GRAYS HARBOR COMMUNITY HOSPITAL
BOARD OF DIRECTORS REGULAR MEETING
March 26, 2018

COMMISSIONERS PRESENT
Michael Bruce, District 2
Miles Longenbaugh, District 3
Melanie Sturgeon, At Large 2
Robert Torgerson, At Large 1
Becky Walsh, District 5
Maryann Welch, District 1

OTHERS PRESENT
Tom Jensen, CEO, GHCH
Teresa Ramirez, Executive Assistant, GHCH
Members of the Public

ABSENT
Andrew Bickar, District 4

BOARD EDUCATION

David Bain, Plant Services Director, provided education on GHCH Emergency Management Plan (see presentation for details). Hazardous Mitigation is being paid through a grant. There are various opportunities for the public to make comment and ask questions. Annually, GHCH conducts a Hazardous Vulnerability Assessment and then develops its own action plans.

CALL TO ORDER

President Welch called the meeting to order at 1:18p.

Public Comment – Agenda Topics
President Welch opened the meeting to members of the public for comment regarding topics listed on the agenda.

CONSENT AGENDA

Submitted under the Consent Agenda were:

- Hospital Board Minutes; February 27, 2018
- Board Quality Minutes; February 20, 2018
- Board Finance Minutes; February 22, 2018

ACTION: A motion was made by Commissioner Welch, seconded by Commissioner Sturgeon and unanimously carried to approve the Consent Agenda.

BOARD DISCUSSION AND ACTION

Medical Staff Credentialing

Submitted was the Medical Staff Credentialing Report.

ACTION: A motion was made by Commissioner Walsh, seconded by Commissioner Longenbaugh, and unanimously carried to approve appointment of Henry Christopher MD, from Provisional to Active Staff for a period of two years in the Specialty of Emergency Medicine.

ACTION: A motion was made by Commissioner Torgerson, seconded by Commissioner Walsh, and unanimously carried to approve appointment of Todd MacLeod PA-C, to Provisional Staff for a period of one year in the Specialty of Emergency Medicine.

ACTION: A motion was made by Commissioner Bruce, seconded by Commissioner Walsh, and unanimously carried to approve appointment of Prem Arora, ME, to Provisional Staff for a period of one year in the Specialty of Pediatrics/Neonatology.

ACTION: A motion was made by Commissioner Walsh, seconded by Commissioner Sturgeon, and unanimously carried to approve appointment of James Raelson, MD, to Locum Staff for a period of one year in the Specialty of Pediatrics.

ACTION: A motion was made by Commissioner Sturgeon, seconded by Commissioner Bruce, and unanimously carried to approve appointment of Ray Sato, MD, to Provisional Staff for a period of one year in the Specialty of Pediatrics/Neonatology.

ACTION: A motion was made by Commissioner Bruce, seconded by Commissioner Walsh, and unanimously carried to approve appointment of Val Lev, MD, from Provisional to Consulting Staff for a period of one year in the Specialty of Cardiology.

ACTION: A motion was made by Commissioner Sturgeon, seconded by Commissioner Walsh, and unanimously carried to approve reappointment of Qiang Li, MD, to Consulting Staff for a period of two years in the Specialty of Cardiology.

ACTION: A motion was made by Commissioner Walsh, seconded by Commissioner Bruce, and unanimously carried to approve appointment of Sara Martinez, MD, from Provisional to Consulting Staff for a period of one year in the Specialty of Cardiology.

ACTION: A motion was made by Commissioner Bruce, seconded by Commissioner Walsh, and unanimously carried to approve reappointment of Dominique Coco, MD, to Consulting Staff for a period of two years in the Specialty of Pathology.

ACTION: A motion was made by Commissioner Walsh, seconded by Commissioner Bruce, and unanimously carried to approve appointment of Jodell Boyle, MD, to Locum Staff for a period of one year in the Specialty of OB/GYN.

ACTION: A motion was made by Commissioner Sturgeon, seconded by Commissioner Walsh, and unanimously carried to approve reappointment of Francis Estalilla, MD, to Active Staff for a period of two years in the Specialty of Ophthalmology.

ACTION: A motion was made by Commissioner Sturgeon, seconded by Commissioner Walsh, and unanimously carried to approve reappointment of Susan Ruyle, MD, to Active Staff for a period of two years in the Specialty of Ophthalmology.

