LEWIS COUNTY HOSPITAL DISTRICT NO. 1
BOARD OF COMMISSIONERS' MEETING
May 25, 2016 at 3:00 p.m.
Morton General Hospital
Conference Room 1 & 2

MINUTES

PRESENT: Board Chair Judy Ramsey, Commissioner Marc Fisher, Secretary Kenton Smith, Commissioner Shelly Fritz by phone, Commissioner Trish Frady, Superintendent Leianne Everett & Katelin Forrest

CALL TO ORDER
Board Chair Ramsey called the meeting to order at 3:01 p.m.

APPROVAL OR AMENDMENT OF AGENDA
Commissioner Fisher made a motion to approve the agenda and Commissioner Frady seconded. The motion passed unanimously.

Superintendent Everett asked the board to state any conflicts of interest on today's agenda. No conflict of interest was noted by the commissioners.

DEPARTMENT UPDATE
Accounting Department Update-Clint Scogin:

- Clint highlighted the accounting functions his department is responsible for and described how they add value to our organization. The Accounting department is responsible for tracking monies coming into and going out of the organization, compiles information to present in terms of financial reporting, and providing reports to assist in decision making in order to operate the hospital and clinics.
- There are a total of 7 employees in the Accounting department. Clint shared what each role is responsible for in Accounting, Accounts Payable, Payroll and Purchasing.
- Clint highlighted three accomplishments in the past year including:
    - The implementation of the Kronos timekeeping and Payroll system.
    - The implementation of Multiview, a new accounting system, which changed the accounting structure. Multiview is being used since Cerner does not offer a financial package with their EHR software.
    - Completed recommendations made in the Moss Adams report including implementation of 12 policies which strengthened internal controls in the Accounting department.

COMMENTS & REMARKS
Commissioners: Commissioner Fisher will not be available for the Finance Committee meeting or Board meeting in June. Board Chair Ramsey is also unavailable for the Board meeting. Discussion of rescheduling the June meetings will be discussed prior to adjourning the meeting.

Commissioner Fritz appreciated including the page numbers of the Board packet on the Agenda.

Audience: No comments.

EXECUTIVE SESSION
Executive Session began at 3:38 p.m. for 50 minutes to review Medical Staff Privileges and the QI Oversight Report. Executive Session was extended for 5 minutes and ended at 4:33pm. No decisions were made.

Board Chair Ramsey called for a 5 minutes break and returned to open session at 4:40pm.

Commissioner Fisher made a motion to approve the Medical Staff Privileges as presented and Secretary Smith seconded. The motion passed unanimously.

Commissioner Fisher made a motion to approve the Quality Oversight Report and Commissioner Frady seconded. The motion passed unanimously.

New Appointments
Don Allison, MD – Active (Morton General Hospital – Family Practice Privileges)

Reappointments
Afshin Afarin, MD – Consulting (South Sound Radiology – Radiology Privileges)
Tariq Balawi, MD – Consulting (South Sound Radiology – Radiology Privileges)
Lawrence Bennett, MD – Consulting (South Sound Radiology – Radiology Privileges)
James Bonifield, MD – Consulting (South Sound Radiology –Radiology Privileges)
Alireza Bozorgmanesh, MD – Consulting (South Sound Radiology – Radiology Privileges)
Gurdarshan "Gordon" Dhanda, MD – Consulting (South Sound Radiology – Radiology Privileges)
Jack Field, MD – Consulting (South Sound Radiology – Radiology Privileges)
Sarah Foster, MD – Consulting (South Sound Radiology – Radiology Privileges)
Mark Hansen, MD – Active (Morton General Hospital – Family Practice & Emergency Medicine Privileges)
Mihai Iancu, MD – Consulting (South Sound Radiology – Radiology Privileges)
Mitchell Kok, MD – Consulting (South Sound Radiology – Radiology Privileges)
Thomas Luetkehans, MD – Consulting (South Sound Radiology – Radiology Privileges)
Rodney Matsubara, MD – Consulting (South Sound Radiology – Radiology Privileges)
Joel McFarland, MD – Consulting (South Sound Radiology – Radiology Privileges)
David Mitchell, MD – Consulting (South Sound Radiology – Radiology Privileges)
Tremont Parrino, MD – Consulting (South Sound Radiology – Radiology Privileges)
Kevin Roscoe, MD – Consulting (South Sound Radiology – Radiology Privileges)
Charles Shen, MD – Consulting (South Sound Radiology – Radiology Privileges)
Navneet SIngha, MD – Consulting (South Sound Radiology – Radiology Privileges)
David Stagnone, MD – Consulting (South Sound Radiology – Radiology Privileges)
Andrew Taylor, MD – Consulting (South Sound Radiology – Radiology Privileges)
Ian Timms, MD – Consutling (South Sound Radiology – Radiology Privileges)
Evert-Jan Verschuyl, MD – Consulting (South Sound Radiology – Radiology Privileges)

