Grays Harbor Public Hospital District No. 2
Board of Commissioners

DISTRICT BOARD
Meeting Agenda
January 23, 2018
6:00 pm (prior to Hospital Board Mtg. this month)
Conference Room C; West Campus

CALL TO ORDER

I. Excused Absences
II. Oath of Office – Commissioner Melanie Sturgeon
III. Public Comment - Agenda Items (sign-in sheet at entrance; please limit comments to three minutes)

CONSENT AGENDA

I. District Board Minutes; December 21, 2017
II. November Checks/Warrants; $1,512.91
III. December Checks/Warrants; $928,539.23

COMMITTEE / CHAIRMAN REPORTS

I. Board Finance
   A. Revised District Resolution 2017-04; Levy

II. Election of 2018 Board Officers
   A. President
   B. Secretary

III. Appointment of Hospital Board Members

IV. Chairman's Report

OLD BUSINESS

NEW BUSINESS

PUBLIC COMMENT

Public Comment – General (sign-in sheet at entrance; please limit comments to three minutes)

NEXT MEETING

Tuesday, February 27 Room C Following 1:00p Hospital Board Mtg.

ADJOURNMENT

Grays Harbor Public Hospital District No. 2 does not discriminate against or exclude anyone from participation in public meetings. Requests for assistance should be made by contacting Administration at 360-537-5117, 48 hours in advance of the meeting. Thank you.

NOTE: This is an "open" agenda. The Commissioners or Recording Secretary of the Board may elect to add, delete, or change items prior to or at the meetings. This does not include legally advertised public hearings.

GRAYS HARBOR COMMUNITY HOSPITAL

Our Mission

Heal, Comfort and Serve
Our Community with Compassion.

Our Vision

To provide each patient superior service
and safety, exceptional by any standard.

Our Values

Respect ● Integrity ● Compassion ● Excellence

Our Standards

Communication ● Accountability ● Professionalism ●
Teamwork ● Ownership ● Safety ● Service

Our Desired Future State

"*We will be an integrated regional healthcare network,*
partnering in our communities to provide exceptional care
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GRAYS HARBOR COMMUNITY HOSPITAL

HOSPITAL BOARD
Meeting Agenda
January 23, 2018
Following District Board This Month
Conference Room C, West Campus

BOARD EDUCATION

HIPAA & Privacy – Linda Dunphy, Health Information Management Director

CALL TO ORDER

I. Excused Absences
II. Public Comment - Agenda Items (sign-in sheet at entrance; please limit comments to three minutes)

CONSENT AGENDA

I. Hospital Board Minutes; December 21, 2017
II. Board Quality Minutes; December 19, 2017
III. Board Finance Minutes; December 21, 2017

BOARD ACTION

I. Medical Staff Credentialing Report
II. Election of 2018 Board Officers
   A. President
   B. Secretary
III. Appointment of 2018 Committee Chairs & Members
   A. Board Quality Committee
   B. Board Finance Committee
IV. Chairman's Report

COMMITTEE / CHAIRMAN REPORTS

I. Board Quality January Report – Committee Chair
   A. 2018 Quality Assurance / Performance Improvement Plan
II. Board Finance January Report – Committee Chair

ADMINISTRATION

I. Executive Suite Summary Report – Tom Jensen, CEO
   A. HMG Recruiting Report (no updates)

OLD BUSINESS

I. Rebranding Budget & Logos

NEW BUSINESS

I. Non-Board Member Committee Membership
II. February Education
   - GHCH Communication Policy / Process
   - Crisis Intervention Prevention Training
III. Good of the Order

PUBLIC COMMENT

Public Comment – General (sign-in sheet at entrance; please limit comments to three minutes)

NEXT MEETING **Tuesday, February 27 1:00p Room C**

EXECUTIVE SESSION RCW 42.30.110(1)(i); Discuss legal risk of proposed action.

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GRAYS HARBOR PUBLIC HOSPITAL DISTRICT NO. 2
BOARD OF COMMISSIONERS REGULAR MEETING
December 21, 2017

COMMISSIONERS PRESENT
Michael Bruce, District 2
Miles Longenbaugh, District 3
Pete Scroggs, At Large
Becky Walsh, District 5
Maryann Welch, District 1

OTHERS PRESENT
Tom Jensen, CEO, GHCH
Joe Vessey, CFO, GHCH
Teresa Ramirez, Executive Assistant, GHCH
Members of the Public

ABSENT
Andrew Bickar, District 4
Robert Torgerson, At Large 1

CALL TO ORDER

President Welch called the meeting to order at 2:00p.

