

CLALLAM COUNTY PUBLIC HOSPITAL DISTRICT NO. 1
FORKS COMMUNITY HOSPITAL

Board of Commissioners Meeting Minutes
Lee Merrick Conference Center
July 23, 2019

Those present were Commissioners: Don Lawley, President; Patty Birch, Vice President, who attended via teleconference; Daisy Anderson, Commissioner; and Jerry George, Commissioner. Additional attendees included: Paul Babcock, CFO; Heidi Anderson, CNO; Andrea Perkins-Peppers, CIO; and Kirk Cole, MD.

Guests: Todd Broussard, Starla Daman, Clint Wood, Deborah Dillon, Shannon Damron, Jeanna Snell, Dawn Harris, Teresa Kennedy, and Aaron Gee

Sandra Schier, Secretary, was not present.

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

Addition or Changes to the Agenda

1. Move Medical Staff Bylaws to be discussed under Medical Staff

Public Comments

There were no public comments.

Community Communication

There was no community communication.

WIPFLi 2018 Audit Report:

Wes Thew, CPA, Healthcare Practice, Senior Manager of Wipfli, LLC reported on the 2018 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.

Wes 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 eleven adjustments were made. Ten were proposed by the District. The auditor proposed an adjustment as follows:

- Third party settlements were adjusted, increasing the excess of revenues over expenses by \$738,440.

Wes 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

Wes reported on other items of interest as follows:

- Cash and cash equivalents decreased by approximately \$212,000, partly due to the increased payments to employees and contractors and decreased receipts from patients and third-party payors.
- Patient accounts receivable – Net increased primarily due to a 10% increase in charges, delays in collections of Tricare accounts receivable and turnover in the billing office.
- Third-party settlements increased primarily due to an expected \$948,000 2018 Medicare cost report receivable.
- Other receivables decreased 77% due to a decrease in grants receivable caused by a change in timing of recognition of the revenue/receivables.
- Accounts payable increased primarily due to a \$163,000 liability for the HVAC CIP project being outstanding at year end.
- Gross patient service revenue increased approximately \$1,872,000 from prior year, explaining the increase in contractual adjustments and provision for bad debt. The primary drivers for this increase relate to the following departments:
 - CT scanning increased by 14.4%, or \$536,000.
 - Pharmacy increased by 20.8%, or \$560,000.
 - Physical therapy increased by 19.5%, or \$561,000.
 - Emergency room increased by 20.9%, or \$441,000.
- Salaries and wages increased along with a small increase in FTEs. Benefits increased similar to salaries.
- Supplies increased approximately \$285,000, partly due to an increase in pharmacy drug market prices and additional supplies expense associated with the Biofire machine in 2018.
- Purchased services increased approximately \$191,000, partly due to an expense relating to a once every-three-years safety certification audit, and the implementation of a new EHR at WEOS.
- Depreciation and amortization decreased approximately \$213,000 as certain capital assets became fully depreciated during the year.

Bid Opening for 61 Ash Ave

We received three envelopes with bids for the siding and deck replacement and painting for the outside of the fourplex. Clint opened the first envelope from Exterior Makers. Exterior Makers

submitted two bids; the first bid for the deck and siding repair was \$74,648 and the second bid for painting was \$17,360. Clint said there was no bid bond included, so the bid was invalid.

Clint opened the second envelope from Bosco Construction; which only had one bid for painting totaling \$60,760.

Clint opened the third envelope from Western Washington Construction; which contained two bids. The first bid for painting was \$34,654.90. The second bid for the deck replacement and siding was \$74,170.60.

The Board would like to reject all the bids due to the costs being higher than anticipated and hold off on the project until after the new year.

Patient Financial Services Departmental Report

Starla Daman updated the Board of Commissioners on the Patient Financial Services department. Accounts Receivable days have been steadily increasing. There has been a lot of staffing turnover in the department which has affected the Medicare billing the past few years. A few months ago, a change was made to how the billers bill. Each biller now bills insurances by alpha and this helps billers become more familiar with different insurances. There will be a new law going into effect regarding bad debt. The new bill will require all accounts sit on the books for 120 days before it can be turned into collections.

Medical Staff Meeting

The June 12, 2019, Medical Staff 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 Medical Staff meeting minutes from June 12, 2019, as presented.

Dr. Cole discussed some changes legal has recommended to the Medical Staff Bylaws. Dr. Cole asked that the Board review the bylaws and send any comments or suggestions they have by the first week of August, so they can be discussed at the August Peer Review. Dr. Cole would like to have the Medical Staff Bylaws approved at the August Board of Commissioners meeting.

Medical Staff Privileges

The privileges for Marina Rasnow-Hill, MD, were reviewed. Commissioner Anderson made a motion to approve the Medical Staff privileges; Commissioner George seconded, and the motion carried.

ACTION: It was moved, seconded, and passed to approve the appointment of privileges for Marina Rasnow-Hill, MD.

Performance Improvement Committee

The June 17, 2019 Performance Improvement Committee meeting minutes were reviewed. Commissioner Anderson made a motion to approve the meeting minutes; Commissioner George seconded, and the motion carried.

