

CLALLAM COUNTY PUBLIC HOSPITAL DISTRICT NO. 1
FORKS COMMUNITY HOSPITAL

Board of Commissioners Meeting Minutes
Community Health Conference Room
July 25, 2017

Those present were Commissioners: Daisy Anderson, President; Don Lawley, Vice President; Patricia Birch, Secretary; Sandy Schier, Commissioner; and Jerry George, Commissioner. Additional attendees included: Tim Cournyer, CEO; Laura Kripinski, CNO; Paul Babcock, CFO; and Gary Harmon, Chief of Staff.

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

Public Comments:

There were no public comments.

Tim Cournyer, CEO, requested changes to the order of the agenda - the Board agreed.

Community:

The Board reviewed newspaper articles by the Forks Forum and an article from the Washington State Hospital Association. The article announces that ten critical access hospitals received a long-term care grant and Forks Community Hospital is the lead guarantee. The grant for \$100,000 is to develop a community-based, long term care network.

WIPFLi Audit Report:

Jeff Johnson, Managing Partner of Wipfli, LLC reported on the 2016 Forks Community Hospital audit:

WIPFLi performed the audit according to the planned scope and timing previously communicated in the engagement letter and related discussions with management. Their responsibility was to read other documents and consider whether such information is materially inconsistent with information, or the manner of presentation, appearing in the audited financial statements.

Jeff explained they are required to accumulate all known and likely misstatements, other than those that are trivial, and communicate them to management. During the audit nine adjustments were made. Six were proposed by the District. Three were proposed by the auditors, with two being significant as follows:

- The allowance for doubtful accounts and contractual allowances were adjusted, increasing the deficiency of revenues over expenses by \$206,369.
- Estimated third-party payer settlements were adjusted, increasing the deficiency of revenues over expenses by \$297,415.

Jeff reported that during the audit there was:

- No difficulties were encountered in performing the audit

- No disagreements were noted regarding accounting or auditing matters
- To their knowledge, management has not obtained opinions from other independent accountants regarding the application of GAAP

Jeff also reported the following internal control matter was considered to be a significant deficiency:

- Lack of Documentation for the Initiation and Approval of Transactions
- Journal Entries
- Significant Estimates
- Accounts Payable
- Financial Accounting and Reporting –
 - Wipfli is relied upon to draft the financial statements and the notes and disclosures included with the financial statements in the audit reports.
 - This is a common finding, since many critical access hospitals rely on their audit firms for specialized knowledge of disclosure requirements.

Jeff reported on other items of interest as follows:

- Professional fees increased approximately \$273,000 primarily due to an increase in physician fees in the ER, clinics, and significant locum utilization.
- Purchased services increased approximately \$170,000 primarily due to increased use in plant operations.
- Depreciation and amortization decreased approximately \$351,000 as certain capital assets became fully depreciated during the year.
- Other operating expenses decreased approximately \$157,000 primarily due to a decrease in administration and physician recruitment fees, and fewer repairs & maintenance costs in 2016.
- Non-operating revenues – Net increased approximately \$214,000 primarily due to increases in property tax revenues.
- Salaries and wages increased about 3% with FTEs slightly increasing. Benefits increased primarily due to L&I rate increases during the year.

Department Report: Carie Micheau, Compliance Officer, updated of Board of Commissions on the Compliance Program. Carie explained why a Compliance program is needed and the seven key elements of Compliance. Carie has launched a Compliance Committee that meets monthly, which consists of: Carie Micheau, Paul Babcock, Laura Kripinski, Deborah Dillon, Starla Daman, Andrea Perkins-Peppers, Tracy Gillett, and Kerstin Hampton. Carie explained the building the foundation process of Compliance. Carie has created and updated Compliance policy and procedures, created the annual Compliance plan; which forecasts the year's projects and goals. The next process is to create a Compliance training and education program. The training and education will be added to employees' yearly mandatories, Carie will educate new employees at new hire orientation and internal contractors, students, and volunteers will review the appropriate compliance documents. Carie also informed the board of their expectations of the Compliance program.

Carie presented the committee with Forks Community Hospitals Code of Conduct, Compliance Committee Charter, Compliance and Ethics Program, and the Compliance Officer Job description. The Compliance Committee has already reviewed the documents and approved the documents. Carie asked the Board of Commissioners to review the documents and approve them. Patty made a motion to approve the Code of Conduct, Compliance Committee Charter, Compliance and Ethics Program, and the Compliance Officer Job description; Sandy seconded and the motion carried.

ACTION: It was moved, seconded, and passed to approve the Code of Conduct, Compliance Committee Charter, Compliance and Ethics Program, and the Compliance Officer Job description.

