

**GRAYS HARBOR COMMUNITY HOSPITAL
BOARD OF DIRECTORS REGULAR MEETING
October 24, 2017**

COMMISSIONERS PRESENT

Miles Longenbaugh, District 3 (via conference line)
Pete Scroggs, At Large
Robert Torgerson, At Large 1
Becky Walsh, District 5 (via conference line)
Maryann Welch, District 1

OTHERS PRESENT

Tom Jensen, CEO, GHCH
Joe Vessey, CFO, GHCH
Teresa Ramirez, Executive Assistant, GHCH
Members of the Public

ABSENT

Andrew Bickar, District 4
Armando Juarez, Jr, District 2

BOARD EDUCATION

Education was provided by Joe Vessey, CFO, on Cost Based Reimbursement (see presentation slide deck for details).

CALL TO ORDER

President Welch called the meeting to order at 1:38p.

Absences

Commissioners Bickar and Juarez provided notice that they would not be in attendance during today's meeting.

Action: A motion was made by Commissioner Torgerson, seconded by Commissioner Scroggs, and unanimously carried to approve Commissioners Bickar and Juarez's absences.

Public Comment – Agenda Topics

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

CONSENT AGENDA

Minutes

- Minutes of September 26, 2017 Hospital Board meeting.
- Minutes of September 19, 2017 Board Quality Committee meeting.
- Minutes of September 21, 2017 Board Finance Committee meeting.

Action: A motion was made by Commissioner Scroggs, seconded by Commissioner Torgerson 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 Torgerson, seconded by Commissioner Scroggs, and unanimously carried to approve reappointment of Brooke Frakes, MD, as Active Staff for a period of two years in the Specialty of Emergency Medicine.

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

ACTION: A motion was made by Commissioner Torgerson, seconded by Commissioner Scroggs, and unanimously carried to approve reappointment of Robert McCauley, MD, as Active Staff for a period of two years in the Specialty of Emergency Medicine.

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

ACTION: A motion was made by Commissioner Torgerson, seconded by Commissioner Scroggs, and unanimously carried to approve reappointment of Daniel Sheffield, DO, from Provisional to Active Staff for a period of two years in the Specialty of Emergency Medicine.

ACTION: A motion was made by Commissioner Scroggs, seconded by Commissioner Walsh, and unanimously carried to approve reappointment of Mary Clayton, ARNP, as an Allied Health Professional for a period of two years in the Specialty of Family Medicine / Wound Care.

ACTION: A motion was made by Commissioner Torgerson, seconded by Commissioner Scroggs, and unanimously carried to approve appointment of Monica Hallak, ARNP, as Provisional Staff for a period of one year in the Specialty of Family Medicine.

ACTION: A motion was made by Commissioner Scroggs, seconded by Commissioner Torgerson, and unanimously carried to approve reappointment of Marcos Chavez, Jr, PA-C, as an Allied Health Professional for a period of two years in the Specialty of PA / Hospitalist.

ACTION: A motion was made by Commissioner Torgerson, seconded by Commissioner Scroggs, and unanimously carried to approve reappointment of Brian Goody, PA-C, as an Allied Health Professional for a period of two years in the Specialty of PA / Hospitalist.

ACTION: A motion was made by Commissioner Scroggs, seconded by Commissioner Torgerson, and unanimously carried to approve reappointment of Arthur Molina, MD, as Consulting Staff for a period of two years in the Specialty of Medical Oncology.

ACTION: A motion was made by Commissioner Torgerson, seconded by Commissioner Scroggs, and unanimously carried to approve appointment of Corey White, DO, as Provisional Staff for a period of one year in the Specialty of Neurology / Telestroke.

ACTION: A motion was made by Commissioner Scroggs, seconded by Commissioner Torgerson, and unanimously carried to approve appointment of Jeffrey Caverly, MD, as Provisional Staff for a period of one year in the Specialty of Teleradiology.

ACTION: A motion was made by Commissioner Torgerson, seconded by Commissioner Scroggs, and unanimously carried to approve appointment of Surender Kurapati, MD, as Provisional Staff for a period of one year in the Specialty of Teleradiology.

ACTION: A motion was made by Commissioner Scroggs, seconded by Commissioner Torgerson, and unanimously carried to approve appointment of Jason Lue, MD, as Provisional Staff for a period of one year in the Specialty of Teleradiology.

ACTION: A motion was made by Commissioner Walsh, seconded by Commissioner Scroggs, and unanimously carried to approve appointment of Jose Ospina, MD, as Provisional Staff for a period of one year in the Specialty of Teleradiology.

ACTION: A motion was made by Commissioner Torgerson, seconded by Commissioner Scroggs, and unanimously carried to approve reappointment of William Hofmann, MD, as Active Staff for a period of two years in the Specialty of Anesthesiology / Wound Care.

ACTION: A motion was made by Commissioner Scroggs, seconded by Commissioner Torgerson, and unanimously carried to approve appointment of Monica Hallak, ARNP, as Provisional Staff for a period of one year in the Specialty of Urology.