Absences
Commissioner Torgerson provided notice that he would not be in attendance during today's meeting.

Public Comment – Agenda Topics
President Welch opened the meeting to members of the public for comment regarding topics listed on the agenda.

CONSENT AGENDA

Submitted under the Consent Agenda were:

- District Board Minutes; November 28, 2017
- November Checks/Warrants; $1,512.91

ACTION: A motion was made by Commissioner Longenbaugh, seconded by Commissioner Walsh and unanimously carried to approve the Consent Agenda.

COMMITTEE / CHAIRMAN REPORTS

I. Board Finance Committee Report

District Resolution 2017-05 Bank of Pacific Loan Amendment was submitted for Board approval. Mr. Vessey brought forward that the Hospital maintains a $3.5M loan with the Bank of Pacific and the Resolution extends the maturity date of the Bond an additional six months, revises the installment payment dates, and the most notable change is restyling the loan from a line of credit to a term loan.

ACTION: A motion was made by Commissioner Scroggs, seconded by Commissioner Walsh and unanimously carried to approve Resolution 2017-05 Bank of Pacific Loan Amendment.

II. Chairman's Report

President Welch brought forward that she had the opportunity to speak with legislators and to provide some background on the financial state of the hospital, and the challenges it faces. The legislators were receptive about leveraging any help the State is

able to extend. Also brought to their attention was reimbursement issues related to mental health, and Mr. Jensen will be pulling together some information to provide for them.

OLD BUSINESS

NEW BUSINESS

I. Nomination of 2018 Officers

Submitted was a ballot for Hospital/District Board Officers, as well as Board Committee Chair/Members. President Welch requested that Board members complete and return their ballot as soon as possible.

II. 2018 Annual Calendar

Submitted was the 2018 Annual Board Calendar. A date has not yet been set for the Annual Board Education Retreat. Various options are being explored on where to hold the retreat, which will include strategic planning and training around crisis communication for the board.

Public Comment – General
President Welch opened the meeting to members of the public for comment regarding topics listed on the agenda.

ADJOURNMENT

The meeting adjourned at 2:15p.

APPROVED AND ADOPTED THIS 23rd day of January, 2018.

ATTEST:

Teresa Ramirez
Recording Secretary

Commissioner Maryann Welch
President

GRAYS HARBOR COMMUNITY HOSPITAL
BOARD OF DIRECTORS REGULAR MEETING
December 21, 2017

COMMISSIONERS PRESENT
Michael Bruce, District 2
Miles Longenbaugh, District 3
Pete Scroggs, At Large
Becky Walsh, District 5
Maryann Welch, District 1

OTHERS PRESENT
Tom Jensen, CEO, GHCH
Joe Vessey, CFO, GHCH
Teresa Ramirez, Executive Assistant, GHCH
Members of the Public

ABSENT
Andrew Bickar, District 4
Robert Torgerson, At Large 1

BOARD EDUCATION

Education was provided by Julie Feller, Executive Director Human Resources, on Workplace Harassment (see presentation slide deck for details). Also provided were policies HR000 Nondiscrimination Policy and HR001 Harassment in Employment Prohibited.

CALL TO ORDER

President Welch called the meeting to order at 1:21p.

Absences
Commissioner Torgerson provided notice that he would not be in attendance during today's meeting.

Public Comment – Agenda Topics
President Welch opened the meeting to members of the public for comment regarding topics listed on the agenda.

CONSENT AGENDA

Submitted under the Consent Agenda were:

- Hospital Board Minutes; November 28, 2017
- Board Quality Minutes; November 21, 2017
- Board Finance Minutes; November 16, 2017

ACTION: A motion was made by Commissioner Scroggs, seconded by Commissioner Bruce and unanimously carried to approve the Consent Agenda.

