

CLALLAM COUNTY HOSPITAL DISTRICT NO. 1
FORKS COMMUNITY HOSPITAL

Board Of Commissioners Meeting Minutes
Hospital Conference Room
July 26, 2016

Present: Commissioners Daisy Anderson, Don Lawley and Gerry Lane; Tim Cournyer, CEO/CFO; Gary Harmon, MD, Chief of Staff; and Laura Kripinski, ARNP, CNO.

Absent: None.

The meeting was called to order at 5:00 p.m. by Daisy Anderson.

Public Comments:

There were no public comments.

Community Communication:

The Board reviewed letters of appreciation from the community.

Department Report:

Starla Daman, Business Manager, reported:

There has been a state wide implementation of the Charity Care application. The majority of applicants processed by the Hospital are put on Apple Health.

The Hospital has contracted with HealthFirst Financial for patient healthcare financing. They offer the Hospital up-front payments and do the billing work. There is no credit check with HealthFirst, all applicants are approved. Another benefit is that different patients can be consolidated to one bill. The HealthFirst applications will be mailed on the next billing cycle. We will continue to offer financing through Straight View Credit Union.

WIPFLi Audit Report:

Jeff Johnson, Managing Partner of Wipfli, LLC reported on the 2015 Forks Community Hospital audit:

Jeff explained the purpose of the audit is to express an opinion about whether the financial statements are fairly presented in all material respects in conformity with accounting principles generally accepted in the United States. Wipfli LLC issued an unmodified opinion on the financial statements which confirms in their opinion, based on the audit results that the financial statements were fairly presented in all material respects with conformity with GAAP.

Jeff reported that during the audit ten adjustments were made. Of those, five were proposed by management and five were proposed by the auditors, with three being significant as follows:

1. The allowance for doubtful accounts and contractual allowances were adjusted, decreasing the deficiency of revenues over expenses by \$397,257.
2. Accumulated depreciation and depreciation expense were adjusted, increasing the deficiency of revenue over expenses by \$286,046.
3. Estimated third-party payor settlements were adjusted, decreasing the deficiency of revenues over expenses by \$64,812.

Jeff also reported internal control issues of significance as follows:

1. Lack of documentation for the initiation and approval of transactions

- a. journal entries
- b. significant estimates
2. Reconciliation of material accounts
 - a. fixed assets
 - b. capital leases
 - c. other significant accounts
3. Segregation of duties
 - a. cash reconciliation
 - b. accounts payable

Jeff reported on other items of interest as follows:

Net patient service revenue remained relatively stable from year to year:

1. I/P days and swing days increased over PY by 18%. LTC increased <1%.
2. O/P services stayed relatively flat compared to PY.

Other revenue increased approximately \$225,000 primarily due to an increase in Proshare revenue in 2015.

Salaries and wages increased about 2% even though FTE's are slightly down. Benefits increased primarily due to unemployment insurance increase and health insurance increase.

Professional fees increased approximately \$685,000 primarily due to approximately \$500,000 paid to Health Systems Informatics for building the clinic IT system and analysis.

Supplies increased approximately \$392,000 due to increased expenditures for implants and drug supplies.

Purchased services increased approximately \$119,000 primarily due to increased use in plant operations.

Depreciation and amortization increased approximately \$448,000 due to a change in the estimated useful lives of certain fixed assets.

Other operating expenses decreased approximately \$334,000 primarily due to decreases in utilities – fuel costs, completion of a biomedical device maintenance contract in early 2015, and fewer repair costs in 2015.

Non-operating revenues – Net decreases approximately \$711,000 primarily due to reductions in tax revenues and noncapital grants and contributions.

Medical Staff Meeting:

The May 11, 2016, Medical Staff meeting minutes were reviewed.

ACTION: It was moved, seconded, and passed to approve the Medical Staff meeting minutes from May 11, 2016, as presented.

Medical Staff Privileges:

The requests for privileges were reviewed, as presented, for Esker Arvanetes-Ellis, DO, and Donna West, ARNP.

ACTION: It was moved, seconded, and passed to approve appointment of privileges for Esker Arvanetes-Ellis, DO and reappointment of privileges for Donna West, ARNP.

Board of Commissioners Meeting:

The Board of Commissioner's minutes from the June 21, 2016 meeting were reviewed.

ACTION: It was moved, seconded, and passed to approve the Board of Commissioners meeting minutes from June 21, 2016, as presented.

