

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

June 23, 2022

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

In Attendance: Commissioners: Lois Robertson, Lynnette Elswick, Susan Johnson, Melanie Kiss, and Becky Walrath. Executive Officers: Tom Wilbur, Kim Manus, Chris Wagar, Theresa Hollinger, and Laura Hamilton. Others: Jenny Smith, Casi Densley, Jane Tilley, John Stuiwenga, Glenn Talmage, Becky Dana, Nicole Kingery, Walter Price, Tammy Roberts, Monica Wiese, Carrie Russell, Loren Munson, and Nancy Shaw.

Excused: Chief of Medical Staff, Aaron Reinke, MD.

CALL TO ORDER:

Chairperson Robertson called the meeting to order at 10:02 am.

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 – May:

Warrants #305159 through 305471	1,072,686.13
Electronic warrants: #400275-400277 & 400279, 400281-400293, 400296-400298, and 400300	420,130.30
Mountain West, Loan payment, disbursed 04/10/2022	40,000.00
Total, warrants and disbursements	<u>\$ 1,532,816.43</u>
<u>Bad Debt/Charity: May 2022, inclusive District Write-off:</u>	\$ 27,052.19

APPROVAL OF PREVIOUS MEETING MINUTES

The May 26, 2022 and Special May 31, June 2, 3, 9, 10, 13, 2022 meeting minutes were approved via a motion made, seconded and unanimously passed.

OTHER BUSINESS:

There was no other business to discuss.

COMMITTEE REPORTS:

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

Finance: Casi Densley, Controller provided the monthly financial reports and noted our 340B funding continues to decline. Our 2021 CMS cost report was filed at the end of May; our settlement is expected to be \$2.1M. Casi also noted that our CMS Advance funds (started w/\$5.4M in 2020); is down to approx. \$2.3M; with full payback be due in September. Casi further explained we still have \$2.5M in unrecognized (deferred) revenue of Cares Act funds (Rounds 3 and 4) on the balance sheet. The accounting team is working on the 2021 audit with a goal to present the 2020-2021 DZA audit information at the August board meeting.

Kim Manus, CFO reported the Finance Committee reviewed the 340B program trends, again noting the steady revenue decline. Kim shared 5 mos. net revenue trends since 2018: in '22 - \$276K net; vs. \$625K at the same time in 2021. The pharmaceutical manufacturers are incrementally not covering certain high cost drugs since the District does not own a pharmacy. Kim explained the financial impact results throughout the year, noting in May, net revenues from the program were \$23K.

Kim announced that a purchase and sale contract outline is being drafted with Seeber's Pharmacy to purchase the business, including the building. Our goal is to finalize the purchase in September. Kim anticipates challenges in accessing higher priced medications with the other local pharmacies.

YTD Income Statement and budget breakdown was shared and discussed, with a revenue breakout for the hospital, RHC and RCS lines of business itemized. Kim explained that our revenue budget target was not changed over the past 2 years – due to the unknowns related to the pandemic.

Kim noted the CARE's/Covid revenue still deferred; the funds have been utilized for additional staffing expenses so there should be little concern that they will be utilized/approved. Kim explained that Medicare rates increased and she will make 2022 adjustments accordingly in the coming month. Cash is holding steady; all losses have been covered with Cares Act funding.

Nursing Services – Theresa Hollinger provided hospital operations information and reported “who is doing well and why”. She noted that Tina Batsch, Laboratory Manager has been training new and agency staff as well as working through the installation of a new analyzer, which created a variety of challenges. In addition, Covid testing continues and microbiology Epic upgrades are in process. Theresa commended Tina for a stellar job in the face of all of the challenges.

Theresa also recognized Tracy Hines' efforts in her new role with Utilization Review and Case Management; Tracy reviews records to ensure that our patients meet criteria for ACU assigned admission levels. She noted it can prove challenging to navigate between physician communication and billing. Daily meetings occur involving the charge nurse, physician, and social services in an effort to address barriers related to discharge.

Theresa explained that Tracy assumed the Utilization Management position upon Julie Lohman's retirement. The Utilization Management plan has been created and is presented today for the Board's approval.

We are actively recruiting an OB perinatal nurse practitioner in an effort to create a marketable service to promote outside of the single episode of delivery. This is a concurrent effort to ensure staff productivity and competency. Theresa developed flow sheets to ensure information is readily available when a delivery occurs.

Theresa is actively reviewing outpatient/inpatient and wound care volumes; she noted that our outpatient nurses are at times booked at 170% due to the increase in volumes. Theresa is compiling data to determine staffing levels. Increased ED volumes remain an area of concern, especially during the summer months. We are on track for 900 ED visits this month; the ED reported their first 1,000 patient month in July 2021. Inpatient census is down so the ACU staff has been available to support the ED. RN staffing (nights) continue to be a challenge.