CONSENT AGENDA
The Consent Agenda included the following:
Minutes of the **April 27, 2016** Regular Board Meeting ***(Action)***
Minutes of the **May 23, 2016** Finance Committee Meeting (April) ***(Action)***
Warrants **101957-102203** in the amount of **$1,762,410.76** dated April 2016

Commissioner Fisher made a motion to approve the consent agenda and Commissioner Frady seconded. The motion passed unanimously.

OLD BUSINESS
Suggested Boards to Visit Update:
Superintendent Everett provided the Board with the meeting schedules for Cascade Medical Center in Leavenworth and Ocean Beach Hospital in Illwaco. The schedules for the meetings at Ocean Beach may change due to the holidays at the end of the year. If the Commissioners are interested in visiting either of the Board's meetings, arrangements can be made. Cascade Medical Center's meetings begin with Board Education from 8-9am and the regular Board meeting at 9am. Ocean Beach Hospital begins their meetings at 4pm. Both Board's hold their meetings the 4th Tuesday of every month, so this could conflict with our Finance and Board meetings unless a Commissioner would like to call in.

Revised Board Policies: Annual Administration Evaluation
The board agreed to mark this policy as reviewed.

Commissioner Fisher would like to discuss the procedure of this policy and evaluate the available evaluation forms that can be selected for evaluation at a future meeting.

Strategic Planning Rescheduled:
Strategic Planning has been rescheduled for Monday, September 12, 2016 from 9am to 4pm and Tuesday, September 13, 2016 from 9am to Noon. Jody Carona from Health Facilities Planning and Development will join the Board to facilitate the Strategic Planning discussions. She is also working with MHA students from the University of Washington to frame focus groups to gather information from the community prior to the Strategic Planning session. Three to four, 90-minute meetings will be held during the month of July around the county. Diane Markham is working with Jody to arrange these meetings. Jody will compile the information gathered from the focus groups to prepare for strategic planning in September. Superintendent Everett will talk with Jody to get her thoughts on who the key players should be and if necessary a change in location can be discussed at a later date since Commissioner Smith was concerned that the PUD meeting area may be too small.

New Nursing Staffing Model:
Superintendent Everett provided an attachment summarizing the new Nursing staffing model which will become effective June 1st. Nursing staff hours have been reduced and two nurse manager positions have been eliminated. The nursing leadership positions have been replaced with coordinator positions. The Health Unit Coordinator position was also eliminated with a plan for Nursing Assistants to assist with clerical in the Nursing department. Those affected by this position elimination were moved to unfilled positions within the organization. Ultimately, we were able to keep all benefited employees without any loss of hours and most reductions came in regularly scheduling casual part-time RN's and Nursing Assistants. These casual part time employees are being scheduled as needed and for vacations and holidays. Commissioner Fritz expressed kudos for Superintendent Everett for making the difficult decisions and continued ongoing communication with staff and appreciates the logical approach and integrating ideas from the Nursing staff. Commissioner Frady also appreciates the communication and that quality standards will be evaluated and maintained through this process. Superintendent Everett also thanked the Board for their continued support.