ACTION: A motion was made by Commissioner Torgerson, seconded by Commissioner Sturgeon, and unanimously carried that Salam Hallak, MD, be approved for the additional privileges of Wound Care with Hyperbaric Management.

ACTION: A motion was made by Commissioner Walsh, seconded by Commissioner Sturgeon, and unanimously carried to approve the change of Status for Lisa Johnson, MD, from Locums to Provisional Staff for a period of one year in the Specialty of Pediatrics.

Resignations were noted for:

- Robert Falconer, MD in the Specialty of Emergency Medicine
- Steven Hutton, MD in the Specialty of Pediatrics
- Carey martens, DO in the Specialty of OB/GYN

CHAIRMAN'S REPORT

The Annual Board Education has been scheduled for April 18-20 at Harmony Hills Retreat Center.

Commissioner Sturgeon brought forward that in consideration of the Hospital's financial challenges, she inquired as to whether the Annual Education could be relocated to an Aberdeen location. President Welch brought forward that in the past when the event is held locally, there has not been as much attentiveness and focus on information being presented, and it is harder to avoid interruptions.

COMMITTEE REPORTS

Board Quality Report

Commissioner Walsh provided report on the March Board Quality Committee meeting, with information encompassing:

- Kelly Daniels, shared of her experience with staff and providers while her mother has been a patient at the hospital, after providing some professional background. Ms. Daniels used to work for US Senator Slade Gordon, as well as for the President in DC for a year. She and her husband own Peterbilt in Cosmopolis, along with several other businesses throughout Grays Harbor. She and her husband provide employment in Grays Harbor and believe the heartbeat of the community is the Hospital.

  Ms. Daniels shared that the ED providers and staff saved her mother's life, and that the care provided throughout the hospital has been extraordinary. Friends have told her to move her mother to St. Peters; however, Ms. Daniels believes without hesitation, after everything she's witnessed, that her mother's care has been extraordinary and there is no need to go elsewhere.
  - Tommy, a Tech in ED, recognized Ms. Daniels needed a hug and asked if he could hug her and did so.
  - The provider held her hand while explaining about a Living Will.
  - James in CCU was wonderful in providing humor during a stressful situation.
  - Michelle in CCU was wonderful, as well as Dr. Troeh and Dr. Gibbs. Michelle and other staff stopped what they were doing to pray with the family.
  - Jamie in the CCU was phenomenal and is destined for great things.
  - Cindy in EVS asked Ms. Daniels if she needed a warm blanket and cup of coffee.
  - Phil in Social Services has made multiple trips to the CCU to check on Ms. Daniels' mother and family.

  Ms. Daniels emphasized leaders need to do the right, moral, and ethical thing to save this Hospital. The demographics and reimbursement will not change, and the Hospital has to find the balance in providing care to the demographics we serve. We need to fix communication challenges, highlight these same positive stories, makes adjustments as a team, and NOT close this Hospital. People like Tommy and Cindy and up through

leadership need to be built-up and recognized, so they are proud of working for the hospital and helping it to be successful. Ms. Daniels and her husband convinced Peterbilt to start up a business with them in 2007 during the recession, and one of their first questions was, "How is your hospital?" As a business owner, Ms. Daniels will be advocating for the Hospital by forming a Jobs Committee with strategic individuals within the community, to begin meeting and talking about the importance of saving the hospital.