Hospital process improvement/evaluation continues and our DNV accreditation training concluded today. Theresa noted all attendees were engaged and interested in the goals of the program. She is confident that we will be organized and prepared for the upcoming survey.

Theresa is developing dashboards that focus on our staffing Triple Aim – Better Care/Service, Joy in Work, and Sustainability as related to the Strategic Plan. The information will be available for staff to view and easily interpret the improvements being made.

ED comparative month-to-month volume data was shared and showed 22' has exceeded the previous year's volumes every month. In 2021, ED visits were 8,758; this year we are on track for 9,500 visits. ED Space is an issue; Theresa invited the members of the Board to tour the emergency dept. Obstacles and clutter have been removed in the area in an effort to create a more soothing, efficient environment.

COBRA form completion is being addressed to ensure requirements are being met. Jennifer Johnston is working with the ED staff to improve internal/external customer service.

Residential Care & RHC Updates: Chris Wagar, COO reported that Olivia Low is our Interim Director of Residential Care and the team has decided to standardize operations for RMV and RMAC. Our DSHS contract was renewed; Medicaid rates were slightly higher and will further increase effective July 1st. Chris explained our add-on rate is ultimately based on 80% Medicaid census, which is currently 57% at RMAC and 66% at RMV.

Chris is engaging monthly with members of DSHS and reporting our bed availability on a weekly basis. She has enrolled in the AIDA program, which identifies available Medicaid beds across the State. Discussions have occurred to inform residents and families that private pay annual rates will increase incrementally by either 3% or CPI (whichever is higher) to adjust for inflation. Chris is comparing the proposed rates with like facilities. Commissioner Johnson asked for the current base rates; Chris will forward the information.

Olivia Low and Michelle Knight are working to identify the necessary equipment, licensing, etc. to open the RMAC 4th wing. The 4th wing (additional 18 beds) will initially not house memory care, which requires a survey and other budgetary requirements. However, they are preparing for survey and expect it to happen soon.

RHC -- Chris responded to a request from the Board to identify appointment availability issues. She explained that appointment openings are based on the individual provider's schedule. Chris will compile data that evidences standard comparison metrics indicating visit accessibility, and wait times, etc. Chris is also working to provide a phone metric report at the July meeting.

Commissioner Johnson noted that Drs. Aaron and Tessa will be out beginning in June and asked what Chris anticipates for coverage gaps. Chris stated it will likely be more difficult to obtain a timely appointment; each provider has added two additional visits to their "daily template". In addition, a service is being offered for medication refill management. The group discussed the provider contracts as related to coverage; it was noted that Dr. A. Reinke is taking a two week leave of absence. Tom W. explained that Locums coverage is virtually impossible to manage short term and we have one FP and two PA-C positions posted; one PA in process to sign on. Chris noted the medical staff interviewed the PA and he will likely begin his practice after passing his Boards in September.

Behavioral Health – Chris reported that we are continuing our UW/Premiera A.I.M. grant care coordination work. The program has proven very successful with Drs. Lisa Matelich, Caitlin Rippey and Crystal Schluter, MSW taking the lead. Another counselor will begin in August.

HR Report: CHRO, Laura Hamilton referred to the Open Positions report, noting we are receiving interest in the non-clinical positions. The report will also show the number of applicants, how many positions are active (and meet minimum requirements), and number of positions filled. Theresa Hollinger and Laura met with a vendor recently, who uses a unique method of sourcing candidates; a proposal has been submitted with a decision forthcoming from the leadership team. The company offers a 90 day introductory period prior to a 6-month commitment. Laura noted the overall cost would more than account for traveling employees.

As reported last month, we now have accounts with all local career service platforms and educational institutions.

Laura provided the Q2 Employee Change Report, noting it is distributed to the Board members only, which names new hires (14) and separations (11).

The CEO interview process is ongoing; Laura is looking into adjustments for next year's benefits. The FLEX funding can be outsourced vs. internal management and would ensure compliance and lessen the District's risk. A proposal will be presented in the near future.

Safety Committee – The DNV Accreditation training concluded today. Chris stated the physical environment of care is a focal point. Workplace violence is being addressed; Chris cited a recent incident in the ED involving patient and employee. As a result, it was determined that any workplace incident will be reported to the security officer; regardless of whether the employee deems it appropriate. Chris spoke with the Newport City Police and Pend Oreille County Sheriff, and will meet with Prosecutor Dolly Hunt. All agree there should be no hesitation to contact law enforcement for potentially violent or violent incidents.