NEW BUSINESS
Securing and drawing on Line of Credit – Resolution 16-22:
The Line of Credit has been approved by Umpqua bank. In order to finalize, they are in need of a resolution which approves securing and drawing on the line of credit along with the meeting minutes reflecting approval of the resolution. Superintendent Everett would like to see the line of credit remain open for a period of time even if it's not drawn on, since it has taken many months to secure and approve. If it is not drawn upon, the line of credit will remain open for one year, or for a fee can remain open.

Commissioner Fisher made a motion to approve **Resolution 16-22** to secure and draw on a line of credit for $1 million for the hospital operations. Secretary Smith seconded and the motion passed unanimously.

Approve Documents Pending Board Ratification 05.25.16:
Commissioner Frady made a motion to approve documents to be ratified. Commissioner Fisher seconded and the motion passed unanimously.

Board Policies:
- Board E-mail Communication Policy – The board agreed to mark this policy as reviewed with no revisions
- Board Self Evaluation – The board agreed to mark this policy as reviewed with no revisions.

- Board Meeting Teleconference – The board agreed to mark this policy as reviewed with no revisions.

Board Education:

- **20 Questions Every WA Hospital Board needs to be Able to Answer-*How does the board ensure strong and effective executive leadership?***
    - The commissioners reviewed the question. Superintendent Everett shared she was at a meeting where another facility's administrator had used a written tool to help define roles and responsibilities of the Board to avoid "purpose wandering" and define the fine line between strategic leadership and operational leadership. Commissioner Fisher would like to collect this type of documentation others are using and create something similar.
    - Secretary Smith noted it is important that the Board be well informed, but keep the strategic goal in mind. Commissioner Fritz added some of what is discussed at the Board level could be handled at the committee level, which would provide the Board more time for strategic focus. Board Chair Ramsey is hoping to have more information to do this after Strategic Planning.
    - Secretary Smith noted the importance of having highly focused and short Executive Sessions which he felt we do well.
    - Commissioner Fisher also pointed out this question discussed CEO evaluation. He would like to use this information as a framework for discussion of the Annual Administration Evaluation.

SUPERINTENDENT'S REPORT

Superintendent Everett highlighted the following:

- Her short term priorities are:
    - Building a stable foundation to build future services, building an OR, recruiting for an OR Coordinator, evaluating our core services, maintaining high quality while remaining financially lean, and redesigning the clinics to focus on improved patient outcomes.
- Her long term priorities are:
    - Understanding Medicare payment reform, changes to the quality payment program, Merit based Incentive Performance Systems, and alternative payment models. The adoption of PQRS for quality is also a top priority. This is very complicated and convoluted since we are required to document and demonstrate quality under certain measures that contribute to an improved outcome of a patient's health and reimbursement will soon be based on this.
- Also still exploring WRHAP as an alternative to the ACO model where the cost is very prohibitive. Superintendent Everett has submitted a non-binding letter expressing interest in an ACO so we didn't come up against a critical deadline while she was exploring WRHAP. We are one of 3 hospitals in a pilot program working with WRHAP
- Also researching WA Medicaid transformation which is a global waiver, proposed to be distributed to states from the federal government and would be funded through an accountable community of health program like Cascade Pacific Action Alliance.
- The Interim Clinic Administrator has postponed until July. Superintendent Everett's goal is to have the Interim Clinic Administrator analyze the clinics and develop a job description and search for a permanent Clinic Administrator which will be essential in the new value based reimbursement models. The stability of the clinics will also feed the hospital.
- Employee Engagement survey will be done in June. Looking at questions surrounding autonomy.
- Performance Evaluations completed was at 100% for April.
- April Turnover was at 2 % for various reasons including moving out of area, other job opportunities and retirement.
- From a Financial perspective:
    - We had a .6% operating margin for month of April.
    - Cost containment and decrease in overtime continues to be strong.

