

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

**October 27, 2022**

In Attendance: Chief of Medical Staff, Aaron Reinke, MD; Commissioners: Lois Robertson, Lynnette Elswick, Susan Johnson, Melanie Kiss, and Becky Walrath; Executive Officers: Tom Wilbur, Kim Manus, Chris Wagar, Laura Hamilton, and Theresa Hollinger. Others: Steve Barnhart, Shannon Skelly, Doris Hiebert, Barbara Mathison, Glenn Talmage, Jenny Smith, Jane Tilley, Theresa Johnson, Carrie Russell, Christie Wall, Melody Brown, Sara Rainey, Vicki Richter, Tina Batsch, Michelle Knight, Olivia Low, Casey Scott, Michelle Nedved, Don Gronning, and Nancy Shaw.

CALL TO ORDER:

Chairperson Robertson called the meeting to order at 10:01 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 – September:

Warrants #306361 through 306702	1,807,124.08
Electronic warrants: #400354-400356, 400361-400367	248,125.87
Mountain West, Loan payment, disbursed 09/10/2022	<u>40,000.00</u>
Total, warrants and disbursements	\$ 2,095,249.95
<u>Bad Debt/Charity: Sept. 2022, inclusive District Write-off:</u>	\$ 408,556.58

APPROVAL OF PREVIOUS MEETING MINUTES

The September 22, 2022 meeting minutes were approved via a motion made, seconded and unanimously passed with the following correction: Commissioner Johnson was not in attendance at the September 13, 2022 Special Meeting of the Commission.

BUSINESS FROM THE AUDIENCE

Several District nurses were in attendance, along with representation by SEIU-1199, regarding RN Contract negotiations just underway. They requested board member support to negotiate a new contract and provided a statement reflecting that, due to the pandemic, the last two(+) years have brought unprecedented trials, not only universally, but especially in the healthcare setting. As a result, nurses have worked extra hours, covered additional shifts, and spent time away from their families. The RN's took personal responsibility to ensure the hospital would continue to provide excellent care to the community and have cared for ICU-level patients that could not be transferred to higher-level care facilities due to bed shortages. As a result, there was an emotional toll in caring for dying patients and supporting family members when visitation was limited. It was noted that other rural hospitals acknowledge this and have compensated nurses accordingly. It is difficult to recruit and retain nurses when wages are not competitive. Nurse wage scale

comparisons were cited. It was also noted that agency staff typically require guidance, while receiving a higher hourly rate of pay than staff nurses.

Steve extended his thanks to the Board members for their leadership and support throughout the pandemic. Doris explained the ER nurses continuously are threatened by patients; she requested that the Board members remain supportive and reasonable.

Tom W. thanked the nurses for attending the meeting, extended his appreciation for the service they provided, not only to the District, but early on in the front lines of the pandemic (New York, NY), and that he looked forward to wrapping up the negotiations quickly and anticipates the nursing staff will be pleased with proposed market adjustments. Following comments and amongst the groups, Commissioner Robertson thanked the nurses for their presentation and extended the Board's appreciation for all of their past and continued efforts.

#### COMMITTEE REPORTS:

Joint Conference: Aaron Reinke, MD, Chief of Medical Staff reported two new PA-C providers will begin this month, Karla Rivera and Jonathan McCord. The hospital and ER continue to be very busy. He also noted that many patients have expressed their goal to receive prenatal care at Newport.

Finance: Kim Manus, CFO, reviewed the financial statements and indicators, pointing out that net revenue amounts had yet to be recognized on our premier system financial statements (will true up in October). Postings included: based upon our 2021 filed Medicare cost settlement (recognizing the increase in rates) through YTD, 2022, net patient revenue will adjust by \$1.2M; we will also book \$2M in Cares Act Relief funds.

Kim noted wages have increased significantly, especially with traveling agency staff to backfill open positions and, while the CARES Act funding has been beneficial, it will no longer be available into the future. With the \$2.0M in CARES our YTD loss is \$510K (compared to a \$2M budgeted loss). Additional grant funding was also noted. A discussion occurred regarding grant opportunities. Jenny Smith provided an explanation of funding and grant opportunities and programs. The Rural Collaborative and CAH network have provided grant funding opportunities.