Noted were the resignations of the following providers:

- Patrick Henderson, DO, in the Specialty of ENT
- Paula Moreno, PA-C, in the Specialty of Emergency Medicine
- Ranie Pendarvis, MD, in the Specialty of Teleradiology
- Tracy Russell, MD, in the Specialty of Pediatrics

A lapse in privileges was noted for Jennifer First, ARNP, in the Specialty of NP / Hospitalist.

Commissioner Scroggs inquired as to whether it is a legal requirement to approve medical staff individually rather than the group as whole. Mr. Jensen brought forward that individual approvals are a best practice standard.

COMMITTEE REPORTS

Board Quality Report

Commissioner Longenbaugh provided report on the October Board Quality Committee meeting, with information encompassing:

- Patient compliments were received on 2nd and 3rd floor staff. There was also a concern noted regarding a patient who had to share a room with a disruptive patient.
- TeamHealth has been stabilizing, with an increased number of PA's replacing locums.
- Registration and Triage Nurses have not been receiving as many patient/family inquiries about wait times since the installation of the TV in the ED Lobby.

- ED brochures are being provided to patients by Registration staff.
- Sepsis; The Severe Sepsis Bundle compliance is showing a slight increase above the benchmark. Dr. Kearney and Cara Bardwell, PA-C, are providers who serve on the Sepsis Committee. Early recognition of severe Sepsis is of utmost focus. Dr. Wong will be working with the Hospitalists. An auditing tool has been established which allows for data collection on utilization of Sepsis order sets.
- Quality Report; A Department of the Health re-survey was conducted on October 12th with no findings assessed. The Fire Marshall also cleared the hospital of all findings. Surveyors from CAP (College of American Pathologists) are on-site today.
- DOH Audit Report; Audits being conducted over the next six months encompass hand washing, PPE (personal protective equipment), two patient identifiers, Histories & Physicals (H&P's), and post anesthesia assessments.
- HCAHAPS; Press Ganey is being considered as a vendor for patient satisfaction in an effort to receive more real-time results. Quiet at Night initiatives are being further addressed, as patient rest is important.
- Nursing Outcomes Report; Pharmacists are now rounding on the units every few hours, in order to provide support and direction to staff. A Patient Ambassador program has started in which concurrent patient feedback is being solicited, with the goal of addressing identifiable issues during the patient's stay in the hospital. House Supervisors conduct audits on every patient with restraints.
- Immediate Use Steam Sterilization; A tremendous drop has been realized in instruments being flash sterilized. Weekly audits have been implemented. Additional urology instruments were purchased.
- Patient Advocate Report; Closures of grievances is not meeting the seven day compliance target due to changes in department directors, staff being redirected to focus on other quality initiatives, changes in medical staff committee review process, etc. An increase was noted in billing complaints due to issues with Patient Accounts billing tree not working as intended. Safety event trends were reviewed during the Committee meeting.
- A long-standing concern was brought forward related to the inability to utilize the medication scanners in the Family Birth Center due to WiFi issues that exist. Mr. Kahl indicated that he will follow-up on the issue.

Commissioner Torgerson shared that Patient Accounts staff provided good customer service to his mother by identifying a potentially inaccurate charge, researching the issue, and following-up with his mother.

- Core Measures; Fliers have been disseminated to nursing, in an effort to improve documentation related to protocol language regarding influenza immunizations for patients.
- Resuscitation Results; It is the goal that a *Rapid Response* will be called whenever a deterioration in a patient's condition occurs.
- Diagnosis Discrepancies; There have been no diagnostic discrepancies reported over the past year.

Board Finance Report

Commissioner Scroggs provided report on the October Board Finance Committee meeting, with information encompassing:

2017 Audit; Mathew Stopa of Moss Adams presented pre-communication of the 2017 Audit. Due to the embezzlement within HMG, Moss Adams will be conducting audit procedures around control processes, e.g. journal entries, approval processes, etc. Moss Adams will be back to perform year end fieldwork for the 2017 Audit on February 5, 2018, and will then return to Board Finance in April to provide the final presentation.

State Audit; The Hospital was notified that State Auditors would be conducting their annual accountability audit the end of October. However, after Mr. Vessey explained the Hospital's PHD/501c3 structure, the audit was canceled and will be rescheduled after auditors more fully understand the hospital's structure.

