

**GRAYS HARBOR COMMUNITY HOSPITAL
BOARD OF DIRECTORS REGULAR MEETING
June 23, 2020**

COMMISSIONERS PRESENT

Michael Bruce, District 2
Becky Walsh, District 5
Chris Thomas, District 1
Scott Dilley, At Large 2
Lynn Csernotta, District 3
David Quigg, At Large 1
Andy Bickar, District 4

OTHERS PRESENT

Niall Foley, CFO, GHCH
Tom Jensen, CEO, GHCH
Cindy Reynolds, Exec. Asst., GHCH
Chris Majors, Director Public Relations, GHCH

Members of the Public

ABSENT

CALL TO ORDER

Chairman Bruce called the meeting to order at 1:01p. Due to the COVID Pandemic's ongoing restrictions, today's meeting was conducted via Zoom meeting (audio only).

CONSENT AGENDA

Submitted under the Consent Agenda were the Hospital Board Draft Minutes of May 26, 2020.

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

BOARD DISCUSSION AND ACTION

Medical Staff Credentialing

Submitted was the June Medical Staff Credentials Report for Board review and approval.

ACTION: A motion was made by Commissioner Quigg, seconded by Commissioner Walsh, and unanimously carried to approve the June Credentials Report.

CHAIRMAN / COMMITTEE REPORTS

Chairman's Report

Weekly COVID Calls

Chairman Bruce inquired of Commissioners whether weekly COVID calls need to continue and if so, should frequency be decreased. Commissioners weighed in and it was agreed the calls could be reduced to every two weeks. Commissioners were reminded that Administrative Leadership and the Board Chair are available at any time if any questions or concerns arise.

Board Governance Education

Chairman Bruce reported a meeting was held with the CEO and the Executive Assistant to review details of the upcoming Board Governance Education. The dates tentatively selected are August 30 through September 1. In lieu of the cancellation of the WSHA Rural Health Conference, the focus of this education will be Board Governance with additional time being spent in discussion of long term goals. Each Commissioner is welcome to bring a guest. Any meals or amenities for guests will be paid for separately.

Commissioner Quigg inquired whether opportunity should be taken during the retreat for the Board Foundation members to join the Commissioners. Chairman Bruce stated a separate meeting could be scheduled between the Commission and the Foundation members.

COMMITTEE REPORTS

Board Quality Report

Commissioner Quigg provided report on the June Board Quality Committee meeting. Of note;

- The Board Quality Committee is made up of a broad, multidisciplinary group. The diversity within this group equates to the oversight and delivery of safer patient care.
- A new process improvement plan is in place with an internal system being utilized to track billing complaints when they are received in Administration.
- The ED Director, Heidi Malloque, along with the new ED Medical Director, Dr. Mendelson, are working to make improvements in the Emergency Department. They are working proactively to review and address the data affecting the left without being seen (LWBS) rates.
- Commissioner Csernotta reported the possibility of conducting ED patient surveys is being researched.

Board Finance Report

Commissioner Thomas provided report on the June Board Finance Committee meeting. Of note;

Highlights for May 2020:

- (+) CARES Act Funding
 - GHCH and HMG received a total of \$6.1M of federal relief funds in May, \$8.2M YTD
 - GHCH received a \$9.8M PPP loan in May, some of which we believe will not require repayment
 - GHCH received \$14.5M YTD in Medicare loan proceeds all of which will require repayment under current law
- (-) COVID-19 Impact
 - 37% reduction in MTD total OP volumes compared to same period 2019; 28% reduction YTD
- (-) Surgical Volumes
 - IP Surgical cases 14% below target MTD, 7% below YTD
 - OP Surgical cases 63% below target, 30% below YTD
- (+/-) IP Acute Volumes
 - Acute admits 4% above target MTD, 5% below YTD
 - Patient Days 4% above target MTD, 6% below YTD
- (-) Outpatient Volumes

- RHC Clinic visits 21% below target MTD, 10% below YTD
- ED visits below target 23% MTD and 14% below target YTD

Consolidated Financial Summary:

Net Operating Revenue:	\$ 13,891,062
Total EBIDA Expenses:	\$ 6,983,838
EBIDA Gain (Loss)	\$ 6,907,224
Net Operating Gain (Loss):	\$ 6,522,754
Net Income Gain (Loss):	\$ 6,768,941

Financials / Statistics:

- Moss Adams presented the Independent Auditors and Consolidated Financial Statements with Supplementary Information for 2019. There were no adjustments made, disagreements with Management, or internal control issues. Accounting estimates were deemed reasonable. Management decisions are scrutinized and reviewed month to month and the estimates have sound backing behind them. This was a very clean audit.