Antimicrobial Stewardship Moment:

Janet Shade presented to the Board of Commissioners regarding the evaluation and diagnoses of Penicillin allergies. Janet said a penicillin allergy is often diagnosed early in life but does not necessarily last forever. She would like to develop a process that is new to us for testing patients for a true penicillin allergy and enhance safety of patients with "stated" penicillin allergies. Nikki Reed will become certified in testing for a penicillin allergy. Janet asked the Board of Commissioners for their support to move forward with the testing.

Patty Birch asked Janet about the community's perception of the testing and the costs. Janet will look into other hospitals and find out the community feedback of the testing.

Medical Staff Meeting:

The June 14, 2017, Medical Staff meeting minutes were reviewed. Don made a motion to approve the meeting minutes; Jerry seconded and the motion carried.

ACTION: It was moved, seconded, and passed to approve the Medical Staff meeting minutes from June 14, 2017, as presented.

Medical Staff Privileges:

The requests for privileges were reviewed for Gary Harmon, MD and Mercedes (Maria) Sayago, MD. Don made a motion to approve the meeting minutes; Jerry seconded and the motion carried.

ACTION: It was moved, seconded, and passed to approve the reappointment of privileges for Gary Harmon, MD and Mercedes (Maria) Sayago, MD.

Performance Improvement Committee:

The June 19, 2017, Performance Improvement Committee meeting minutes were reviewed. Don Lawley made a recommendation for the minutes; which, currently reflect, "Quality/Risk Assessment" and Don recommended rewording it to, "Quality Observations." Laura will let Deborah know of the recommendation. Sandy made a motion to approve the meeting minutes; Jerry seconded and the motion carried.

ACTION: It was moved, seconded, and passed to approve the Performance Improvement Committee meeting minutes from June 19, 2017, as presented.

Board of Commissioners Meeting:

The Board of Commissioners meeting minutes from June 27, 2017, were reviewed. Patty made a motion to approve the meeting minutes; Jerry seconded and the motion carried.

ACTION: It was moved, seconded, and passed to approve the Board of Commissioners meeting minutes from June 27, 2017.

Vouchers:

June 2017 Vouchers were reviewed. Don made a motion to approve the meeting minutes; Patty seconded and the motion carried.

ACTION: It was moved, seconded, and passed to approve the June 2017 General A/P vouchers numbered 094298 to 094695 in the amount of \$1,274,528.33 and the General P/R vouchers numbered 545430 to 545589 in the amount of \$164,992.26.

Write Offs:

July 2017 write offs were reviewed. The Board of Commissions would like to have the credit union present to the Board of Commissioners at a future Board of Commissioners meeting. Don made a motion to approve the meeting minutes; Patty seconded and the motion carried.

ACTION: It was moved, seconded, and passed to approve the July 2017 Write-offs totaling \$54,861.16.

Old Business: None

New Business:

Capital Purchase Request, New Ambulance:

Our newest Ambulance is from the 90's and Ambulances have a typical annual life span of seven years. The funds to purchase the Ambulance will come out of the EMS levy funds.

Don made a motion to approve the purchase of a new Ambulance; Patty seconded and the motion carried.

ACTION: It was moved, seconded, and passed to approve the purchase of a new Ambulance not to exceed \$222,000.

Capital Purchase Request, Meditech Upgrade:

Andrea stated in order for the hospital to be complaint with meaningful use, we must upgrade the A and B Meditech servers.

Patty made a motion to approve the purchase of the Meditech upgrade; Jerry seconded the motion and the motion carried.

ACTION: It was moved, seconded, and passed to approve the purchase of the Meditech upgrade, not to exceed \$15,000.

Board Agenda:

Jerry George, Commissioner suggested we convert our Board of Commissioners agenda to a “consent” agenda. This would allow the Board of Commissioners to give one motion to all the minutes, vouchers, write-offs, Medical Staff privileges, and etc. Tim and Laci will evaluate the agenda and see what can be altered for future meetings. Having a consent agenda will allow more time for discussions.

Hospital Foundation:

Tim would like to relaunch the Hospital Foundation. Commissioners, Jerry George and Patty Birch offered to be on the committee. The next step is to involve community members and discussion on forming the committee.

Board of Health Meeting:

The Clallam County Board of Health annual meeting with take place in the Community Health Conference Room on September 19, 2017. The proposed agenda items are: Needle Exchange Program, Hargrove funds to the area, and Drug Take Back Program; which is funded by the drug companies. Additional agenda items are due by August 15th. Don Lawley is part of the board and encourages anyone to attend.