Vouchers:

June 2016 Vouchers were reviewed as presented.

ACTION: It was moved, seconded, and passed to approve June 2016 General A/P vouchers numbered 089934 to 089933 in the amount of \$1,043,727.93 and the General P/R vouchers numbered 544147 through 544146 in the amount of \$96,777.85.

Write Offs:

June and July 2016 write offs were reviewed as presented.

ACTION: It was moved, seconded and passed to approve the June and July 2016 Write-offs totaling \$52,531.79.

Old Business:

Community Survey – Tim provided the Board with a recap of quotes from Robinson Research for \$12,925 and National Business Research Institute for \$17,310. At this time he is looking to add a survey to our website (via Survey Monkey) and eliminate most of the cost. He will have more information as we move forward on the completion of the website.

New Business:

Resolution 2016-502 – Proposition to Increase the Number of District Commissioners from Three to Five.

ACTION: It was moved, seconded, and passed to approve Resolution No. 2016-502 to increase the Board members from three to five.

District CEO Report:

Tim Cournyer, CEO/CFO reported:

RCH (Bogachiel, Clallam Bay) Updates – Tim said that we have terminated our contract with Medical Management (MedMan) and Terry Megiveron has agreed to work for Forks Community Hospital (FCH), both become effective on August 1, 2016.

Terry Megiveron provided the Board with a presentation of his 2016 plans, to include projects he has completed and the percentages completed for the projects he continues to work on.

In the past six months the Clinic has recruited Faron Bauer, MD, Joel Yelland, MD, Howard Welsh, ARNP, and Esker Ellis, DO. Terry said the Locums that come to Forks and stay do so because of the quality of staff, work/life balance, team environment, and our focus on quality.

Terry presented the Board with quality improvement projects such as: controlled blood pressure, tobacco cessation, and aspirin therapy; a quality plan; Clinic transformation project for ACO readiness; and performance goals/QI initiatives.

Antimicrobial Stewardship: Janet Schade reported that an Antimicrobial Stewardship Committee has been formed with a goal to coordinate interventions to improve outcomes of using antibiotics, antivirals, and antifungals. Our Team leader is Dr. Harmon, the rest of the team includes Dr. Shima, Dr. Dickson, Dr. Flowers, Laura Kripinski, Deborah Dillon, Nikki Reed, and Melene Bourm.

So far we have completed a gap analysis, developed a policy, and are working hard at many tasks to report our antibiotic usage and ensure 100 percent audits on inpatients, outpatients, and certain drugs used in surgery. Soon you will see posters and ads in the Hospital, Clinics, on busses, and around town.

ACO Update: Tim said that FCH joined the ACO for a brief time in 2015; however, he decided to opt out because we were not ready for the data reporting. The idea was to rejoin this year but after meeting with the Rocky Mountain ACO, along with three other Districts', we decided not to join but will continue to prepare by completing the necessary reports and other requests. The upfront costs of joining would have totaled between \$100,000 and \$150,000 with no foreseeable cost savings.

WHPAC 2016 Annual Campaign: Tim presented the Board with information on supporting the Washington Hospital Political Action Committee (WHPAC) and the American Hospital Association Political Action Committee (AHAPAC). Tim explained that our support of the WHPAC and AHAPAC helps to elect strong lawmakers and relationship building.

Finance:

Tim Cournyer, CEO/CFO, presented the June 2016 and year-to-date financial report, which was reviewed and discussed.

- Total patient revenue has decreased from the prior June by (\$372,855).
- Total patient revenue for June is \$3,257,897.
- Total revenue deductions for June are \$1,511,539.
- Total revenue deductions year to date \$9,246,716
- Net patient revenue for June is \$1,746,358.
- Net patient revenue year to date is \$11,949,088.
- Miscellaneous income for June was \$187,875.
- Miscellaneous income year to date was \$1,051,673.
- Net A/R days are 45.78.
- Net operating income (loss) for June was (\$416,251).
- Net income for June (loss) (\$270,083).
- Net income year to date is (loss) (\$222,536).
- Total cash at the end of June was \$5,334,671.
- Total Forks Ambulance dispatches for June were 41.

There being no further business to discuss, the meeting was adjourned at 7:50 p.m.

The Board of Commissioners next meeting is scheduled for August 23, 2016 at 5:00 p.m.

Minutes recorded by Melissa Jones, Executive Assistant.

Don Lawley, Secretary