

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

**August 25, 2022**

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

In Attendance: Commissioners: Lois Robertson, Lynnette Elswick, Susan Johnson, and Becky Walrath; Executive Officers: Tom Wilbur, Kim Manus, Chris Wagar, Theresa Hollinger, and Laura Hamilton. Others: Jenny Smith, Jane Tilley, John Stuiwenga, Nicole Kingery, Tammy Roberts, Monica Wiese, Melody Brown, Trina Gleese, Tracy Hinz, Jen Allbee, Casey Scott, Don Gronning, and Nancy Shaw.

Excused: Commissioner Melanie Kiss; Aaron Reinke, MD; Casi Densley, Controller.

CALL TO ORDER:

Chairperson Robertson called the meeting to order at 10:00 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 – July:

Warrants #305802 through 306073	1,378,552.20
Electronic warrants: #400314-400329 & 400340	350,694.05
Mountain West, Loan payment, disbursed 07/11/2022	<u>40,000.00</u>
Total, warrants and disbursements	\$ 2,418,973.07
<u>Bad Debt/Charity: July 2022, inclusive District Write-off:</u>	\$ 23,098.00

APPROVAL OF PREVIOUS MEETING MINUTES

The July 28, 2022 meeting minutes were approved via a motion made, seconded and unanimously passed.

COMMITTEE REPORTS:

Joint Conference: Aaron Reinke, MD, Chief of Medical Staff reported

Finance: Kim Manus, CFO explained the July financial statements were unavailable, noting that Casi Densley is on leave for the next few months; coupled with two staffing changes in the Materials Management Dept., the crew I trying to adjust. She noted two Premier reps have been on site to train our new MM manager, Tom Watson and the company will be available over the next three months to assist. Kim noted that Tom has been a great addition to the MM team.

Kim shared the receivables contractual adjustment amounts, and pointed out how gross AR reductions (estimated amount of non-payment by insurance companies/Federal government) are adjusted. The Epic program calculates contractual amounts to be written off and adjusts AR immediately. Under our old Meditech system, adjust was delayed until the information about actual payment was entered. Under Epic, an “estimation” is factored, but we are not certain

exactly how (or how accurate) the calculation. Kim noted that professional fees (physician component bills) are paid on a fee schedule – i.e. for facility services we may receive 80% of the billed amount; but the pro fee may pay only 40% on the dollar. Kim is working to locate a report that correctly reflects our running blended contractual percentage, noting that a one percent adjustment (June YTD) equates to approximately \$331K; so, it appears that \$1.3M could potentially be added to our YTD bottom line.

Kim explained the District will purchase drugs at the 340B price once we move to the retail (Seeber's) pharmacy model. Tom W. is confident the retail pharmacy addition will be a "win-win-win" for District, Seeber, and patients. He noted the intent is to enhance the services within the community and maintain a local pharmacy presence. Kim has been researching the departmental payor mix and overall net income opportunities.

A meeting occurred to discuss opening the 4<sup>th</sup> wing at RMAC; plans were delayed to hold a town hall meeting, as the building was closed recently due to a Covid outbreak.

Kim noted discussions have occurred to address concerns related to access to primary and urgent care, as well as the need to recruit additional providers. Kim explained under the 340B program, in-person appointments are required to remain eligible.

Nursing Services – Theresa Hollinger, CNO reported speech therapy has expanded to include services for 0-3 year old clients and OT has added a per-diem position. Physical therapy has yet to fill one full time position. In the interim, the dept. will employ agency staff. Theresa noted there is a national therapist staff shortage and Loren Munson, PT manager takes on a full case load.

The mammography machine had new software added, which has improved processing speed and is working well. Issues remain with the rad speed (X-ray); Theresa has notified the manufacturer; a counter response has been received with offers of additional preventative maintenance coverage. At present, there are no outstanding issues and the machine is online.

Theresa reported we are seeing higher volumes in outpatient wound therapy visits and infusions. An additional nurse has been hired to cover a second scheduling line, due to start in mid-September.