Commissioner Robertson questioned why the employee did not report the incident; Chris responded, noting that these incidents happen more often than anyone realizes, but that education will stress the requirement to report. Tom W. asked Commissioner Johnson (an RN Supervisor at the MultiCare ED in Spokane) her take on violence/reporting. Sue noted that you couldn't possibly report on all of the potential incidents that occur in the ED; it would take a full-time staff just to complete the reports, and most wouldn't result in any action; sadly, its part job right now.

Quality/PI: Jen Allbee was not in attendance; Chris explained that Jen has been involved in the DNV Accreditation training and processes. The survey will focus primarily on the hospital; the Dept. of Health inspects the clinic and DSHS for RCS. One goal of the Senior Team is to consistently align the hospital, clinic and assisted living facilities.

CEO Report – Tom explained that we have booked and kept all CARES (\$4.5M) and PPE (\$4.8M) funding received in 2020; and since then, cash flow is down approx. \$600K; with \$2.3M in subsequent CARES funding (3rd & 4th rounds) yet to be reported to the income statement. We look to be operating at a cash loss of approx. \$100K per month.

Tom shared the 5-month Salaries, Wages, Benefits and Pro Fees for '21 and '22; noting the amounts of \$11.5M in 2021; \$13.8M in 2022 – a \$2.3M difference with no substantial increase in FTE's. He does not anticipate this will alleviate anytime soon, as we continue to transition from the pandemic staffing challenges. He has encouraged staff members to utilize their PTO and we will present data at an off-site retreat to discuss post-DNV, '23 budget, etc.

ACO – Tom stated he will participate on a call with other CEO's to discuss 2023 ACO options and risk corridors; he noted there is a great deal of spend variance amongst the members – from

\$18K per member, per year spend (PMPY) for those who utilize swing beds. Tom will be a proponent to try and build census and see every member join in under the VBP model – at present seven hospitals (14K lives) are participating with an additional nine new hospitals (25-20K lives) reviewing their options. The 2023 plan year determination must be made by August 5th.

Seebers Pharmacy Purchase – Tom W. is working out the contract details of the property and building, etc. with a target date of September 1.

340B Program – Tom participated in a conference call to discuss the 2023 targets, drug comparison/cost savings. He stressed the need to keep the funds local and is confident the work will be worthwhile.

ACTION ITEM AGENDA

Utilization Management Plan – Theresa H. explained the plan ensures proper compliance for pre and post admissions. A motion made, seconded and passed unanimously approved the '22 Utilization Management Plan.

Environment of Care Management Plan – Chris W. explained that the plan addresses requirements by Washington Administrative Code. A motion made, seconded and passed unanimously approved the annual Environment of Care Management Plan.

Resolution No. 2022-05 was approved unanimously, authorizing the surplus of property deemed no longer needed for District purposes, specifically the radiology C-arm.

OTHER BUSINESS

There was no other business to discuss.

EXECUTIVE SESSION

As permitted by RCW 42.30.110(1)(g), the meeting was moved to Executive Session at 11:45 am for approx. forty five minutes to discuss CEO candidate negotiations and a potential real estate transaction.

RETURN TO OPEN SESSION

The Commission returned to Open Session at approximately 12:40 pm. A motion was made by Commissioner Elswick and seconded by Commissioner Walrath to open negotiations with CEO Candidate D; the motion passed unanimously.

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

Reappointments:

Schluter, Crystal LICSW - Behavioral Health

Courtesy Reappointment:

Pham, Truc MD – Pathology

Provisional Status - Off Site Radiology

Handley, Douglas MD

Provisional to Full Status - Off Site Radiology

Bebee, Logan DO

Graham, Eric MD

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Bruce, Marc MD
Buratto, James MD
Chun, Terry MD
Davis, Patrick E MD
Gillham, Seth MD

Holt, David W. MD
King, Brent J MD
LeChaminant, Ben DO
Lee, Michael MD
Penna, Rupinder DO

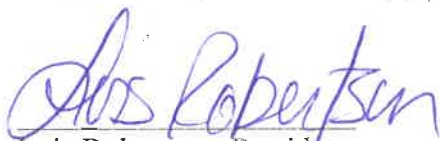
NEXT MEETING DATE

The next regular Board of Commissioner meeting will occur at 10:00 a.m., Thursday, July 28, 2022 in the Sandifur meeting room.

ADJOURNMENT

There being no further business, the meeting adjourned at approximately 12:45 pm.

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



Lois Robertson, President
Board of Commissioners



Susan Johnson, Secretary
Board of Commissioners