COMMITTEE REPORTS

Board Quality Report

Commissioner Longenbaugh provided report on the December Board Quality Committee meeting, with information encompassing:

- The Patient Advocate brought forward a compliment on Registration staff, and noted the decreases in ED grievances.
- Medication Safety; The new Interim Pharmacy Director, Larry Pelham, was introduced. Nothing more. Narcotic Discrepancies are primarily related to charting errors, of which 99% are corrected.

- ED Report; Statistics were reviewed on Door to Doc Time, the Throughput process, and Left Without Being Seen. Commissioner Longenbaugh questioned whether ED volumes were down because patients were going to Summit Pacific, and it was brought forward that ED volumes are actually down across the region.
- Sepsis Report; Overall compliance with the bundle continues to do really well. A Sepsis Committee has been formed, with approximately 15 members who meet monthly to analyze sepsis cases, as well as sepsis mortalities. A new nurse screening tool has gone live in the computer, with positive staff feedback being received.
- HCAHPS; Hospital have to score a 9 or 10 on patient satisfaction surveys for reimbursement; 2% is withheld from Medicare, which is paid back if the hospital achieves the higher scores. Patients are indicating they would not score the hospital a 10 because facilities are not perfect. Various initiatives were discussed on how to achieve higher satisfaction scores.

  President Welch inquired about the 2% of Medicare reimbursement. Mr. Vessey shared that several different programs exist, which may be a topic the Board may want to consider for board education in the future.
- Nursing Outcomes Report; A Shared Governance model has been rolled out on 3rd floor, in which staff committee meetings are held to address any type of negative outcome, or various issues or concerns. This will also help in improving HCAHPS scores as well. During the 1st quarter of 2018, a case management model will be implement, which entails the planning of patient care stays and discharges, from the moment the patient walks in the door. There were no falls in November that resulted in any injuries.
- IUSS Report; USS Loads continued to drop in November.
- Quality Report; A review was conducted of various Strategic Planning Dashboard metrics. Decreased scores in Two Patient Identifiers and Timely Reporting of Critical Tests are a result of increased focus audits. Handwashing observation audits have replaced audits through the measurement of soap used from dispensers.
- DOH Audits; Overall, metrics are yielding improved results.

President Welch inquired about ED visits in relation to market share data. Mr. Jensen indicated that the only data available is inpatient CHARS data. The flu season may cause increased visits, as was the case last year. Mr. Longenbaugh brought forward that due to legislative changes, several thousand patients may be opting out of medical coverage, which could increase ED visits if patients choose to no longer seek care through primary care providers.

Board Finance Report

Commissioner Scroggs provided report on the December Board Finance Committee meeting, with information encompassing:

- Statistics; Acute Admissions were off 13% from budget; CDU was down 45%; Adjusted Patient Days was off 25%. Across the board, volumes are trending down. One orthopedic surgeon was out of the office and two urology providers are leaving the area.
- Gross Revenue was down 9% for the month and 8% versus last year. Net Revenue was down 24% for the month and 26% from last year.
- Expense were flat versus budget; down 6% from last year.
- Net Income came in at a $2M loss for November.
- Revenue was up 2% for the year; however, with the 6% price increase, it is not truly up.
- Expenses are up 5.9% for the year. A significant amount of expenses are fixed costs of pharmaceuticals, supplies, etc., that are passed on to the hospital.
- Five Year Trends were reviewed. Inpatient/Outpatient volumes are trending downward and staffing has grown over the five year period.

- There was an improvement in cash for the month due to improvements in Accounts Receivable, and payments being delayed to various vendors.
- Reviewed and discussed were productivity measures and their impact on hospital financials.
- Bond Covenants; Mr. Vessey brought forward that in July of this year, Key Bank chose not to renew the $3M line of credit; however, they indicated that they would not make the hospital pay back the loan at that time. Based on the USDA loan not coming through and the current state of the hospital's financials, the Bank is now asking for pay-off of the loan. Financing options were discussed going forward relative to Key Bank.

Charity Care Policy; WSHA spearheaded an effort a year ago to have hospitals standardize their charity care policies. Submitted was the revised Charity Care Policy, with Mr. Vessey indicating notable changes on page 4 (provides timeline for patients to provide documentation) and page 5 (regarding the appeals process if the hospital doesn't grant charity). Mr. Jensen added that the policy has also been approved by the Department of Health.