Kim shared 12 month balance sheet and financial trends noting we received our 2021 Medicare Cost report settlement and interim 2022 cost settlement of \$2.1M and \$1.2M, respectively, in October. So, days cash on hand were 146 in August, 135 in September, but will bump back up in October. In addition, we also paid back all remaining cash advances (the final \$106K of \$5.4M received in 2020) due to CMS in October. Kim noted the advance was interest free.

Our RMV town hall meetings scheduled for Tues, Weds, and Thurs. to discuss rate increases were cancelled due to a Covid outbreak and were re-scheduled for November 8<sup>th</sup> & 9<sup>th</sup> in the RMV dining room.

A revised housing rental contract overview with POEMS will be presented in action items. Tom W. provided a brief history of our local EMS/Ambulance service and stressed the need to form a County EMS District. He has plans to meet with members of the Fire Districts and Pend Oreille County to form the EMS District in early 2023 in order to get an M&O tax initiative to the voters by Nov. 2023.

Seebers Pharmacy Purchase – Kim has met with Greg Seeber and members of McKesson to obtain a pharmaceutical purchasing license. The contract language is being finalized and staffing is being addressed with a December 31<sup>st</sup> target date to finalize acquisition of Seeber's Pharmacy.

Nursing Services – Theresa Hollinger, CNO explained that members from the Dept. of Health are onsite today for an EMTALA review; therefore Rhi Drake was unable to attend the meeting.

Theresa reviewed the hospital operations report, noting that ACU had over 130 days without any fall occurrences. Theresa commended Leif Furman, Radiology Mgr. for his efforts in resolving equipment downtime issues. The equipment is functioning at this time; however, we have notified our vendors of our intent to explore other service providers.

Theresa explained that a new patient experience survey program underway; patient experience defined as “the sum of all interactions shaped by an organization’s culture that influence patient perceptions across the continuum of care”. Theresa is targeting work with each service department within the District to focus on patient satisfaction. Surgery will be included in the HCAPS survey; ED and outpatient will also receive surveys, also known as “loyalty surveys”. Since the surveys are in an electronic format, other depts. will be included, such as EVS, radiology, laboratory and dietary. She noted there was a new NHHS-tailored question included in the survey related to our mission; a benchmark has not been set, but rather will allow direct patient feedback relating to the community’s rating of NHHS’ ability to fulfill our own mission.

Theresa reported a condition-level finding as a result of the DNV survey; the surveyors returned on October 12 to re-survey and were impressed with our work completed. Theresa anticipates we should receive our first accreditation certificate (indicating NHHS meets National Quality Standards) in the next few weeks.

Next year, Theresa will focus on our organizational culture of safety and start it with an AHRQ safety survey. The AHRQ baseline data will be collected and benchmarked (produced by AHRQ at no cost) and compared with other organizations.

Overall event reporting is being monitored; it was noted that our incident reporting has increased; however, this does not necessarily mean that more incidents are occurring; it’s as much an indication that employees feel safe to report issues. There were no unanticipated deaths to review in August or September.

A performance improvement update was shared; process improvement goals are set by choosing items where we are under performing.

Residential Care Updates/RHC & Safety Updates: Chris Wagar, COO reported that two PA-C’s have been hired; Jonathan McCord will begin Oct. 31<sup>st</sup>, and Karla Rivera was hired and will start by Oct. 17<sup>th</sup> - a new provider check list was developed in an effort to streamline onboarding and provider communication. In addition, Madison Roberts, LicSW has been working since September – she continues to have a full caseload; Madison is a SUD certified counselor.

Chris referred to the RMAC/RMV and clinic reports, noting there were no significant items to report. MGMA goals include averages for wait times, clinic visits, etc. Chris plans to set a clinic visit monthly goal and estimates the additional two PA-Cs could increase monthly visits by 500.

