

**CHELAN COUNTY PUBLIC HOSPITAL DISTRICT No. 2
LAKE CHELAN COMMUNITY HOSPITAL
MEETING OF THE GOVERNING BOARD**

**January 24, 2017 – LCCH BOARD ROOM
5:30 PM – 7:05 PM**

MEETING MINUTES

CALL TO ORDER

Mary Signorelli called the meeting to order at 5:30 P.M.

Members Present:

Mary Signorelli, Board Chair
Phyllis Gleasman, Vice Board Chair
Tom Warren, Secretary
Fred Miller, Commissioner
Mary Murphy, Commissioner

Others in Attendance:

Kevin Abel, CEO
Vickie Bodle, CFO
Brad Hankins, COO
See list attached.

Carol Velasquez, CNO
Diane Witsil, Exec Assistant
Ty Witt, M.D., CMO

REVIEW OF MISSION:

- Our Mission is to provide patient-centered, quality healthcare with compassion and respect.

OTHER BUSINESS:

- Community members, physicians from LCCHC and Columbia Valley Community Health, and LCCHC employees attended this meeting to give their input.
- Comments submitted were as follows:
 - We are here in support of the commissioners for a new hospital
 - Primary care is important and support for the clinic is crucial
 - There have been many changes in Healthcare with different payment structures, but as a hospital, we have always overcome these elements, and have offered a safe, caring, and quality environment.
 - Have the commissioners considered delaying the project due to changes in healthcare with the Trump administration and concern on how the community with low income will be able to afford a new facility
 - A hospital within our community will keep our community members, family & visitors here, which does have an impact to our economics within the community
 - We cannot depend on the outside hospitals, such as Confluence, since they have also been on diversion, which could send our community members even further away
 - Our parking situation is serious, and with our location on a hill, vender and MRI trucks have a hard time making the hill in winter weather
 - The current facility is at a crisis, and does not offer our care workers a safe environment to work, nor does it allow our patients the quality of care, dignity, and privacy that they deserve
 - Need room for privacy other than use a storage closet or room
 - Supply rooms are now small offices, the access road in winter weather is inaccessible for delivery trucks, patients and EMS
 - It's a no brainer, we need a new hospital here for our community

CONSENT AGENDA:

It was m/s/c to approve the Consent Agenda as presented:

1. Board Minutes of December 20, 2016
2. Financial & Business Office Report
3. Vouchers/Warrants; \$1,218,074.87, in payroll direct deposits; \$870,817.27. Write offs: Bad Debt -Hospital \$95,721.42, Bad Debt - Clinic \$11,196.64; Charity Care – Hospital \$25,515.30, Charity Care - Clinic \$2,260.50; Bankruptcy \$0.00: with combined total of \$134,693.86.
4. Policies and Procedures
 - LCC Sliding Fee Scale
 - Flexible Endoscopes-Cleaning (CAH)
 - Fitness for Duty Substance Abuse Policy

Consent Agenda Motion made to approve consent agenda: M. Murphy / 2nd F. Miller & approved by Board of Commissioners.

SPECIAL REPORTS:

– Election of Board Officers – Mary Signorelli, Chair

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| – Mary Signorelli, Chair | Medical Staff |
| Phyllis Gleasman, V. Chair | Credentialing |
| Tom Warren, Secretary | Vouchers & Warrants |
| Mary Murphy, Commissioner | CQI |
| Fred Miller, Commissioner | Finance / Bad Debt / Charity |
| | Retirement Fund/Edward Jones Quarterly Meeting |

A motion to approve current positions for the Commissioners for the second year: F. Miller / 2nd T. Warren & approved by Board of Commissioners.

– Replacement Hospital Sensitivity Analysis – Kevin Abel, CEO

- Kelly Arduino, WIPFLi, prepared a sensitivity analysis to reflect potential future financial performance over the next ten years under different assumptions of growth and project size.
 - Original Option (building hospital only at Apple Blossom with updated interest rate) – This project is affordable with the increased interest rate as indicated by debt service coverage.
 - Reduction of Growth by 20% - Under the significant decrease in volumes this project still meets the requirement for USDA funding.
 - Increased Growth by 10% - This assumption with a 10% increase in expected volumes from additional capacity to perform new orthopedic procedures, IP and OP cases. Potential debt service coverage climbing to 3.07 in 2027.
 - Option #1 Project – Investing \$14.2 MM into infrastructure project with no tax supported debt. Project can be supported by revenue-backed debt although financial performance deteriorates by 2022.

– Replacement Hospital Discussion and Decision - Board

Statements were made by each of the commissioners before the vote for the facility bond.

