

Board of Commissioners Strategic Planning Retreat

August 27th - 29th, 2023

Sunday August 27th

Richard Snyder, Field Operations Manager, CardioSolution

In a comprehensive update to the Board of Commissioners at Grays Harbor Public Hospital District #2, Richard Snyder, Field Operations Manager for CardioSolution—now rebranded as VitalSolution—recapped the ongoing partnership that has been in place since 2019. Snyder took the opportunity to highlight the significant strides made in the hospital's cardiovascular service line, thanks to VitalSolution's expertise.

He reminded the board that VitalSolution has been instrumental in staffing the Cardiac Cath Lab and supporting the Cardiac Rehab services at Harbor Regional Health. The company continues to offer 24/7/365 support and employs board-certified cardiovascular physicians to server the Grays Harbor Community.

Snyder focused on four key areas where VitalSolution continues to add value:

1. **Planning & Implementation:** VitalSolution has been pivotal in the successful operation of the hospital's Cath Lab, from planning to daily operations.
2. **Staffing Solutions:** Their recruitment team has been mostly effective in finding, screening, and placing both physician and non-physician staff, including Cath Lab RNs, Techs, and Service Line Directors.
3. **Customization:** All services have been tailored to meet the unique needs of Harbor Regional Health and its community.

Snyder concluded by reiterating VitalSolution's commitment to improving patient outcomes and retaining hospital revenue. He assured the board that VitalSolution remains fully equipped and committed to meeting Community Hospital's evolving cardiology needs.

Monday August 28th

Matt Ellesworth, Exec Director AWPHD

In his presentation, Ellsworth delved into a myriad of topics crucial to the functioning and future of Public Hospital Districts (PHDs). He began by discussing performance metrics that are vital for evaluating the effectiveness of PHDs. Moving on, he explored the current trends affecting these districts, setting the stage for a discussion on strategic planning initiatives aimed at future growth and sustainability.

Ellsworth also discussed funding strategies, emphasizing that workforce expenses account for between 55% to 70% of PHD budgets. This led him to address governance issues, such as the turnover rates

among Commissioners and CEOs, which have a direct impact on the stability and direction of these districts.

Matt briefed the Commissioners on new laws and regulations that are shaping the sector including: State Audits, the end of COVID-era SNAP expansion, the impact of California's legal and regulatory changes, Board Vacancies across the state, the potential impact of Nuisance Lawsuits, and the education on the increased use of T.I.F.s by municipalities. There was also limited discussion about the political landscape at the State and National level that could impact PHD's.

Overall, Matthew Ellsworth's presentation was a thorough and insightful examination of the current landscape and future directions for Public Hospital Districts in the state and nationally.

Jason Halstead, COO Quinault Wellness Center

In this annual compliance training presentation to the Board of Commissioners at Grays Harbor Public Hospital District #2, Jason Halstead delved into the critical importance of compliance and ethics within healthcare organizations. Citing Federal Sentencing Guidelines, he emphasized that an effective compliance program could mitigate organizational penalties and stressed the importance of self-reporting and cooperation.

Jason outlined the "Seven Elements of an Effective Compliance Program," which include policies and procedures, oversight, training, communication, enforcement, auditing, and response mechanisms. He elaborated on the roles of the Board and management, highlighting that the Board governs the organization's direction, while management handles day-to-day operations.

He also discussed the legal risks and liabilities that organizations face for non-compliance, using real-world case studies to illustrate the potential consequences. Jason urged the Board to be proactive in their oversight responsibilities, recommending regular meetings with the Compliance Officer and reviews of organizational risk data.

The presentation served as a comprehensive guide for the Board, equipping them with the knowledge and tools needed to uphold the integrity of the organization through effective compliance oversight.

Kimberly McNally, McNally & Assoc.

The presentation, facilitated by Kimberly McNally, focuses on the concept of generative thinking for the Grays Harbor County Public Hospital District No. 2 Board of Commissioners. It outlines three modes of governance: fiduciary, strategic, and generative. The fiduciary mode deals with operational performance and risk management, the strategic mode involves planning for the future, and the generative mode encourages big-picture thinking and value creation. The presentation emphasizes the importance of asking open-ended, long-term questions that align with the organization's mission and goals. It also provides practical steps for applying generative thinking, including educating stakeholders, identifying generative topics, and framing issues for discussion. The overarching message is that boards should not just maintain the status quo but should actively engage in creating the future through powerful questioning and collaborative

decision-making.

Tuesday August 29th

Dwayne Lunde, Director of Plant Services

In a detailed presentation to the Grays Harbor County Public Hospital District No. 2 Board of Commissioners, Dwayne Lunde, the Director of Plant Services, outlined the current and future landscape of Harbor Regional Health's facilities infrastructure. The presentation had three main goals:

1. To review the projects that have been completed, along with their associated costs.
2. To highlight the projects that are still in the pipeline and provide estimated costs for each.
3. To explore various avenues for future development.

Mr. Lunde offered a financial overview of maintenance and repair expenditures over recent fiscal years. He discussed several completed projects at the West Campus, ranging from telemetry upgrades to elevator repairs. However, he also emphasized that there are numerous unfinished projects that require attention. Legislative requirements, specifically those under House Bill 1257 mandating energy usage reductions by a certain year, were also addressed. For other facilities like the Warren Building and Montesano Clinic, Mr. Lunde presented their own sets of completed and pending projects, which include various repairs and upgrades.

Towards the end of the presentation, future development options were introduced. These included the possibility of adding new floors over the Emergency Department, as per an older architectural plan, constructing a new medical office building, and even discussed the approximate cost of constructing a new hospital in the Pacific Northwest.

Niall Foley, CFO

In a presentation prepared by Piper Sandler for Harbor Regional Health, various financing options were explored to guide the institution's future financial strategy. The presentation began by demystifying Municipal Bonds, categorizing them into Tax-Backed and Revenue Bonds, each with its own set of advantages and limitations.

The discussion then shifted to general financing mechanisms available to healthcare institutions. Two primary routes were highlighted: Private Placement and Public Offering. Private Placement was presented as a quicker, more flexible option, ideal for short-term needs. In contrast, Public Offering was described as a more conservative, long-term solution requiring comprehensive due diligence.

Special attention was given to financing options tailored for rural hospitals like Harbor Regional Health. These include USDA Direct Loans and GNMA Securities, each with unique benefits and considerations.

The presentation also touched upon the institution's debt capacity, emphasizing the importance of maintaining key financial ratios to attract investors. These ratios serve as a barometer for the hospital's financial health and its ability to manage debt effectively.

In conclusion, the presentation offered a comprehensive look at the various avenues available for healthcare financing and funding, aimed to equip Harbor Regional Health with the knowledge to make informed financial decisions.