

**CLALLAM COUNTY PUBLIC HOSPITAL DISTRICT NO. 1
FORKS COMMUNITY HOSPITAL**

**Board of Commissioners Meeting Minutes
September 22, 2020**

Those present were Commissioners: Don Lawley, President; Patty Birch, Vice President; Sandy Schier, Secretary; Daisy Anderson, Commissioner; and Janet Marion, Commissioner. Additional attendees included: Heidi Anderson, CEO; Paul Babcock, CFO; Kelly Thompson, CNO; and Dr. Cole, Chief of Staff.

Guests: Teresa Kennedy, Carie Micheau, Melanie Koskela, Lucritia Stansbury

The meeting was called to order at 5:00 p.m. by Commissioner Lawley.

Addition or Changes to the Agenda

There was no additional of changes made to the agenda.

Public Comments

There were no public comments.

Community Communications

There were no community communications.

Departmental Report

Teresa Kennedy, Purchasing/Materials Manager, updated the Board of Commissioners on the Purchasing and Central Supply department. Teresa said in the last year, the department has hired several new members. Teresa discussed the goals of the department, goals that have been completed, and team building initiatives the department has been working on. COVID has brought many challenges this year. The department faced many challenges with PPE and cleaning supply shortages, but they still managed to meet their goals. Heidi also commented that Teresa has gone above and beyond with her creative and strategic ideas during the COVID pandemic and handling the shortages. The Board also thanked Teresa for her hard work and dedication.

Medical Staff Meeting

The August 12, 2020, Medical Staff meeting minutes were reviewed. Commissioner Birch made a motion to approve the meeting minutes; Commissioner Schier seconded, and the motion carried.

ACTION: It was moved, seconded, and passed to approve the Medical Staff meeting minutes from August 12, 2020, as presented.

Medical Staff Privileges

The privileges for Beverly Harn, MD, were reviewed. Commissioner Birch made a motion to approve the Medical Staff privileges; Commissioner Schier seconded, and the motion carried.

ACTION: It was moved, seconded, and passed to approve the re-appointment of privileges for Beverly Harn, MD.

Performance Improvement Committee

The August 17, 2020, Performance Improvement Committee meeting minutes were reviewed. Commissioner Birch made a motion to approve the meeting minutes; Commissioner Anderson seconded, and the motion carried.

ACTION: It was moved, seconded, and passed to approve the Performance Improvement Committee meeting minutes from August 17, 2020, as presented.

Board of Commissioners Meeting

The Board of Commissioners meeting minutes from August 25, 2020, were reviewed. Commissioner Schier made a motion to approve the Board of Commissioners meeting minutes; Commissioner Marion seconded, and the motion carried.

ACTION: It was moved, seconded, and passed to approve the Board of Commissioners meeting minutes from August 25, 2020.

Vouchers

The August 2020 vouchers were reviewed. Commissioner Anderson made a motion to approve the vouchers; Commissioner Marion seconded, and the motion carried.

ACTION: It was moved, seconded, and passed to approve the August General A/P vouchers numbered 108430 to 108771 in the amount of \$1,415,380.83 and the General P/R vouchers numbered 549403 to 549508 in the amount of \$88,604.46.

Write-Offs

The August 2020 write-offs were reviewed. Commissioner Schier made a motion to approve the write-offs; Commissioner Anderson seconded, and the motion carried.

ACTION: It was moved, seconded, and passed to approve the August 2020 write-offs totaling \$30,746.11.

FCH Old Business

REMVAC Agreement

The Board reviewed the Ray Ellis Memorial Volunteer Ambulance Corps Agreement. Commissioner Birch made a motion to approve the REMVAC agreement as presented, Commissioner Schier seconded, and the motion carried.

ACTION: It was moved, seconded, and passed to approve the REMVAC agreement as presented.

Strategic Planning Dates for Board Retreat

Our current strategic plan expires in 2021. Heidi has been working with Jody Corona from Health Facilities Planning & Development who has worked with FCH in the past to develop our strategic plans. Jody is working on a timeline of events for the strategic plan and there will be a Board/Leadership retreat in March of 2021. Heidi will have more information at a later date.

Resource for Surgery

Loris Cook, an Operating Room Registered Nurse from Ocean Beach Hospital signed a contract with FCH and will be spending two weeks helping our Surgery department at the end of October.

FCH New Business

Capital Equipment Request – Sawtooth Emergency Vehicles- Remount Ambulance

We are down two Ambulances due to mechanical problems. Tim Wade started researching used trucks and found a remount of an Ambulance that is the same model of our newest Ambulance on the fleet. The truck is a 2020 diesel 4x4. The truck will be ready for delivery the end of September. Commissioner Anderson made a motion to approve the purchase of the Ambulance remount using the EMS Levy funds, Commissioner Schier seconded, and the motion carried.

ACTION: It was moved, seconded, and passed to approve the Capital Purchase Request of purchasing the ambulance remount, not to exceed \$196,000.

