a motion made, seconded and passed.

**Future Item** – The Rural Collaborative (TRC) Limited Liability Partnership (LLP) Agreement. Tom provided this information to the Board for future consideration and encouraged the Board members to read the materials. Tom explained we have participated in both the Critical Access Hospital Network and TRC under similar interlocal agreements/arrangements. The intent of the TRC, LLP is to expand our interlocal arrangement in order to manage limited liability partnerships that can expand services to non-members, offer new services (e.g.- manage a CIN/ACO, offer self-insured services, etc.), and protect the TRC and its members should the TRC set up taxable

services lines. The formation/review of these documents has been underway for two years and the TRC is getting close to final legal (and Medicare/CMS guideline) review. Tom desired to get the information rolling on this so we can approve its tentative formation while we are potentially recruiting a new CEO.

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 12:10 pm for approx. twenty minutes to discuss the potential CEO qualifications.

RETURN TO OPEN SESSION

The Commission returned to Open Session at approximately 12:35 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 Off Site Radiology:

Brower, Jayson MD	Brunkan, Richard MD
Cruite, Irene MD	Frederick, Justin MD
Garcia, Joshua MD	Goff, Ryan MD
Hines-Ratcliff, Robin MD	Hoefer, Scott MD
Judd, Corey MD	Kaczmark, Julie MD
Keyes, William MD	Kirsch, Michael MD
Krejci, Christopher MD	Lewis, Terri MD
Lloyd, Robert MD	McCabe, Kenneth MD
Munoz, David MD	Nackos, Jeffrey MD
Petersen, Brian MD	Russell, Mai MD
Sanders, Trent MD	Sterne, Gregory MD
Thorne, David MD	Wilhelm, Steven MD
Yee, Norbert MD	

Provisional Off-Site Radiology

Cable, Casey MD  
Curtis, Mathew MD  
Kujawski, Gregory DO  
Newton, Amy MD  
Plesner, Samuel DO  
Schlung, Jedidiah MD  
Shehata, Mariam MD  
Skibinski, Adam MD  
Xiao, Jennifer MD

Provisional Initial Appointment

Wright, Jonathan MD - Emergency Medicine

Reappointment

Gopaluni, Srivalli MD - Hematology/Oncology

Resignations/Retiring

Handy, Robert MD - Off-Site Radiology - Expires May 24, 2024  
Teel, Gordon MD - Off-Site Radiology - Expires May 24, 2024

Withdrawals

Swami, Arpita MD - Off-Site Radiology - Expires May 24, 2024

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April 28, 2022**

NEXT MEETING DATE

The next regular Board of Commissioner meeting will occur at 10:00 a.m., Thursday, May 26, 2022 in the Sandifur meeting room. The meeting will be available via ZOOM.

ADJOURNMENT

There being no further business, the meeting adjourned at approximately 12:55 pm.

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



Lois Robertson, President  
Board of Commissioners



Susan Johnson, Secretary  
Board of Commissioners