- ED Operations; Patient volumes and LWBS continues to fluctuate. Staff are more engaged and collaborative conversations continue with TeamHealth. Triage is a center of focus, with a color-coding system being trialed, e.g. green, yellow, red (green is for patients awaiting test results, etc.). A nurse will be dedicated to the triage area. Looking at admissions to the floors and nursing processes in the units. Also looking at housekeeping break/lunch times, etc., which also impacts ED Throughput.
- Sepsis; This last month, a standardized order set revision and reflex lactic acid levels were rolled out for implementation. As a result, improvement in compliance is anticipated. Thirty-three cases were reviewed and primary reasons for non-compliance were identified, in which action plans are being developed, conversations are being held with providers, and education is being provided to nursing.
- Quality Report; Metrics overall are going in the right direction. The hospital successfully submitted for Meaningful Use. Tracers with AMP, a Joint Commission software product, has been implemented, which supports staff in maintaining survey readiness. The hospital will be addressing its Joint Commission self-assessment over the next month. A Failure Modes Effects Analysis (FMEA) was conducted on Medication Administration in the ED, with a review conducted on action plans:
  - Provider/Staff Education
  - Standardization of Policy and Process
  - Hardwire Risk Reduction Measures
  - Implement Best Practice; bar code scanning
- Nursing Quality Report; The same high level of care is being provided to patients. The Shared Governance model has improved communication with nursing
- Medication Safety Report; Pre-verification of orders in the ED. A plan has been completed to contract with a remote Pharmacy company, Medication Review, to review medication orders prior to dispensing on the units. Several meetings have been held with Ms. Brandt, nursing staff, and IT to implement this same process in the ED, in mid to late April. Verification of allergies is a challenging issue to also be addressed. Mr. Pelham will return next month to further address action plans being implemented regarding the other various metrics.
- Next month a presentation will be provided regarding changes made to the Billing Statements.

Board Finance Report

Commissioner Torgerson provided report on the March Board Finance Committee meeting, with information encompassing:

- Inpatient Volumes below budget
- Acute Admissions down 19% from budget and 17% YTD
- Acute Patient Days down 18% from budget and 18% YTD
- Outpatient Volumes below budget
- Registrations down 13% from budget and 10% YTD
- ED Visits down 11% from budget and 10% YTD
- HMG Volumes above budget
- Clinic Visits at budget for the month and up 8% YTD
- Work RVUs up 21% for the month and up 21% YTD

- ED Visits down 11% from budget and 10% YTD
- Outpatient Surgical Cases down 20%
- Observations significantly below budget for the month, as well as YTD
- MC Case Mix Index is running higher than budgeted and Overall Case Mix Index is running at 1.0, which is fairly low.
- Accounts Receivables remain low and Days Revenue in A/R is up over 70 days, which negatively impacts cash. Improvement initiatives are being undertaken with Navigant.
- Accounts Payable is higher than desirable.
- Board Designated Assets are being utilized. The balance is at $1.9M and is heavily invested in the market.
- Net Income was down for the month, coming at $1,076,268; primarily due to volumes. Year to Date Net Income came in at a loss of $1,743,588.
- Cost containment has improved over the last couple of months.
- HMG only missed budget by $100k; an improvement from past performance.
- Agency came in significantly under budget at $78,840 compared to $116,290, and continues to decline. Agency staff are being utilized in ED and Pharmacy, with the ED agency ending this month.
- Net Operating Income (earnings before interest appreciation) came in at a loss of $1,924,689.
- Days Cash on hand is under 20 days.
- FTE's are declining.
- February Consolidated Financial Summary:

Total Revenue:	$30,550,864
Revenue Deductions:	$23,225,641
Net Operating Revenue:	$ 7,631,936
Total Expenses:	$8,455,926
Net Income:	($1,076,268)

Discussion held regarding HMG and the importance of providers making referrals and utilizing local resources available to them on the Harbor. Mr. Jensen indicated that Navigant will be providing assistance to help address these issues.

Commissioner Longenbaugh inquired about any other reports related to the continuation of low volumes. Mr. Jensen speculated that flu is starting late in the season vs. last year when it started fairly soon after Christmas. Navigant is also working on a market analysis which should be back by the next Board meeting.

Statement of Cash Flows

Net Income came in at a loss of $23k; Investment in HMG came in at a loss of $985k; Net Accounts Receivables came in at a loss of $1,995M. Mr. Foley solicited whether the information was useful to the Committee. It was agreed that the report will be discontinued and only brought forward if any significant changes occur in the future

Board Designated Assets

Commissioner Longenbaugh questioned whether it is wise to keep the BDA funds heavily invested, given the volatility of the market, and the likelihood that the hospital will need to continue drawing down funds. Mr. Vessey expressed a similar concern and agreed that the funds should be liquidated sooner than later. He went on to explain that Navigant is developing a 13-week cash model that includes improvement initiatives as well as the recent termination of employees; even so, the hospital will deplete its cash by May. Mr. Jensen echoed concerns and will have Mr. Vessey proceed with the liquidation of funds.

Bond Covenants; Cash on hand continues to decline.