The average ACU census is 6-8; significant staffing challenges (onboarding) continue, which has affected admissions. Theresa reported the dept. should be fully staffed by the end of the week and agency and traveling staff will end. She noted a number of patients could not be safely discharged from the ED (nor did they meet admission criteria); which is a statewide issue. WSHA is working to address the issue by pushing for a fast-track process to implement guardianship.

On the same vein, we have received a number of swing bed referrals – not all are being accepted, due to lack of meeting admission criteria and their long term permanent housing needs. Theresa noted we are accepting as many referrals/patients as possible and the swing bed admission process is being revamped. We are proactively contacting other facilities to notify them of our program and the ability to accept patients. Theresa explained that we have experienced some degree of medical diversion due to staffing shortages.

Y-T-D surgery volume is 462, (792 annualized) compared to 714 in 2021 (w/Delta variant closures). Pre-pandemic, volumes were 880 in 2019. Theresa estimates surgeries will total approx. 800-820 in 2022.

ED was on diversion last Monday and Friday related to high patient acuity levels (cardiac, stroke, trauma) and increased volumes. Our Hospitalist has been available to assist in the ED which has been an advantage under our current staffing model. Our ED overflow rooms have been used on a daily basis, many times being filled by 9:00 am.; in addition, ACU rooms 101, 102 are being utilized. An improved work/patient flow test process will occur next week; if successful, it will continue for a month with changes introduced gradually.

Theresa reported that the temporary 4-bay emergency dept. overflow (via Covid exemption) is “sundowning” and we are applying to construction review to meet the October 27 deadline. Some adjustments will be required – the area will house 3 beds vs. 4 with a nursing station, or “pod”. Also, plumbing and electricity revisions will be required. The estimated cost is \$40,000.

DNV Accreditation Survey – Theresa reported the District shifted from participating in the WA State DOH survey to enlisting the accreditation services of DNV. She noted we are seeking national accreditation in an effort to meet quality standards and ensure the community receives best care. She overviewed survey details, noting there were many software program/process changes, including the Epic implementation. It was meaningful and important for the survey team to understand the impact of those process changes. Theresa commended our staff members in providing great quality care. Under DNV survey, the following non-conformities were identified: (7) Level-1; (1) conditional; and (1) sub-set involving life/safety. The last two will require re-survey within 60 days. DNV will provide their final written report, which could include slight changes, by September 1st. Our full action plan/response will be due September 10<sup>th</sup>. Plans are underway to address the three highest risk non-conformities.

Residential Care & RHC Updates: Chris Wagar, COO reported that census is up at residential care even though we are still experiencing flooring delivery delays for two rooms at RMV. Chris noted there is a waiting list of ten at RMV and eight at RMAC. The Committee has met regularly to discuss furniture and equipment quotes for the 4<sup>th</sup> wing, as well as staffing needs. Discussions have also occurred with DSHS/ALTSA (Aging and Long Term Care) to increase bed capacity. RMV is currently licensed for 45 residents and RMAC 54; where we are proposing to add another 18 beds. Plans are to open the East-2 neighborhood by October 31<sup>st</sup>; Chris noted that eventually we do plan to open (separately license) a memory care unit.

With Susan Schwartz’s departure, Chris reported a re-structuring of management in an effort to streamline care for RCS. Olivia Low has assumed the role to RCS Director and will oversee both RMV and RMAC. Michelle Knight and Jenny Cooper will provide management assistance. The RMV manager position is being eliminated.

RHC – Chris reported clinic visits were considerably lower at 1,116 in July. She shared 6-year historical clinic visits and active number of patients by PCP (though it is not clear whether Epic and Centricity systems report the later information similarly). Chris shared MGMA industry standards for average appointment wait times and included a comparison of the 3<sup>rd</sup> Next Available Appointment Statistics (by provider) with breakdown Wait Days (Avg./Min./Max. and goal).