President Welch asked about the number of patients who qualify for charity care in a month or a year. Mr. Eek, Executive Director Revenue Cycle, indicated that the hospital receives anywhere between 10 – 15 applications a week, and grants anywhere from 50%, 75%, to 100% charity based on household income.

ACTION: A motion was made by Commissioner Walsh and seconded by Commissioner Bruce.

Commissioner Scroggs noted a typo on page 5 under the appeals process.

The motion and second were unanimously carried to approve the revised Charity Care Policy, with the correction noted.

CHAIRMAN'S REPORT

Honoring Commissioner Scroggs

President Welch recognized Commissioner Scroggs for serving on both the non-profit and district hospital boards over the past 10 years (June, 2007 – December 2017). In addition, Commissioner Scroggs served for many years as Finance Committee member and Chair, as well as a Foundation Board member and Chair.

Commissioner Walsh thanked Commissioner Scroggs for his quiet wisdom. President Welch added, while Commissioner Scroggs does not speak up much, there is always a nugget of wisdom when he does.

Commissioner Longenbaugh shared that Commissioner Scroggs was the first board member he met when running for his seat on the board, and that Commissioner Scroggs' passion for the hospital's success was obvious.

Commissioner Scroggs was wished well in his future endeavors.

Commissioner Scroggs expressed his confidence in the Board and their oversight going forward.

ADMINISTRATION

Executive Suite Summary Report
Submitted was the Executive Suite Summary for December, including the Employee Forum presentation slides. President Welch brought forward Mr. Vessey and Mr. Jensen's forthrightness with employees during the forums, regarding the financial state of the hospital.

OLD BUSINESS

None

NEW BUSINESS

I. Nomination of 2018 Officers
Submitted was a ballot for Hospital/District Board Officers, as well as Board Committee Chair/Members. President Welch requested that Board members complete and return their ballot as soon as possible.

II. Board Education
A recommendation was made from Board Quality that HIPAA and Privacy be considered for Board education. The recommendation was accepted and Linda Dunphy, HIM Director, will be asked to present on the topic in January.

PUBLIC COMMENT – General
President Welch opened the meeting to members of the public for comment regarding topics listed on the agenda.

NEXT MEETING

January 23rd 6:00p Room C

ADJOURNMENT

The meeting adjourned at 2:00p.

APPROVED AND ADOPTED THIS 23rd day of January, 2018.

ATTEST:

Teresa Ramirez
Recording Secretary

Commissioner Maryann Welch
President

Grays Harbor
COMMUNITY
HOSPITAL

FINANCIAL STATEMENTS

January 2018

GHCH Consolidating Balance Sheet—Assets
1/31/18

Grays Harbor COMMUNITY HOSPITAL

	Total 1/31/18
CURRENT ASSETS:	
Cash	2,232,888
Temporarily Restricted Cash-Peds	0
Patient Receivables:	
Gross Patient Receivables	66,902,175
Less Allowance for Uncollectibles	(43,387,496)
Net Patient Receivables	23,514,679
Other Receivables	1,364,060
Third Party Receivables	0
Inventories	1,966,156
Prepaid Expense	519,630
Temporarily Restricted Curr Assets	1,426,770
Other Current Assets	1,624,226
Total Current Assets	32,648,410
Board Designated Assets	3,937,653
Property, Plant & Equipment	
Land & Land Improvements	2,185,947
Building & Improvements	68,082,971
Medical Office Building	1,317,699
Equipment	38,450,047
CIP	306,436
Total Fixed Assets	110,343,100
Accumulated Depreciation	(73,396,135)
Net Property, Plant & Equipment	36,946,965
Other Assets:	
Reserve Fund	2,159,014
Phys Loans/Guarantees (after 2001)	0
Other Non current Assets	2,319,801
Intangible--Pension	740,624
Investments	0
Deferred Pension Outflows	1,781,739
Permanently restricted Assets	6,324,782
Total Other Assets	13,325,960
TOTAL ASSETS	86,858,988