- Mary Signorelli stated, “Each one of the Commissioners seated around this table today were voted into office by the people of Hospital District #2. There is not one of us who does not take seriously the duties that we have been given, to provide quality healthcare for all the members in our Hospital District. Lake Chelan Community Hospital has been experiencing steady growth, but the markets share appears to be declining because population growth is exceeding the current hospital’s capacity to meet demand. Our surgical procedures have dramatically gone up in the last five years and will continue to rise. A new facility would retain providers and bring new providers in. According to the 2010 Census, 18.9% of our area’s population is 65 or older. This sector is three times more likely to need hospital care than other age groups. WIPFLi’s analysis indicates that insurance revenue will meet projections while still taking into account annual salary increases, additional employees, increases in employee benefits.”
- Mary Signorelli commented, “The due diligence of the Commissioners, has been exercised to explore every option possible, for ensuring excellent hospital services for our citizens, and it has

led us to the conclusion, that in order to maintain a viable hospital, we have two options: either pay millions into our current hospital facility, which will yield little net benefits for patients, and stunt our ability to grow; or invest in a new hospital that will serve our communities for decades to come.”

- Fred Miller stated, “Being on the Board for the past 26 years, I have seen this hospital through other expansions, and we have basically come to a halt, we don’t have the capacity here any longer. Our objective is to serve the community for the next 40 years, and we cannot do that in this current building, it would be money down the drain. So I think it is time, it is needed, it is absolutely necessary.”
- Phyllis Gleasman commented, “I have had the opportunity to visit the Sanctuary on the 3rd floor, and I cannot believe the amount of compassion and enthusiasm the staff has while working under the conditions of; lack of space, privacy, etc. in the Sanctuary.”
- Phyllis Gleasman stated, “Critical Access Hospitals are reimbursed on interest and depreciation at 101%.”
- Tom Warren stated, “I am sitting in one of the past commissioner’s chair, and we need to vote now, do it now for our community.”
- Mary Murphy stated, “I really wish that I could support the vote and I really understand everybody’s comments. We do need a new facility, we do need a solution to our facility’s issues, it is at a crisis, but I really have to oppose the motion. I studied all the facts, our current hospital finances, and debt, and projected healthcare industry changes. But there are other ways to approach this without placing a heavy burden of \$44.5 million debt burden on our community for 35 years. The proposed plan will also place healthcare programs and jobs at high risk and seriously limit the Hospital District’s ability to address future healthcare services and facility needs. A more affordable plan is needed.”
- Tom Warren stated “So everyone understands; Resolution #575 is authorizing \$20 million of general obligation bonds from the citizens of our district. Along with the voted bonds, will be added revenue bonds from the commissioners, which we will vote for, and additional funds from grants, foundation, etc., for a total project of \$44,500,000. This resolution only provides for the \$20 million, and would go to the ballot, and we would have a vote on April 25, 2017.”

Resolution #575 Replacement Facility Resolution

A motion to approve for a replacement facility bond under resolution # 575 to go to ballot on April 25, 2017: F. Miller / 2nd T. Warren & approved by Board of Commissioners with a majority vote of 4 to 1.

- **LCCHC Strategic Plan – Kevin Abel, CEO**

- A draft of the strategic plan and supporting measurement document was reviewed. The following changes were added at the request of the commissioners: review the plan annually; include additional quality measures; patient survey be documented and other minor modifications.
- The strategic plan will be in place from 2017 – 2019.

Motion to approve the 2017 – 2019 Strategic Plan: T. Warren / 2nd M. Murphy & approved by the Board of Commissioners.

- **4th Quarter Dash Board – Carol Velasquez, CNO**

- During the last quarter, we had three workers compensation claims, one restraint, and we were at 80% on EKGs within ten minutes upon arrival at the Emergency Department.

STATE OF THE HOSPITAL REPORTS

- **Operations - Brad Hankins, COO**

- Interior painting of hallways and common areas in the Hospital & Clinic are in process.
- The breaker replacement fixed our power outage issues on the east end of the second floor.

- **Outpatient-**

- Our primary care/specialty medical no-show rates remain at 5%.
- Third available over the past four weeks have averaged seven days.