Capital Equipment Request- Bepoz- Point of Sales System

The current point of sales system in Dietary is outdated and is not pulling reports for employee deductions. The new system will pull the needed reports and will save time and money that Accounting spends each payroll week adding in the deductions by hand. Commissioner Anderson made a motion to approve the Point of Sales System, Commissioner Schier seconded, and the motion carried.

ACTION: It was moved, seconded, and passed to approve the Capital Purchase Request of purchasing the point of sales system, not to exceed \$10,000.

Capital Equipment Request- Forks Auto Electric- Replace Batteries at Gunderson Mountain for Emergency Communication

The current batteries on the Gunderson mountain emergency communications site are at the end of life and need replaced. The funds to pay for the battery replacement will come from the EMS levy. Commissioner Anderson made a motion to approve the replacement of batteries at Gunderson Mountain for Emergency Communication, Commissioner Birch seconded, and the motion carried.

ACTION: It was moved, seconded, and passed to approve the Capital Purchase Request of replacing batteries at Gunderson Mountain for Emergency Communication, not to exceed \$15,000.

Capital Equipment Request- Replacement of Heating System at CBMC

The current heating system at Clallam Bay Medical Clinic was installed in 1977. The system ducts will need replaced as the current ducts are cardboard. We were unable to furnish additional quotes due to businesses not working in the area due to COVID. The replacement of the heating system for Clallam Bay Medical Clinic was in the 2020 budget to be replaced. Commissioner Anderson made a motion to approve the replacement the heating system at Clallam Bay Medical Clinic, Commissioner Schier seconded, and the motion carried.

ACTION: It was moved, seconded, and passed to approve the Capital Purchase Request of replacing the heating system at Clallam Bay Medical Clinic, not to exceed \$19,200.00.

PARA Implementation

The District has engaged PARA as a contractor to help us with several issues revolving around Revenue Cycle.

1. Market Based Pricing Review
2. Charge Description Master (CDM) Desk Audit
3. 100 Outpatient claim review
4. Monthly Revenue Integrity Meetings
5. PARA Data Editor System access
6. Online Price Transparency Tool

This is a project that will go through the next several months. We will be looking at aligning our pricelist (CDM) with market prices, determining and possibly changing some of our charge structure, particularly in OB, Surgery, and Long Term Care; Auditing to ensure that what we are charging and the way we are charging it is correct, and more. We are also buying their online price transparency tool, to comply with CMS rule changes that go into effect 1/1/21. This requires us to load our payer contracts so that when a quote for services is given to a patient, they will know what they can expect to pay based on their insurance. It also requires us to have 300 shoppable services posted online.

This endeavor will help us identify where we may have some financial opportunity to improve finances, and compliance in billing and compliance with the new law. The cost is \$46k per year,

however, this will in part be paid for by two grants from DOH. Additionally, this type of work should yield a decent return on investment of probably 3 times what we spend, it will, thus, pay for itself.

Other

The Board asked about Dr. Voorsanger our Cardiologist. Heidi said Dr. Voorsanger has been busy with other facilities he works at and he is also uncomfortable working in Forks due to an issue that happened in the community back in June. The Board would like to find a Cardiologist to spend at least two days a month in our clinics.

LTC Old Business

There was no LTC old business discussed.

LTC New Business

LTC Rates

Heidi Anderson, CEO, reported that: We have sent out letters to our LTC residents that we will be increasing our day rate to \$295 per day from its present level of \$224, this will go into effect on November 1, 2020.

Paul Babcock, CFO, reported that:

Several reasons have justified the need for this rate change.

1. We have not raised rates on IP or LTC since 4/1/2016. At the time, IP rates were high compared to market competitors, and the LTC rate was competitive and above our Medicaid daily reimbursement rate.
2. Nearby Nursing Homes are charging \$295-\$350 for similar services, but with a lower standard of care than we offer. We are, therefore, now significantly lower than the market.
3. Operating costs for the Nursing Home in 2019 came to just shy of \$551 per bed per day, our costs far exceed our reimbursement.
4. Our Medicaid day rate is not at about \$229, however, we also receive supplemental Medicaid funding through the ProShare program that now equates to about \$94 per Medicaid bed per day. Our ProShare funds received have also deteriorated as we've had more Self-Pay patients and fewer Medicaid patients than in previous years. ProShare dollars are only paid on Medicaid days. This means that at our present rate, Self-Pay patients are paying less than Medicaid patients. Rate changes will fix this situation.
5. We were mindful that the rate change is steep. Ultimately, we want to get to a Market based price over three successive rate increases.
6. We will also be looking at charging for Acuity levels, as other Nursing Homes do, as we work with PARA on our CDM/Pricing Review.