ACTION: It was moved, seconded, and passed to approve the Performance Improvement Committee meeting minutes from June 17, 2019, as presented.

Board of Commissioners Meeting

The Board of Commissioners meeting minutes from June 25, 2019, were reviewed. Commissioner Anderson made a motion to approve the meeting minutes; Commissioner George seconded, and the motion carried.

ACTION: It was moved, seconded, and passed to approve the Board of Commissioners meeting minutes from June 25, 2019.

Vouchers

June 2019 vouchers were reviewed. Commissioner Anderson made a motion to approve the vouchers; Commissioner George seconded, and the motion carried.

ACTION: It was moved, seconded, and passed to approve the June General A/P vouchers numbered 103216 to 103570, in the amount of \$1,143,228.84 and the General P/R vouchers numbered 547911 to 548000 in the amount of \$88,035.00.

Write-Offs

June 2019 write-offs were reviewed. Commissioner Anderson made a motion to approve the write-offs; Commissioner George seconded, and the motion carried.

ACTION: It was moved, seconded, and passed to approve the June 2019 write-offs totaling \$124,981.73

Old Business

Long Term Care Bus

The Forks Hospital Foundation presented a check to the Forks Community Hospital Board of Commissioners in the amount of \$76,713.00, for the purchase of the new Long-Term Care bus. The Board would like to send a letter to the community and foundation thanking them for their generosity in helping fundraise and purchase the new bus.

New Business

Capital Equipment Request – Software for Disaster Recovery

The hospital would like to purchase software for disaster recovery operations for all servers and other critical computer systems. We would like to purchase a cabinet for the software that has a cooling mechanism to ensure proper operation in the Bogachiel Clinic attic. Commissioner Anderson made a motion to approve the purchase of the Software for Disaster Recovery; Commissioner Birch seconded, and the motion carried.

ACTION: It was moved, seconded, and passed to approve the Capital Purchase Request for the Software for Disaster Recovery, not to exceed \$36,000.

Capital Equipment Request- Purchase of Long-Term Care Bus

Purchase of a 2018 StarCraft Allstar ADA shuttle. The bus meets all the Long-Term Care Mega Rule guidelines. All money for purchase of the bus was raised by the Forks Hospital Foundation. Commissioner Anderson made a motion to approve the purchase of the Long-Term Care bus; Commissioner George seconded, and the motion carried.

ACTION: It was moved, seconded, and passed to approve the Capital Purchase Request for the Long-Term Care bus, not to exceed \$74,000.

Tim Cournyer, CEO, reported:

Staffing

Dr. Lyndes has signed an employment agreement for the Forks Family Medical Clinic. He will be working two days one week and three days the next week. Dr. Gregory will work two days in the new clinic and one day at the Clallam Bay Medical Clinic. Every other Wednesday, Dr. Lyndes and Dr. Gregory will both be working together. Mary Moody, ARNP candidate for the new clinic, withdrew her application. We are recruiting for an Orthopedic Surgeon, and we are working on setting up interviews for a Receptionist and a Medical Assistant for the Forks Family Medical Clinic.

Medicaid Swing Bed Update

Deborah updated the Board on the survey we had last month. We received eleven deficiencies from the survey and turned in the correction action on July 18th. We are waiting to hear back if the corrective action has been accepted or rejected.

Forks Family Medical Clinic Update

We have decided to wait to open the clinic until we have our Rural Health Clinic status. We are about eighty-five percent done and working on credentialing. We will do a mock survey when we are ready for the RCH status.

MA Program Update

Heidi updated the Board with the Medical Assistant apprentice program the hospital will be joining. There currently is a shortage of MA's, so offering this program could help bring more Medical Assistants to the hospital. The cost to the hospital includes hiring an apprentice and paying them to work for us while they work on their Medical Assistant certifications. The apprentice would work 2,000 hours a year and would follow another MA or nurse.

Finance

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

- Gross patient revenue for June was \$4,003,849.
- Net patient revenue for June was \$2,224,710.
- Net A/R days are 59.7.
- Days cash on hand is 43.
- There were 1,524 Clinic visits, 15 surgeries, 425 emergency room visits, and 5 births in June.
- Total operating expenses for June was \$2,539,354.
- Total non-operating income for June was \$83,418.
- Net income for the month was \$5,884.
- Total cash on hand is \$3,437,496.
- Acute average census is 2.3.
- LTC average daily census is 11.9.
- Custodial swing average daily census is 8.0.

Clinic Graphs

The Board of Commissioners reviewed the June 2019 Clinic visits per provider.

Ambulance

The Board reviewed the June 2019 Ray Ellis Memorial Volunteer Ambulance Corps incidents, transports, mutually aid, overlapping calls, average response time, average turnout time, and average on scene time.

There being no further business to discuss, the meeting was adjourned at 6:54 p.m.

Board of Commissioners next meeting is scheduled for August 27, 2019 at 5:00 p.m.

Minutes recorded by Laci Johnson, Executive Assistant.

Sandra Schier, Secretary