- We remain ahead of budget for the year. After low impatient numbers at the beginning of the month, the census is increasing. Busy summer months are upon us starting Memorial Day weekend.
- Superintendent Everett noted the operating free cash flow was above goal and the cost per adjusted patient day, trend continues to be down, with the average cost per patient day decreasing. Staffing changes also contribute to this.
- Days cash on hand, tipped up in total due to receiving tax monies/income that came in. Currently at 48 days cash on hand.

- Exploring alternatives to EMS transport problems and continuing to investigate opportunities. Superintendent Everett would like to take a strategic approach and do some additional research before talking with the fire districts.

BOARD COMMITTEE REPORTS

Foundation Report: Board Chair Ramsey shared that the annual Ladies Brunch was not well attended. The Foundation noted they would avoid holding the Brunch on Mother's day weekend in the future, although Board Chair Ramsey shared that a good time was had.

Finance Committee: Commissioner Fisher and Chief Financial Officer Richard Boggess highlighted the following from the Finance Committee meeting:

- The CEO's business credit card was reviewed by the Finance Committee. This will be a standing agenda item on the Finance Committee agenda for their review.
- The minutes from Monday's meeting and the Finance packet were emailed Monday evening. All Commissioners said they had the opportunity to review the minutes and there were no questions. It was felt the highlights of the meeting were well covered in Finance meeting minutes.
- Chief Financial Officer Richard Boggess will be looking at some different reports to present in the future.
- His biggest concern with moving from Centriq to Cerner is the A/R. HRG will be an asset to us in the future in this regard. We are also currently experiencing some growing pains although he expects those to improve as we transition.
- Commissioner Fisher asked if there was any concern with the change with Durable Medical Equipment on June 1st. Superintendent Everett responded that there were no concerns other than the political side, from the community since patients aren't used to having to pay for equipment. This is not a revenue source for us, but we are no longer giving the items away for free. Since we do not have the license needed to bill for DME, it is more cost effective to have another company handle.

Quality Improvement Oversight Committee: No update.

Plant Planning Committee: Superintendent Everett noted that the Finance Committee meeting minutes reflect that we are moving forward with moving the Business Office to the upstairs of the MOB. Maintenance Supervisor Jeff Robbins has received the plans from the architect and submitted them to the County. He will be putting the project out for bid and once this process is completed, it will be presented to the Plant Planning Committee.

Strategic Planning Committee: see old business above.

Bylaws Committee: No update.

Resolution Review Committee: No update.

Board Chair Ramsey called for a five minute break at 6:53 p.m.

The board returned to open session at 7:00 pm and further discussed the rescheduling of the June Board meeting and Finance Committee meetings. The regular Board meeting for June was rescheduled for June 15,

2016 at Noon. Board Chair Ramsey and Commissioner Frady will not be present for this meeting. In Board Chair Ramsey' absence, Secretary Smith requested Commissioner Fisher chair the meeting. The Finance Committee meeting will be cancelled in June and the May and June financials will be reviewed at the July 25th Finance Committee meeting. John Abe, the community member on the Finance Committee will need to be notified that the June meeting is cancelled.

EXECUTIVE SESSION

Executive Session began at 7:07p.m. for thirty minutes to review the performance of a public employee. At 7:37 p.m. Board Chair Ramsey extended for 20 minutes. At 8:00p.m. Board Chair Ramsey extended for 35 minutes. Executive Session ended at 8:35 p.m. No decisions were made.

The board returned to open session at 8:35 p.m.

ADJOURNMENT

Commissioner Fisher moved and Commissioner Frady seconded to adjourn the meeting at 8:35 p.m. The motion passed unanimously.

Respectfully submitted,

Kenton Smith
Board Secretary