

**BOARD OF COMMISSIONERS
REGULAR MEETING
JULY 27, 2018**

The Regular Meeting of the Board of Commissioners of Public Hospital District No. 1, Skagit County, was held at Skagit Valley Hospital.

ATTENDANCE

Present were: Commissioners Julie Blazek (by phone), Peter Browning, Al Dennis, Jim Hobbs, Bruce Lisser, Jeff Miller, and Gary Shand; Brian Ivie, President & Chief Executive Officer; Paul Ishizuka, Regional Vice President & Chief Financial Officer, Connie Davis, Chief Medical Officer, Michelle Sand, CVH Chief Nursing Officer; Lisa Buller, Regional Vice President & Chief Information Officer; Dr. Kelly Cline Chief of Staff/Skagit Valley Hospital Medical Staff; Dr. Rosanna Go, President/Cascade Valley Hospital Medical Staff; Brad Berg, Legal Counsel, and Joanie Whitener, Executive Secretary. Also present: Kari Ranten, Sandi Browne, Renee Stone, Tamara Cesena, Christina Logalbo, Kathleen Abhold, and Brian Hill

CALL TO ORDER

The meeting was called to order at 8:02 a.m. by Mr. Lisser

PUBLIC COMMENT

Mr. Hill shared his recent experience at SRH regarding patient care for a family member.

REPORTS & DISCUSSION

CHARITY CARE PROGRAM

Tamara Cesena, Director of Revenue Cycle presented the Board with background information regarding Skagit Regional Health's Financial Assistance/Charity Care processes, which included an overview of collection practices, the billing and collection timeline, state regulations, key provisions of financial assistance and bad debt, as well as patient resources. Ms. Cesena also shared industry updates and changes to the Affordable Care Act and its impact for SRH. Ms. Cesena further advised that by October 1, billing statements would include messaging in Spanish to help further explain the statements and potential resources available for financial assistance.

SRH MEDICAL STAFF UPDATE

Dr. Kelley Cline, Chief of Staff/Skagit Regional Health Medical Staff, updated the Board on SVH Medical Executive Committee physician activities that included focus work resulting from findings from the recent Harty Springer conference, physician training regarding email and texting compliance, and outreach work with community providers.

CVH MEDICAL STAFF UPDATE

Dr. Rosana Go, President/Cascade Valley Hospital Medical Staff, updated the Board on CVH Medical Executive Committee on recent activities that included also physician compliant use of email and texting and continued focus on improving Press Ganey scores.

**EXECUTIVE QUALITY
OVERSIGHT COMMITTEE/
COUNCIL**

Mr. Browning reported that the Executive Quality Oversight Council met July 20, 2018, and were presented with the following. Three presentations were given at the July EQOC meeting. **HACS / Never Event:** Sarah Place, SRH Director of Quality, discussed how CMS Pay For Performance is focused on Hospital Acquired Conditions (HACS), which is a mandatory risk based payment program. Collectively, 6% of our revenue is at Risk in FY 2018 based on 1% HACS, 2% Value Based Purchasing (VBP), and 3% or more on hospital readmission reductions. Penalties are measured between our facility and the national average performances in select clinical quality and safety measures. Penalties are assessed on patient safety indicators: 15% on pressure, ulcers, hospital acquired hip fracture, etc., with 85% on MRSA, urinary tract infections, central line infections, etc. SVH score is .9300, lower than the national score of .8830. Each case is audited becoming a Never Event, in which a root cause analysis is conducted, resulting in corrective action plans be in place. SVH's financial impact for FY2018-FY2019 are negative based on VBP, readmission adjustment factor, and patient satisfaction. HACS have zero dollar impact as of this time. **MIPS and Transition to Medicare ACO Quality:** Dr. Mary Ramsbottom, SRH Medical Director of Population Health, discussed pay for performance for physicians. For 2017, we utilized the MIPS (Merit-based Incentive Payment System) focusing on quality measures, advance care information, improvement activities achieving a Value Modifier of +1.9% starting January 2019. For 2018, SRH was approved as a Medicare Shared Savings Program (MSSP), which is one of the Medicare Accountable Care types. As part of the MSSP, physician billing fees paid to the organization, there will be an increase. MSSP provides healthcare with the highest quality at the lowest costs, using the most efficient setting to provide care - primary care vs emergency room. We anticipate increased patient satisfaction and a decrease in hospital readmissions and overall total cost of care. CMS agreed to share information, providing us with data files from all Medicare beneficiaries who are assigned to our organization. This will enable us to know who we are treating, what conditions we are treating, and where they are going for continued treatment (other facilities). **ISO Management:** Sarah Place, SRH Director of Quality, provided an update on ISO Management. SVH and SRC had our DNV survey conducted Feb 27 – Mar 1, 2018. Of review were the CMS and ISO 2015 standards, as well as submission and approval of our action plan. Extensive discussions continue with surveyors for a system-wide survey for 2019. Among positive indicators noted were leadership and their commitment, employee engagement committee, addressing high turnover rates, and the Clinical Practice Committee highlighting lean strategies. Main areas of improvement noted were control of documented information (facility management processes, forms of external origin), operational planning and control (Utilization Review plan, use of safety devices), and property

belonging to patients. For 2019 we will continue to move towards standardization of procedures and policies for document management throughout SVH. Review of our 100+ Committees, reevaluating their purpose, what metrics they are producing and do the metrics support our overall organizational development. Creation of a dashboard will be available for the EQOC and ELT members on a regular basis to provide updates in the process.