Recruitment – Chris reported that a PA-C has been hired and will begin in October; also, a nurse practitioner position has been filled. Chris explained the NEW Health Clinic will be competing for business and stressed the need to be proactive to open clinic slots. Provider access at the clinic has been limited. The Board expressed that this is not an acceptable standard, noting the community has complained of long appointment wait times. Coverage recommendations and solutions were discussed briefly.

Tom W. relayed that he recently interviewed a prospective physician candidate. He noted the provider/mid-level practitioner ratio is ideally 50/50. After meeting with the providers and following discussion, Tom decided to reconsider extending an offer after review after space issues and staffing issues are assessed. We will continue to recruit two additional mid-level providers to cover an urgent care/walk-in clinic. He stressed the need to make every attempt to see any patient who presents for services, regardless of insurance status or ability to pay. It was agreed that there are many details to be considered. There has been a great deal of confusion related to insurance plan coverage in the County; many insurance agents have sold clients plans only to learn that NHHS does not contract with them.

HR Report: Laura Hamilton, CHRO referred to the standard HR reports. New employees are actively and continuously being recruited – seven RN's were hired this month. On a positive note, Laura reported that all nursing positions will be filled in the ACU and ED depts. Laura stated that one of the travelers was recently hired; since adequate notice was provided, there was no charge to the District. Openings remain for a triage nurse; the Physical Therapist position has been challenging to fill -- it is a nationwide issue. A contract was signed recently with Whitworth's physical therapy school; Laura plans to also enlist with EWU.

Laura reported that we engaged the services of Applchat, a computer based program to recruit RN's.; however, following many meetings, it was determined that their strategies were not working in our area (WA). And, as Applchat determined they were unable to honor their recruiting commitment, they allowed us to opt out of the contract without penalty.

An overview of the updated employee medical insurance rates was provided with a projected increase of 7.2% – 8.3% next year.

Laura presented an updated organizational chart, explaining the consensus senior team changes to the reporting structure as follows: 1) Quality Manager will report to the CNO (vs. COO); 2) Rehabilitation Mgr. will report to the COO (vs. CNO); 3) Life Safety/Engineering/Facilities will report to the COO (vs. CHRO); and 4) Marketing/Foundation will report to the CHRO (vs. COO).

Laura announced CEO Candidate screenings are being conducted today and tomorrow. She noted she will be sending one additional candidate's Letter of Intent.

There are 13 NA-C candidates in the application queue – Laura is confident there will be enough candidates to open the 4<sup>th</sup> wing. The NA-C training classes will continue after being postponed until October, due to the Covid outbreak.

Quality/PI: Jen Allbee presented the patient experience and HCAPS reports for the month of July.

CEO Report – Tom Wilbur, CEO, presented comparative financial statements for 2018-2022 (showing seven, six-month incremental results) and noting CARES funding, PPP, and cost settlement amounts included. He reported our 2022 run rate appears manageable (though not completely defined), noting that we have received \$2.5M cash in late '21/ early '22 that has not been booked to income. That was the overlooked item from last month financials (why did cash look so good?). Tom takeaways:

- Total pandemic **net cash gain** (approx. \$10M); fed funds received \$12.5M; cash bleed \$2.5M; though our cost settlement is TBD (will easily exceed \$1.0M thru Q2, 2022).
- 340B **annual** funding has dropped from \$2M to \$700K in '22 (the glaring hole) which should mitigate with the Seeber Rx purchase.

- Comparative 2018 to 2022 key run rate changes: Salaries/wages/benes: \$24M to \$31M; Supply costs: \$3.2M to \$5.6M (supply chain, inflation, surgical/ortho supplies); see 340B note above.
- Final comment: we're okay!! Our balance sheet is great \$21M-\$22M in cash (up from \$12M in 2019); our run rate is spotty (like everyone else) but not terrible; and we have great rays of hope (RMV/RMAC ADC to 110; Rx purchase; provider recruitment, etc.).