Tim Cournyer, CEO reported:

Harrison Clinic Update:

The Forks extension of Harrison Health has been bought by North Olympic Health Network; which is a federally qualified health center. The change goes into effect January 1, 2018, and Dr. James will be staying with the Clinic after the turnover and other providers may rotate. Tim and Terry Megiveron will reach out to NOHN and see what they can do to work together. Dr. James, MD is applying for privileges at FCH. If Dr. James is granted privileges, he could potentially help with Admit call rotation. Tim expressed he would like to work on ancillary relationships.

SFY 2017 Hospital Net Assessment Program:

Tim pointed out on the 2017 Safety Net Assessment that FCH pays \$4,830, but we received \$349,268 back.

Weatherby Healthcare:

Dr. Flowers and Dr. Lowery have discussed Surgery call dates for the next six months.

Weatherby Healthcare, which is the locum's company that presented Dr. Lowery, has provided us with a binding agreement for Dr. Lowery's assignment with us. Dr. Lowery's first day is August 30, 2017.

Union Negotiations Update:

The last series of union negotiations will be this Thursday, July 27, 2017. The Administrative team will be presenting the nurse's with a new contract. If they agree to move forward with the contract, Tim will offer the same to the tech contract. If they do not agree, they will move to medication.

OB Update:

Dr. Jackson is leaving the end of August. Sue Keilman will continue to see patients until their thirtieth week of pregnancy and then the patient will be referred to Port Angeles. We have two Family Practice/Obstetrics physicians coming for interviews in August. Kelli Jarrett, MD will be here August 15 & 16. Kelli is available after January 1, 2018. Elizabeth Morgan, MD will be here the end of August and she is available in summer of 2018. Richard and Matt Ingle are a father son combination. Richard is available this fall and Matt is finishing up his residency next summer. We have not scheduled any interviews yet.

Finance:

Paul Babcock, CFO, presented the June and year-to-date financial report, which was reviewed and discussed.

- Total patient revenue has increased from the prior June by \$526,441.
- Total patient revenue for June was \$3,784,337.
- Total revenue deductions for June were \$1,814,704.
- Total revenue deductions year to date \$9,620,444.
- Net patient revenue for June was \$2,180,870.
- Net patient revenue year to date is \$13,000,761.
- Miscellaneous income for June was \$211,238.
- Miscellaneous income year to date was \$1,131,563.
- Net A/R days are 42.26.
- Net operating income for June was (\$103,587).
- Net income year to date is \$147, 651.
- Total cash at the end of June was \$4,818,441, which included three pay periods.

Acute care inpatient average daily census for June was 1.6 patients per day compared to a budget of 2.5 patients per day, and prior month of 1.7 patients per day. Swing Bed average daily census was 3.0 patients per day compared to a budget of 2.9 and prior month of 2.1 patients per day. Custodial Swing Bed had an average daily census of 8 compared to a budget of 8 and a prior month of 8. Long Term Care average daily census totaled 12 patients per day compared to a

budget of 11.8 and prior month of 12 patients per day. Newborns totaled 6 for the month, compared to a budget of 6 and prior month of 4. There were 20 total surgical cases in month including 1 inpatient case. June surgical activity included: 13 surgeries and 7 scope procedures. Total surgical volume was substantially higher than May volume. ER visits totaled 398, an average of 13 patients per day, compared to a budget of 16 patients per day, and prior month of 15 patients per day. Clinic visits totaled 1,869 for month compared to a budget of 1,717 and prior month of 1,804.

Clinic Graphs:

Reviewed the Bogachiel Medical Clinic and Clallam Bay Medical Clinic graphs for June 2017. Tim commented the goal by the end of the year is each provider will be seeing fifteen patients per day.

Ambulance Report:

Laura presented the Ambulance report through July 2017. To date, there have been 392 calls dispatched, 224 patients transported to Forks Community Hospital, 44 inter-facility transfers, 24 cancellations, 71 refusals, 17 lift assist only, and 29 non-ems related dispatch calls.

Commissioner Jerry George called a five minute break at 7:35p.m. The board returned to open session at 7:40p.m.

Daisy Anderson announced that the Board is convening to executive session pursuant to RCW 42.30.110(1) (g)-To review the performance of public employees.

Executive Session: The Board convened to executive session at 7:40 p.m. for fifteen minutes.

ACTION: It was moved, seconded and passed to create an addendum to Tim Courtyer's contract for ten days of sick leave, effective July 25, 2017, and will reset each calendar year.

The Board reconvened to open meeting at 7:52 p.m.

There being no further business to discuss, the meeting was adjourned at 7:53 p.m.

The Board of Commissioners next meeting is scheduled for August 22, 2017 at 5:00 p.m.

Minutes recorded by Laci Johnson, Executive Assistant.

Patricia Birch, Secretary