- September Financials

Total Revenue:	\$30,964,807
Net Operating Revenue:	\$ 8,017,851
Total Expenses:	\$ 8,519,322
Net Income:	(\$ 447,121)
Net Income YTD:	\$2.3M in the red vs. budget of \$2.5M in the positive
- Statistics; A full review of statistics was conducted. Some of the inpatient volumes have been higher comparably because last year the volumes were down due to lack of hospitalist coverage. Inpatient Surgical Cases are up 8%, primarily due to knee replacements.
- Agency continues to be challenging; at \$414,340.00.
- Cash continues to decline due to operating losses; however, A/R has been high. Patient Receivables last year were about \$20M and this year are about \$24M, which has an impact on cash.
- Bond Covenants; Debt Service Coverage Ratio and Excess Margin are both coming in better than targets. Cushion Ratio is below target. Days Cash on Hand is at 39, which is well below the required 60 days needed by year-end.
 - A significant amount of effort is underway to accelerate A/R, including the use of a contracted service to increase coding and billing.
 - Cash needed by year-end is \$5.5M. The hospital will receive \$1.2M from the property tax levy. The hospital also hopes to roll the loan forward another six months.
- Medical Group Mgt. Association (MGMA) is the gold standard in determining physician compensation, productivity standards, staffing structure, etc. The hospital is looking to possibly engage their services to conduct an assessment of HMG.
- The hospital continues to work with its insurance carrier regarding reimbursement of embezzlement loss.
- Mr. Jensen brought forward that a letter was received from the USDA indicating that they are not willing to provide funding until the hospital can demonstrate three years of consistent positive net income. Mr. Jensen indicated that he will work through the appeals process to gain more clarity on the decision.

Commissioner Welch requested clarification on Agency vs. Professional Fees in relation to staffing and providers. Mr. Vessey indicated that temporary staffing, such as nursing, is reflected in the Agency line item, and that providers are reflected within Professional Fees.

Chairman's Report

Community Health Needs Assessment

Previously provided during the last Board meeting, and resubmitted for approval, was the Community Health Needs Assessment (CHNA). The CHNA report is required by the IRS as part of being a non-profit entity.

Action: A motion was made by Commissioner Torgerson, seconded by Commissioner Scroggs, and unanimously carried to approve the Community Health Needs Assessment (CHNA) as submitted.

Rebranding

Submitted was a presentation slide deck of the Rebranding Efforts on behalf of the Rebranding Committee.

The Board of Commissioners is being asked to narrow three proposed names down to two names. Employees and providers of Grays Harbor Community Hospital will then make the final selection:

1. Harbor Regional Health
2. Harbor Health System
3. Gateway Health System

Commissioner Longenbaugh recommended that more comprehensive discussion be held after the November 14th Budget Hearing.

Ms. Long, PR/Marketing Director, clarified that no branding symbols or logos were included with the potential names, as this work will be undertaken after the naming options has been narrowed to two.

It was agreed that a Special Meeting will be convened to continue discussion specifically focused on branding.

WSHA Annual Mtg. & Governance Education

Along with Mr. Jensen, Commissioner Torgerson and Commissioner Welch attended both the WSHA Annual meeting and Governance Education. Commissioner Longenbaugh attended Governance Education. Commissioners brought forward information shared by presenters:

- Taking a more holistic approach (community care) to medical care by helping to address a variety of patient medical/social needs. Commissioner Welch inquired about allowable costs. Mr. Vessey indicated that Rural Health outlines that the care provided has to be deemed medically necessary. Commissioner Torgerson also brought forward the lack of housing or social service funding available within the community.
- Communication; Boards need to be better prepared to respond to events that might happen, which involves the hospital / district.

It was proposed that Board receive further education regarding this topic during its next Board Retreat, and that the speaker be invited to provide a presentation.

- Governance/Physicians and the Board - how the relationship works or doesn't work. The Board has municipal responsibility/fiduciary responsibility related to the medical staff and needs to practice this oversight collaboratively, rather than separately from providers.

Ms. Ramirez was asked to email the Medical Staff Bylaws to Board members.

- An author shared information about healthcare in the US, and spoke about how much money is being spent in the US vs. the results realized, compared against the rest of the nation.

ADMINISTRATION

Executive Suite Summary

Submitted for review was the Executive Suite Summary Report and the HMG Recruiting Report.

Commissioner Longenbaugh solicited information regarding pediatrics, given the resignation of the pediatrician last year. Mr. Jensen shared that a pediatric candidate was interviewed last week and that recruiting efforts continue. Dr. Riley is now on board and two locums are helping to provide coverage. Dr. Goold has also accepted pediatric patients.

OLD BUSINESS

None

NEW BUSINESS

Cybersecurity was selected for the November Board education.

PUBLIC COMMENT – General

President Welch opened the meeting to public comment from members of the community regarding issues that were not part of the agenda.

NEXT MEETING

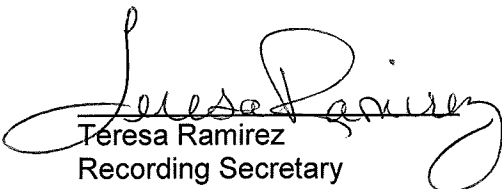
Budget Hearing:	November 14 th	4:30p	Room C
Hospital Board Mtg:	November 28 th	6:00p	Room C

ADJOURNMENT

The meeting was adjourned at 2:34p.

APPROVED AND ADOPTED THIS 28th day of November, 2017.

ATTEST:


Teresa Ramirez
Recording Secretary


Bob Torgerson
Secretary