ACO – our 2021 payout should be received in the next couple of months. In 2022, Tom anticipates we should be able to for any cots outlay associated with the ACO. He explained that CMS has set fundamentally set benchmarks (historic data) to benefit value-based contracting; however, 2022 benchmarks have yet to be finalized. Tom noted he firmly believes that the rural lean to value-based payment will be the key to financial viability; he explained that cost-based reimbursement is not sustainable. We will participate in REACH in '23 with TRC. Dayton and Whidbey hospitals recently joined The Collaborative.

Recruiting efforts continue for the CEO search. Tom will extend an offer to Dr. Riddle next week; three PAC's are in the queue.

Tom will report the pharmacy purchase timeline next week. Laura reported that the WSU College of Pharmacy committed to recruiting a Pharmacy resident in 2023 for NHHS.

#### OTHER BUSINESS

A Strategic Planning Retreat is planned at the Camas Wellness Center on August 29.

The State of Reform Conference is scheduled on September 8, 2022 Spokane Convention Center.

#### ACTION ITEM AGENDA

**Quality Manager Appointment** – as recommended by the Medical Staff, a motion made, seconded and passed unanimously approved the appointment of Rhiannon Drake to the position of NHHS Quality Manager.

**Anesthesia Machines** – a motion made, seconded and passed unanimously approved a cost difference/increase in the amount \$662.30 for total purchase price of \$72,062.30 for two Mindray anesthesia machines.

The Board members discussed automatic (Board) approval for capital items where actual costs exceed the approved budget amount. Following discussion, a motion made, seconded and passed unanimously, authorized allowing actual spend to exceed the original budget (Priority 1 capital items) by up to \$1,000. In these cases, the information will be reported to the Commissioners (no Board pre-approval required).

Kim explained that the furniture purchase for RMAC was not included on the Priority One capital budget. Tom estimates the cost for beds, tables, chairs, etc. will be approx. \$65-75K. A motion made, seconded and passed unanimously authorized the purchase of furniture, appliances and necessary items for the 4th neighborhood in an amount not to exceed \$80,000. The actual costs will be reported next month to the Board members.

Theresa reported the radio in the ED is not functioning; there have been several instances that we have been unable to receive incoming critical patient reports and that we were unprepared upon their arrival. The analog radio system needs to be upgraded to an analog/digital system in order to

communicate with each system. (There is spotty cell service at Priest Lake). The estimated cost is under \$42,000; however there could be additional costs associated to rental of the space.

A motion made, seconded and passed unanimously authorized the purchase of an analog/digital radio system in an amount not to exceed \$50,000.

EXECUTIVE SESSION

As permitted by RCW 42.30.110(1)(g), the meeting was moved to Executive Session at 12:07 pm for approx. thirty minutes to discuss the RN contract and personnel matters.

RETURN TO OPEN SESSION

The Commission returned to Open Session at approximately 1:15 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:

Provisional Status

Kimberly Rutland, ARNP  
Madison Roberts, LICSWA, MHP, SUDP

Provisional to Full Status

Craig Burns, MD – Emergency Medicine  
Caitlin Rippey, MD, PhD - Psychiatry  
Patrick Cox, MD – Radiology Off-Site

Courtesy Reappointment - Radiology On-Site

C. Mark Alder, MD  
John Bell, MD

Courtesy Reappt – Radiology Off-Site

Greg Balmforth, MD  
Paige Flett, MD  
David Holznagel, MD  
Oksana Prychyna, MD

Courtesy Reappointment – Telehealth

Pawani Sachar, MD

NEXT MEETING DATE

The next regular Board of Commissioner meeting will occur at 10:00 a.m., Thursday, September 22, 2022 in the Sandifur meeting room.

ADJOURNMENT

There being no further business, the meeting adjourned at approximately 1:35 pm.

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



Lois Robertson, President  
Board of Commissioners



Susan Johnson, Secretary  
Board of Commissioners