- We received our first CGCAHPS report earlier this month, which covers the last quarter of 2016.
 - Our managed diabetic group visits will start in February. We have joined the Qualis Health practice transformation initiative, with the first meeting tomorrow. The practice transformation initiative is via the NCWACH, and we are one of twenty small clinics in the State to be included in the initial group. Our analytic efforts continue using LightBeam™ data. We will begin, nurse managed injection clinics at the beginning of March. The IMM's Nurse will also be responsible for all our vaccinations.
 - We performed 69 surgical procedures in December.
 - New X-ray hardware was installed at Lake Chelan Clinic, in December. This new hardware combined with the new diagnostic X-ray software added last year gives us a state of the art X-ray department at the clinic.
 - Over 250 people attended the Manson Family Fit and Fund Night. A big thank you to Agustin Benegas, Celeste Thomas, Arlene Abbott, Kurt Rummell and Abby Pattison for their help.
- Quality & Patient Safety – Carol Velasquez, CNO**
- In December, there was one reported medication event in the Emergency Department. There was one reported patient fall with minor injury on MSU.
 - There were two non-billing related, patient or family concerns reported in December; one of which the toilets in the restrooms on the first floor were too low. OT was consulted; toilet seat risers have been ordered, and grab bars will be repositioned; the other was a miscommunication between a provider and patient in the Sanctuary.
- Patient Care Services –**
- The new DEXA scanner is in use, and this week was our first week of the 90-day trial of two additional MRI days per month.
 - We continue to recruit for a Medical Social Worker.
 - We are evaluating the use of two different end-of-life symbols.
 - The first is an end-of-life symbol inspired by Irish history, and not associated with any one religion or denomination. The 3-stranded white spiral represents the interconnected cycle of life: birth, life, and death. The white outer circle represents continuity, infinity, and completion. The purple background is associated with nobility, solemnity, and spirituality. This will be displayed at the nurse station when the patient is nearing or immediately after end-of life.
 - The second symbol, are cherry blossoms with butterflies, which will be used when we have a fetal or neonatal demise. Cherry blossoms represent the cycle of life, representing how fragile and fleeting life can be, and they embody hope. They will be used to honor a lost loved one, to denote, love, wisdom, and the path of enlightenment. The symbol, also ties strongly to our community agriculture. This small magnetic symbol will be placed on the doorframe, upon the patient/family consent, to alert anyone entering the room.
- Chief Medical Officer – Ty Witt, M.D.**
- Our concussion team is covering every home game at Chelan High School and Manson High School.
 - Dr. Snyder and Dr. Guffey will be conducting an advance life support in obstetrics training program this March. This is the first time this training has been conducted in Chelan.
- Chief Financial Officer – Vickie Bodle, CFO**
- December financial statements closed with net income of \$6,294 for the month and \$13,196 for the year. The financial reports are considered draft form, until the accounting firm completes the year-end cost report.
 - Combined AR for the hospital and clinic for the month was at 60.5 days.
 - The State Auditors exit review was on January 23, 2017. They congratulated LCCHC for not having any exit items or findings within the financials.

- Chief Executive Officer –Kevin Abel, CEO

- In coordination with the Foundation, we will be starting a new fitness challenge on February 1st.
- The emergency generator written response from the state is expected within the next two weeks.
- Alliance Imaging has added two additional MRI days per month on a 90-day trial basis.
- The next Board meeting will be on February 21, 2017 at 5:30 to compensate for the Rural Health Conference in Seattle on February 28th.

OLD & NEW BUSINESS

- **Action Items:** It was m/s/c to approve

A. Credentialing:

Casey L. Deal	MEDEX Student	Behavioral Health
Elaine Khatod, M.D.	Provisional Appt.	Tele-Radiology, V-Rad
Adam Hecht, M.D.	Provisional Appt.	Tele-Radiology, V-Rad
Kristi Morris, PA-C	Re-Appointment	Family Med/Urgent Care
Amy M. Sharma	MEDEX PA Student	Behavioral Health

Phyllis Gleasman stated: I reviewed the applications; the supporting documentation, the Medical Executive Committee's recommendations, and information received during the credentialing and privileging process as appropriate. Based on this review, it is the Board's opinion that the above applicants meet the requirements for Medical Staff appointment and clinical privileges as recommended. Moved by: P. Gleasman / 2nd M. Murphy and approved by the Board of Commissioners.

BOARD EDUCATION:

- AHA MACRA Video - CMS has developed a new Medicare physician payment system starting in 2019, with data reporting in 2017. The majority of our providers are exempt from the program, as it will not apply to Rural Health Clinics or Federally Qualified Health Centers. LCCHC is preparing the Medicare Incentive Payment System (MIPS), which is one of two, quality programs under MACRA.


BOARD SUMMARY:

- The Commissioners have approved going to the public for a voted bond on April 25, 2017.
- Congratulations on the outstanding State audit.

MEETING ADJOURNED:

- Meeting adjourned @ 7:05 P.M.

Submitted:

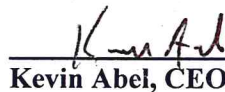


Board Secretary

2/21/17

Date

Attest:


Kevin Abel, CEO

2-21-2017

Date