7. Operationally, the LTC unit runs at a loss. Unlike our nearby independent competition, we staff with RNs and NACs, have a high Benefit Package, and higher overhead, hence, we cannot expense control our way to break even and comply with the laws and regulations surrounding LTC and comply with our existing Union contracts.
8. The District cannot subsidize LTC to the detriment of the District as a whole. LTC is needed in the community, but so are the rest of the District's services. It is our responsibility, Administration's, and the Board's, to address threats to the financial stability of the District.
9. We must close the gap on the losses from Long Term Care, raising rates is one of several means by which we can do that.

Commissioners Anderson and Birch understood the need to make the changes but were displeased that the rates were being raised so much at one time.

The CFO responded that we were concerned about that, we actually want to be around \$350 to \$360, but felt that was too much too fast. \$295, although high, takes us only part way.

Commissioner Anderson stated that, this is a lot of money to increase for a family.

The CFO responded that was true, however, placing a loved one in nearby nursing homes in Port Angeles would be as much or more expensive. Furthermore, the District cannot operate LTC at a loss and be the lowest priced facility around.

Commissioner Lawley asked if there had been much community reaction or response to the rate increase letters.

The CEO responded that she has not had any response to it, she believes that the community is aware of the costs at nearby facilities.

Heidi Anderson, CEO, reported:

WSHA 2020 Annual Meeting eSeries

This year's 2020 WSHA Annual Meeting is virtual. Heidi said there are four more sessions left for the year. Heidi placed the eSeries description in the Board packets and said if the Board members would like to attend any of the sessions to contact Laci and she can help them get registered.

Strategic Plan Update

Heidi discussed goal 1 of the district's current strategic plan with the Board. Deborah said the cultural patient surveys will be going out this week.

Phishing Drills Active

The hospital staff have been getting several malware attempts. The hospital has partnered with KnowBe4, which is the world's largest security awareness training and simulated phishing platform. KnowBe4 helps you manage the ongoing problem of social engineering. Employees will be sent random phishing emails and there will be training set up in the future to educate staff to determine what are real emails versus fake.

Radio

We are working on putting together six months of radio advertisements for the hospital.

Mam Translation (Mayan Language)

We have ongoing issues in finding a Mam translator. Our current interpreting machine only had a handful of translators who speak mam and we usually need to schedule the mam interpreter a week before. There is a lady from Forks who just graduated high school that speaks Mam. She is also interested in the medical field. The birth equity grant can pay for her to become certified in the Mayan language and Heidi is waiting to hear if she would like to move forward.

Leadership Rounds

Each Admin leader is rotating one week of rounds around the district and keeping a log of issues.

Leadership Development

We will be providing a leadership development course soon for all Managers. We will also be including the assistants and department leads in the leadership development courses.

External Triage Trailer

The new external triage trailer should be ready the end of the week.

Surplus

We will be putting the 2000 Dodge Stratus up for surplus.

Other

Dr. Pederson is going to be retiring and a new Podiatrist, Dr. Friswold, will be taking over his Clinic. Dr. Pederson has agreed to come out to Forks and work four days a month. Dr. Pederson does not want to do surgeries any longer. Heidi reached out to Dr. Friswold to see if he would be willing to come to Forks to perform surgeries and she has not heard back from him.

The Board would like to have a step by step Lucidoc training during the October Board of Commissioners meeting. Laci will work on arranging the training.

Finance

Paul Babcock, CFO, presented the August date financial report, which was reviewed and discussed.

- Gross patient revenue for August was \$4,414,144.
- Net patient revenue for August was \$2,274,589.
- Net A/R days are 57.9.
- Days cash on hand is 184.
- Days cash on hand (non-COVID) is 102.
- There were 1,484 Clinic visits, 17 surgeries, 375 emergency room visits, and 4 births in August.
- Total operating expenses for August was \$2,792,247.
- The total non-operating income for August was \$ 832,543
- Net income for the month was \$373,597.
- Net income for the month (Non- COVID) was (405,955).
- Total cash on hand is \$16,048,017.
- Total cash on hand (non COVID) is \$8,903,537.
- Acute average daily census is 1.0.
- LTC average daily census is 20.0.

New Patients Per Provider

The Board of Commissioners reviewed August 2020 new patients per provider.

Ambulance

The Board reviewed the August 2020 Ray Ellis Memorial Volunteer Ambulance Corps incidents, transports, mutual aid, overlapping calls, average response time, average turnout time, and average on-scene time.

Commissioner Lawley called for a five minute-minute break.

Commissioner Lawley announced that the Board is convening to executive session pursuant to RCW 42.30.110(1)(g)-To evaluate the qualifications of an applicant for public employment.

Executive Session: The Board convened to executive session at 6:30pm for fifteen minutes.

The Board returned to open session at 6:47 pm. There was no action taken.

There being no further business to discuss, the meeting was adjourned at 6:48 pm.

The Board of Commissioners' next meeting is scheduled for October 27, 2020, at 5:00 pm.

Minutes recorded by Laci Johnson, Executive Assistant.

Sandra Schier, Secretary