RCS – 4<sup>th</sup> wing opening preparations continue. The furniture and equipment have been ordered – which has been delayed due to supply chain issues. Chris referred to the current reports, noting

census is up at residential care and that the furniture delivery for the new wing is expected within eight weeks. Kim explained our community town hall meetings to notify residents/families of rate increases will occur early next month.

Chris offered to provide additional information upon the Board's request. Commissioner Johnson commented on the occupancy rate for RCS. RMV has 41 available rooms; however to reach a census of 45, there are 4 rooms that would require double occupancy.

Safety/Security – The Hazard Vulnerability Assessment is nearly completed; the “top 5 hazards” will be reviewed by the Safety Committee with plans for mitigation.

Chris noted that DNV's definition of a Safety Committee structure somewhat differs from DOH. The Committee is being re-structured in an effort to meet both DNV expectations and DOH requirements. A key focus will be to provide an annual evaluation of the data reports.

Chris announced that the WA State Governor's Covid Proclamation expires at midnight tonight and the WA State of Emergency officially expires at midnight Oct. 31<sup>st</sup>. Jan Steinbach, Chris and the Sr. team have reviewed the stipulations in place due to the requirements in an effort to determine the best way to manage and adjust to the changes. Laura explained that staff members have had questions related to the mandate expirations; the vaccination requirement is not ending – per a Federal CMS vaccination requirement vs. a State requirement. Education will be provided.

HR Report: Laura Hamilton, CHRO reported an Employee Recognition Program will be implemented in January via the Paycom system. A free lunch at the Café will be offered as a recognition incentive.

Performance Reviews are now programmed into the Paycom system and will launch to all staff on Dec. 1<sup>st</sup> (and due back Dec. 15<sup>th</sup>). The self-evaluation review will forward to the supervisor to finalize the evaluation by December 31<sup>st</sup>. Thereafter, a 2023 goal campaign will provide employees the opportunity to set three goals with their managers that will roll into next years performance review process. Laura added that research has indicated that rating scales have proven to detract from employee engagement and tend to be inconsistent in application methods.

The review process will focus on the District's Core Values and basic job functions (Meets / Does not Meet). An open text field provides a communication method for the employee and manager to identify items the employee needs to 1) keep doing; 2) start doing; or 3) stop doing – and will be performance / behavior related. In addition, departmental quality initiatives will be identified. A development-related goal will be identified in an effort to improve efficiencies, learn new skills, etc. The goals should address areas the employee is not meeting.

Commissioner Robertson stated that she approved of the format, noting the process does not seem punitive, but rather provides frequent opportunities to feel supported and encouraged.

The New Hire/Separation reports were reviewed. Laura stressed the need to remain competitive within the market and reviewed the proposed 2023 Non-Contract Market Adjustments –staff adjustments (breakdown by position/title) by department with total budgetary impact. Market adjustment percentages were also included for manager, director and senior team. The grant total annual market adjustment budgetary impact is \$753,691. Laura explained that the RN Contract was not included, noting this will be discussed further during executive session.

Commissioner Johnson asked whether the adjustments are competitive to market; Laura responded, noting we are still trying to find out where the market falls out – recognizing a number of Spokane and regional competitors are currently in contract negotiations. We are in process to identify those contracts and to determine adjustments as they come available. She noted that a total compensation calculator is being developed in an effort to demonstrate our full NHHS wage and benefit package. Leif Furman added the Radiology dept. is experiencing similar issues. Chris Wagar added that Providence Health System is in the process of re-structuring with a large number of lay-offs.

The Non-Contract Staff Bonus Structure outline and history was distributed. Laura explained that because we were still in Covid protocols, detail 2022 goals were not identified and noting our 2021 incentive structure evolved around a retention bonus (pre/post-Governor vaccine mandate). Laura recommended an incentive based on hours worked for the year for 2022. There were several comments surrounding the difference between contract and non-contract staff, incentives, wages and a retention bonus. Commissioner Elswick suggested setting 2023 goals early next year.

Tom W. discussed the District's financial position, noting he anticipated the year-end cash balances should still land in the \$20-21M (approx. range); at present, we are at \$18.7M, but our CARES (Covid) funding is over and 340B revenue is way down. He noted in 2008, incentive compensation was not offered to staff due to the economic crash.