GHCH Consolidating Balance Sheet—Liabilities 1/31/18

Grays Harbor COMMUNITY HOSPITAL

	Total 1/31/18
CURRENT LIABILITIES	
Short Term Notes Payable	3,000,000
Accounts Payable	12,369,140
Due to Third Parties	718,149
Payroll & Related	3,954,683
Other Current Liabilities	2,288,271
Current Portion -LT Debt	2,118,592
Total Current Liabilities	24,448,837
Long Term Liabilities	2,927,631
Total Long Term Liabilities	2,927,631
LONG TERM DEBT	
Notes Payable	969,945
Bonds Payable	26,282,558
Total Long Term Debt	27,252,503
Total Liabilities	54,628,971
EQUITY	
Fund Equity	33,068,084
Equity--Prior Year	(7,993,433)
Permanently Restricted Assets	6,324,782
Reserve for Pension/Other	1,497,903
Net Income(Loss)--Current Year	(667,320)
Total Equity	32,230,017
TOTAL LIAB & FUND EQUITY	86,858,988

Grays Harbor Community Hospital
Consolidated Income Statement
01/31/2018

Grays Harbor COMMUNITY HOSPITAL

	Month	Month Budget	Variance	% Variance	Prior Year Actual	Variance	% Variance
Revenues							
Inpatient Revenue	9,656,266	11,654,742	(1,998,476)	-17.15%	11,509,656	(1,853,390)	-16.10%
Outpatient Revenue	13,543,723	16,020,376	(2,476,653)	-15.46%	14,101,361	(557,638)	-3.95%
ER Revenue	7,094,278	7,571,537	(477,259)	-6.30%	7,382,048	(287,770)	-3.90%
Physician Revenue	1,185,983	1,324,271	(138,288)	-10.44%	1,146,230	39,753	3.47%
Total Revenue	31,480,250	36,570,926	(5,090,676)	-13.92%	34,139,294	(2,659,045)	-7.79%
Revenue Deductions							
Bad Debt	251,874	554,185	(302,311)	-54.55%	135,082	116,792	86.46%
Charity	43,697	79,374	(35,677)	-44.95%	62,403	(18,706)	-29.98%
Other Deductions	23,281,582	26,892,818	(3,611,236)	-13.43%	24,829,432	(1,547,850)	-6.23%
Total Revenue Deductic	23,577,153	27,526,377	(3,949,224)	-14.35%	25,026,917	(1,449,764)	-5.79%
Net Patient Revenue	7,903,097	9,044,549	(1,141,452)	-12.62%	9,112,378	(1,209,281)	-13.27%
Other Revenue	281,559	278,626	2,933	1.05%	271,666	9,893	3.64%
Net Operating Revenue	8,184,655	9,323,174	(1,138,519)	-12.21%	9,384,043	(1,199,388)	-12.78%
Expenses							
Salaries	3,651,957	3,404,391	247,566	7.27%	3,527,801	124,156	3.52%
Benefits	1,489,832	1,174,740	315,092	26.82%	1,611,160	(121,328)	-7.53%
Professional Fees	1,216,378	1,138,127	78,251	6.88%	1,073,136	143,242	13.35%
Supplies	1,072,075	1,112,925	(40,850)	-3.67%	1,040,178	31,897	3.07%
Utilities	94,998	94,272	726	0.77%	89,917	5,081	5.65%
Purchased Services	819,152	1,004,275	(185,123)	-18.43%	828,956	(9,804)	-1.18%
Agency	170,834	124,833	46,001	36.85%	174,752	(3,918)	-2.24%
Depreciation	286,357	324,206	(37,849)	-11.67%	367,190	(80,833)	-22.01%
Rent/Lease	88,982	122,271	(33,289)	-27.23%	91,892	(2,910)	-3.17%
Other	148,458	402,999	(254,541)	-63.16%	203,181	(54,723)	-26.93%
Insurance	87,333	95,834	(8,501)	-8.87%	74,159	13,174	17.76%
Interest	158,997	147,529	11,468	7.77%	146,740	12,257	8.35%
Total Expenses	9,285,353	9,146,402	138,951	1.52%	9,229,061	56,292	0.61%
Net Operating Income	(1,100,697)	176,772	(1,277,470)	-722.67%	154,982	(1,255,679)	-810.21%
Operating Margin %	-13.45%	1.90%			1.65%		
Non-Operating	433,378	230,412	202,966	88.09%	147,048	286,330	194.72%
Net Income	(667,320)	407,184	(1,074,504)	-263.89%	302,030	(969,349)	-320.94%
Net Income Margin %	-8.15%	4.37%			3.22%		