GHCH Foundation Board
Commissioner Torgerson and Welch attended a GHCH Foundation Executive Committee meeting, where they requested $1M to fund capital for the hospital. The Executive Committee deferred the request to the Foundation Board and while they supported the hospital, they postponed decision until the next Foundation Board meeting. A list of capital and use of funds will be presented at their next meeting.

ACTION: Commissioner Torgerson made motion that GHCH Sole Members appoint Becky Walsh, Michael Bruce, and Robert Torgerson to a three year term as a trustee on the GHCH Foundation Board, and that the GHCH Foundation supply a list of trustees no later than Monday, Aril 16th at 4:00p, and that the GHCH Hospital Board at its next regularly scheduled meeting in April approve or not approve trustees of the GHCH Foundation. Commissioner Longenbaugh seconded the motion.

Commissioner Welch brought forward that when the Board became public, it had failed to insert the GHCH Foundation process within its process. It is a good time to comply with the Bylaws and to foster a close relationship with the Foundation.

Commissioner Welch inquired as to the number of members that can serve on the GHCH Foundation. It was clarified that up to 25 and no fewer than 9 members can serve. It was further clarified that the motion and action is to bring the hospital into compliance with the GHCH Foundation Bylaws.

The motion and second were unanimously approved.

Financial Initiatives
Mr. Jensen indicated that in relation to the Rural Health Clinics, progress continues to move forward and it is anticipated that funds will be realized by August.

Commissioner Torgerson commended Mr. Jensen for his hard work and leadership in achieving the Budget Proviso, and the financial benefits to be realized.

ADMINISTRATION

Executive Suite Summary Report
Submitted was the Executive Suite Summary for March.

- Mr. Jensen expressed appreciation of Navigant's insight and expertise, especially the availability of Subject Matter Experts who have been helping and supporting both staff and providers with improvement initiatives.
- Care Transition Team; Ms. Brandt report that the Team will help to ensure patients are being provided the best and most appropriate level of care, from admission to discharge; and will increase reimbursement. CipherHealth Discharge Phone Calls are also utilized to follow-up even after discharge.

Commissioner Longenbuagh inquired about in-house credentialing. Mr. Jensen explained that the implementation of CACTUS software will allow the hospital to credential providers, as well as gather and populate information for aggregation and evaluation. Conducting credentialing in-

house will also improve the overall efficiency of the process. In the past a vendor was contracted to perform this process.

Commissioner Torgerson brought forward that he participated in a great number of Navigant interviews and meetings with various employees and providers, and has been impressed with the positive attitudes of all involved and their seeing this as an opportunity. Subject Matter Experts have really provided an opportunity to see processes from a different perspective. The long term goal is not only to survive, but to thrive. Commissioner Welch echoed that the process is bringing learning experiences to employees and providers, instead of having to go elsewhere to learn.

OLD BUSINESS

None

NEW BUSINESS

April Education; Imaging Service Line

GOOD OF THE ORDER

President Welch reminded board members of the CEO/Trustee Patient Safety Summit on April 30th, as well as the Volunteer Recognition Luncheon on April 20th.

Commissioner Bruce inquired about topics on the Annual Education Agenda. Mr. Jensen reported that speakers/topics will include Cassie Sauer, President & CEO of WSHA, Compliance training, Kimberly McNally who will guide the board through a SWOT, Mary Kay Clunies will be presenting on Communication.

PUBLIC COMMENT – General

President Welch opened the meeting to members of the public for comment regarding topics listed on the agenda.

Mr. Glen Ramisky brought forward that everyone wants to see this institution be successful. He congratulated the board and leadership on sharing information in the Daily World and on the radio. He hopes there is a safety net for employees who are losing their jobs, e.g., help to sell their homes, job re-training, etc. Providence mailed a flier on a full range of services, and the public may keep driving by to Providence if they perceive GHCH is cleaning out the building. Citizens want to know how they can help GHCH. There needs to be more strategizing with the media and public. Everyone is doing the best they can do; however, the public is scared. He encouraged the hospital to use the voice that the public knows, not just the voice of PR. If none of the strategies work, the hospital needs to answer what is next.

ADJOURNMENT

The meeting adjourned at 2:21p

The next meeting will be held on April 24th at 6:00p in Room C.

APPROVED AND ADOPTED THIS 24th day of April, 2018.

ATTEST:

Teresa Ramirez
Recording Secretary

Commissioner Robert Torgerson
Secretary