Laura explained that many employees depend on the annual incentive for the holidays; she feels if we don't commit to offering a retention incentive, more employees may leave the District. Leif Furman noted that he agrees with Laura, especially with the short staffing and busier schedules.

Commissioner Elswick suggested that the retention bonus amount should first be established, and presented for approval at the November meeting, as there may be adjustments. It was decided the bonus would be paid per-worked FTE hour (not to include overtime). Discussions will include a minimum amount.

Tom W. presented a 4-year financial recap of the District's gains and losses. He noted \$2.2M was spent on software and licenses. In 2020, the 340B net amount was \$2.2M, with a decrease to \$1.1M in 2021.

CEO Report – Tom Wilbur, CEO, reflected on his tenure at the District, noting that he thoroughly enjoyed working with everyone at NHHS. He thanked everyone for the remarkable work that has been accomplished; Tom will be available until December to assist Merry-Ann Keane with the transition.

Chris Wagar recounted the many changes that have occurred at the District during Tom's leadership, adding that he will be greatly missed.

### **ACTION ITEM AGENDA**

**Resolution No. 2022-08 – District CEO and Superintendent Appointment** - a motion made, seconded and passed unanimously approved Resolution No. 2022-08, appointing Merry-Ann Keane as Superintendent and CEO of Public Hospital District No. 1 of Pend Oreille County, repealing Resolution No. 2004-15 dated December 16, 2004 (that established Tom Wilbur as CEO and Superintendent).

**Capital Purchase Fund Conversion** – Unused capital funds are available in the Training & Development budget. The flooring in the LTC dining room needs to be replaced. The area can be used for special events and also divided for smaller meetings. A motion made, seconded and passed unanimously approved converting \$16,044 in unspent Training & Development funds to replace flooring (materials only) in the LTCU dining room, with the total amount not to exceed \$25,000. Remaining unspent funds will be used to purchase furnishings and room dividers. Jenny Smith explained funding was received for an 85” TV and camera from Better Health Together. The District’s engineering crew will perform the work. Kim added the RCW stipulates a threshold of \$75,000; the project is under this amount, allowing the work to be performed internally.

OTHER BUSINESS

Tom Wilbur explained the District leased property on Spruce Ave. to Pend Oreille EMS (POEMS) ambulance service. POEMS paid the lease for a year, but never used the property because we couldn’t get an ambulance barn built (intended, but not guaranteed); therefore, we have applied the rent credit to their future lease (if/when utilized). We have made an on-going commitment (started in 2018) to assist POEMS to provide ambulance services to the community. Kim stated for the record, Commissioner Elswick must abstain from voting on matters relating to the ambulance service due to a conflict of interest.

Tom stressed there is a need to form an EMS/Fire District in the County comprised of Fire Districts, Cities, Pend Oreille County, Kalispell Tribe and Hospital District.

EXECUTIVE SESSION

As permitted by RCW 42.30.110(1)(g), the meeting was moved to Executive Session at 12:26 pm for approx. thirty minutes to discuss 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:

**Courtesy Reappointments - Telehealth**

Mohammad Hirzallah, MD  
Robert Jackson, MD  
Soo Young Kwon, MD

**Reappointment – Tessa Reinke, MD**

**Provisional Status**

Jonathan Fisher, DPM  
Jonathan McCord, PA-C  
Karla Rivera, PA-C

NEXT MEETING DATE

The next special Board of Commissioner (budget hearing) meeting will occur at 1:00 p.m., Thursday, **November 15, 2022** in the Sandifur meeting room.

The next regular Board of Commissioner meeting will occur Tuesday, **November 17, 2022** at 10:00 a.m. – a week earlier than usual, due to the Thanksgiving holiday.

ADJOURNMENT

There being no further business, the meeting adjourned at approximately 1:10 pm. for approximately 45 minutes to discuss personnel matters.

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



Lois Robertson, President  
Board of Commissioners



Susan Johnson, Secretary  
Board of Commissioners