Commissioner Thomas reported the audit report is available to the entire Commission. Chairman Bruce restated the responsibilities of each Board Committee and the importance of their work.

- COVID-19 has had a major impact on the operations affecting all outpatient areas (ED, Lab, Diagnostic Imaging, Surgery, and Clinic visits).
 - ED visits well below target.
 - RHC visits continued to decline with patients continuing to stay home and cancel appointments.
 - Although surgery volumes remain below target, the elective surgeries restriction has been lifted. The OR has been ramping up over the past two weeks. Significant safeguards are being put into place to meet mandated criteria for keeping patients and staff safe while resuming elective and non-emergent procedures. These new safeguards add time to the entire surgical process for each patient.
- All of the CARES Act funds received are grants and will not have to be repaid.
- There continues to be discussion of potential loan forgiveness or a change to the repayment terms for the Medicare advancement of \$14M.
- Productivity in April and May was very low. The reduction of staffing levels through furloughs and house conveniencing was originally scheduled to last 75 days (April 17 – June 30). However, when the PPP loan was received in May it was decided the right thing for the community and the staff would be to return the employees from furlough, which was done.
- There was a slight increase in inpatient volumes for the month.
- Telehealth in the clinics went live in May. As part of the Rural Health Clinic requirements, telehealth was not allowed however, special permission was granted for clinics to utilize telehealth during the pandemic. This has been a valuable service and it is hoped this service can continue to be offered to patients from the clinics after the pandemic.

- Revenue well behind YTD; however a \$3.4M positive Operating Margin due to the CARES emergency funds.
- AR continues to be reduced, coming back into a more manageable range.
- We continue to make progress in driving down AP. Some monies from the CARES Act is being used to get AP into a more healthy range. The Accounting Department continues to work with vendors in prioritizing payments. \$1M from the LOC with the Foundation was paid back.
- Days cash on hand sits at 140 days. Part of this is due to the Medicare advancement which may ultimately be returned.
- The government payor mix increased to 80% in the past 2 months with people likely losing their employer insurance coverage.
- There were no positive COVID cases in the hospital in May.
- A second wave of COVID continues to be expected in the fall. The goal is to reserve as much of the cash as we can in order to weather any spikes in the fall.

GHCH Board Foundation Report

Commissioner Thomas provided report on the May Board Foundation Committee meetings. Of note;

- April and May Financials were presented. Both months saw an increase due to the rise in investment values as the stock market recovers.
- In June, the hospital repaid \$1M on the Line of Credit.
- Brief discussion was held on development of a digital media campaign.
- A request for funding was approved in the amount of \$3104 for functional training mannequins that will be used for hands on training of the Respiratory Therapists in the Intubation Program.

Executive Suite Summary Report

Submitted was the Executive Suite Summary Report, as well as the HMG Provider Report for May. Of note;

- Drive through COVID testing for the County continues on a daily basis. As the number of positive COVID cases rise, drive through testing increases in tandem.
- Employee Forums were cancelled in June due to the social distancing mandate. Forum videos are being created by the Executive Team under the expert direction of our Marketing and Public Relations Director, Chris Majors. The videos are separated by the organization's Pillars; People, Service, Safety/Quality, Finances, and Growth. Thank you was given to Mr. Majors for countless hours in producing the videos.

OLD BUSINESS

None.

NEW BUSINESS

Board Education

The June Board Education will be deferred to the July Board meeting.

GOOD OF THE ORDER

Timecards

Chairman Bruce provided clarification on items to include on monthly timecards.

- Board meetings
- Meetings with CEO
- Education (such as special WSHA meetings, Board Governance, etc.)
- Speaking to a community group
- Representing the Commission in an official capacity

Board Meetings

Chairman Bruce indicated the Board meetings will continue to be conducted via Zoom until visitation restrictions to the hospital is lifted. The restrictions remain in place in an ongoing effort to keep patients and staff safe, especially as the county is seeing a spike in positive COVID cases.

PUBLIC COMMENT – General Topics

Chairman Bruce reported no public questions or comments were received in advance of the meeting.

ADJOURNMENT

Chairman Bruce called for meeting adjournment.

All Board members were in unanimous agreement to adjourn the meeting.

The meeting adjourned at 1:38 pm.

MINUTES AND ATTACHMENTS APPROVED AND ADOPTED THIS 28th day of July, 2020.

ATTEST:



Cindy Reynolds
Executive Assistant



Commissioner Walsh
Board Secretary