**FINANCE REPORT & GASB
PRESENTATION**

Mr. Ishizuka presented the Board with the June Financial Statements including a mid-year review and fiscal-year projection as well as a presentation on GASB ramifications.

MOTION

It was moved, seconded, and unanimously carried to approve the modified Capital Budget.

MOTION

It was moved, seconded, and unanimously carried to remove the July SVH Credentials Report from the Consent Agenda for further review and discussion

CONSENT AGENDA

It was moved, seconded, and unanimously carried to approve the "consent" agenda with the exclusion of the SVH Credentials Report. The subsequent consent agenda included the Medical Staff Credential Reports for CVH, June 21 and July 9, 2018 meeting minutes, the Finance Committee Meeting Summary, the SRH monthly financial statement, Write-offs for SRH, resolutions for SVH Investment and Surplus Equipment, and Vouchers and Payroll as noted below:

**SVH MEDICAL STAFF
CREDENTIALS REPORT**

Dr. Cline's report dated July 27, 2018 included the SVH Medical Executive Committee recommendations for membership and privileges which is attached and made part of these minutes. Dr. Cline's report was approved by the Board.

**CVH MEDICAL STAFF
CREDENTIALS REPORT**

Dr. Go's report included CVH Credentials Committee recommendations as contained in her report dated July 27, 2018, which is attached to and made part of these minutes. Dr. Go's report was approved by the Board.

MEETING MINUTES

The minutes of the June 21, 2018 regular Board Meeting and July 9, 2018 Board Work Session minutes were approved as recorded.

WRITE-OFFS

SRH WRITE OFFS: Charity Care - \$684,998.05
Bad Debt Write Off - \$4,199,888.21

VOUCHERS AND PAYROLL

SVH Accounts Payable vouchers were approved as presented:
General SVH #242521-244538
Refund Mgr #47746-48077

General CVH #902719-902735
Payroll vouchers #059818-059878
Payroll, EFT – Direct Deposit

**JULY SVH CREDENTIALS
REPORT**

Discussion followed regarding documentation and understanding of the Robotics Credentialing Process. Dr. Cline and Ms. Renee Stone, Medical Staff Director advised the Board that Robotics credentialing processes for 19 similar organizations were reviewed and expert physicians were also consulted to assist with mirroring and creating the credentialing processes at SVH. Mr. Ivie advised that the appropriate steps were taken in the credentialing process.

MOTION

It was moved, seconded, and unanimously carried to accept and approve the July 2018 SVH Credentials Report as presented.

LEGAL REPORT

Mr. Brad Berg provided an update on current legal and political activities in healthcare including changes to the Stark Law and the Federal Government's proposal to reduce payments for off-campus facilities (up to 60 percent reduction from the current rate for Medicare patients). Mr. Berg advised that this proposal, if adopted, would create significant change to off-campus revenue and would also apply to existing clinics currently grandfathered in.

**PHYSICIAN GOVERNANCE
COMMITTEE REPORT**

Dr. Vaderah was unable to attend the meeting. Mr. Ivie reported PGC elections were concluded and Dr. Vaderah was re-elected as Chair.

**CHIEF EXECUTIVE OFFICER &
EXECUTIVE TEAM REPORT**

Mr. Ivie shared information on current activities in local healthcare, and presented the 2018 Key Performance Metrics to date. He advised of the continued focus to improve communication within the organization and noted the employee feedback and responses as seen in the Connections publication. Mr. Ivie also encouraged the Board to attend the Da Vinci demonstration coming up on August 6.

COMMISSIONER ROUNDTABLE

Roundtable was held. Commissioner Al Dennis reported that he was resigning his position due to moving out of the area.

EXECUTIVE SESSION

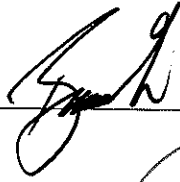
The meeting went into Executive Session at 10:45 a.m. to discuss with legal counsel matters pursuant to RCW 42.30.110 (1) (g). The Board anticipated 15 minutes for Executive Session.

REGULAR SESSION

The meeting reconvened into Regular Session at 11:00 a.m. No action was taken as a result of the Executive Session.

ADJOURN

The meeting adjourned at 11:00 a.m.



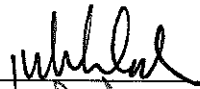
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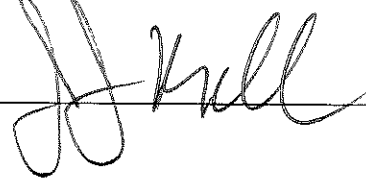
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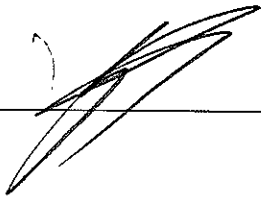


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ATTEST:



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