



**Public Hospital District 3 of Pacific County  
Ocean Beach Hospital and Medical Clinics  
BOARD OF COMMISSIONERS MEETING  
July 23, 2012**

AGENDA	DISUSSION / CONCLUSION	RECOMMENDATIONS / ACTION / FOLLOW-UP
CALL TO ORDER	<p>The Public Hospital District 3 of Pacific County Board of Commissioners Meeting was called to order July 23, 2012 at 5:30 pm</p> <p><b>Commissioners present:</b> Darren Thorsen, Chairman of the Board; Nancy Campiche, Secretary of the Board; Alan Johnson, Garnette Sutherland and Nancy Gorshe</p> <p><b>Also Present:</b> Terry Finklein, Interim CEO Linda Kaino, CNO Dr. Law, Chief of Staff Tammie Jefferies, Executive Assistant</p>	
AGENDA	Darren Thorsen requested approval for the agenda	A motion to approve the agenda was made by Alan Johnson; Nancy Gorshe seconded the motion. The motion passed by unanimous vote.
MINUTES	Darren requested approval for the June minutes	A motion to approve the minutes of the June 2012 meeting was made by Nancy Campiche; Nancy Gorshe seconded the motion. The motion passed by unanimous vote.
Quality Summary	<p>L &amp; I Final Safety Inspection Report: Linda Kaino shared the final report came back with one citation which was a chemical hygiene plan in the lab. We had no monetary fine.</p> <p>Review of Quality board summary</p>	No discussion

EOC Report	1 <sup>st</sup> Quarter review	A motion to accept the 1 <sup>st</sup> Quarter EOC Report was made by Nancy Campiche; Alan Johnson seconded the motion. The motion passed by unanimous vote.
<p>Finance Committee</p> <p>Approval of Vouchers</p> <p>Terry report on Finance Committee</p> <p>Terry Finklein – June Finance Review</p>	<p>Vouchers: June 2012</p> <p>Terry announced there was not an official finance committee.</p> <p>Patient Revenue:  Inpatient \$462,034  Outpatient \$1,489,001  Clinic \$258,608  YTD overall Total Patient Revenue: \$13,806,177  Total Deductions: \$656,418  YTD Total Deduct: \$4,611,265  Net Patient Revenue: \$1,553,225  YTD Net Patient Revenue: \$9,194,912  Total Operating Revenue: \$1,559,391  YTD Total Operating Revenue: \$9,348,809  Expenses:  Total Labor Expenses \$1,011,831  YTD Total Labor Expenses: \$ 6,497,250  Total Non-labor Expenses \$ 665,234  YTD Total Non-labor Expenses \$4,129,581  Total Operating Expenses \$1,677,065  YTD Total Operating Expenses \$ 10,626,831  Net Operating Profit / (loss) (\$117,674)  YTD Net Operating Profit /(loss) (\$1,278,022)</p> <p>Accounts payable report: Terry shared we are not remarkably changing our positions at this point of time but we are able to maintain our positions. Everyday these accounts get older. For this month have an erosion of about \$30,000. We anticipated we would get the Medicare cost report 2011 and also the Medicaid funds for 2010 and neither of them came. Once they come we</p>	<p>A motion to approve the June voucher listing was made by Nancy Gorshe; Alan Johnson seconded the motion. The motion passed by unanimous vote.</p> <p>A motion to approve the June financial report was made by Alan Johnson; Nancy Gorshe seconded the motion. The motion passed by unanimous vote.</p>

<p>Medicare Cost Report 2011 (year end)</p> <p>Bank Loan update</p>	<p>can make some significant advances as far as the payables go.</p> <p>Cash Flow Projections: Terry wanted the board to be aware of to the projected Cash Flow Projections for the balance of 2012 that he shared with the banks and the County Treasurer.</p> <p>Terry shared that we should be getting this end of July beginning of August. They originally said end of June beginning of July.</p> <p>Status of Loan Options:</p> <ul style="list-style-type: none"> <li>• Bank of the Pacific <ul style="list-style-type: none"> <li>– \$740,000 Line of Credit Loan (5.0 % interest)</li> <li>– Extended through Aug 23, 2012</li> <li>– \$460,000 Additional Loan</li> <li>– \$ 1,200,000 Total new loan (combining the LOC and new loan)</li> <li>– 5.25% Interest Rate (TBD)</li> <li>– Pending 2013 Operational Budget</li> <li>– 30 months Payment at \$40,000/mo + interest</li> </ul> </li> </ul> <p>- If we pay the loan down lower than the scheduled payment balance would be, the hospital could borrow the difference through the life of the loan.</p> <p>- After 30 months the entire loan would be retired.</p> <p>CRAFT 3</p> <ul style="list-style-type: none"> <li>- Application completed for \$550,00</li> <li>- Pending</li> </ul> <p>County Treasurer</p> <ul style="list-style-type: none"> <li>- Possibility of “Registered Warrant” being investigated</li> </ul>	<p>This is still under consideration by Mr. Finklein.</p> <p>Waiting to hear for Craft3.</p> <p>Waiting for decision by the County.</p>
<p>Strategic Planning update</p>	<p>Values Task Force</p> <ul style="list-style-type: none"> <li>• Open Communications</li> <li>• Teamwork and collaboration</li> <li>• Respect and trust</li> </ul>	<p>Linda requested for approval by the board. A motion to accept and endorse the organizational Values as presented was made by Nancy Campiche; Nancy Gorshe seconded the motion. The motion passed by unanimous</p>



<p>CEO report continued...</p>	<p>Tammie sent out possible dates for you to look at.</p> <p>Greeter Desk: Terry shared that he attended a meeting with the Auxiliary. The Auxiliary brought up a concern that the greeter desk was not attended to. Terry casually mentioned that it would be great to have a volunteer at the desk. They agreed that it is a need for the hospital and agreed to staff the greeter. Tammie worked with the Auxiliary to come up with a plan on having a volunteer there during the week. Tammie introduced Pinky Tyron the president of the Auxiliary and Connie Huff who is the gift shop manager and does the scheduling for the volunteers. Tammie worked with Joyce Lang and Kammy Rogers to come up with duties and look at certain days of the week when it would be best to have a volunteer at the greeter desk. We would like to thank the volunteers for taking on this role. The Board is very grateful for their dedication.</p> <p>Naselle Clinic: Terry shared that Gwen Meyer is on family leave for a period of time. She will be back on part time basis on or around the 31<sup>st</sup> of July. Until that time we have diminished hours of the clinic. Dr. Ensminger has gone over to do his routine record review. We have notified the patients and tried to accommodate them.</p> <p>ER Quik Grant: ER Quick is a program that was introduced to Terry by Nancy Gorshe. Our first responders in the community have already endorsed and/or implemented the program. Geri Marcus was appointed to lead the implementation of this program for the hospital. She highlighted what the program details. ER Quick has a grant available for OBH to help implement this program and they are asking for signatures of the board. The grant is \$5000 and is coming from Samuel S. Johnson Foundation.</p> <p>Budget Calendar Review: Terry shared that he came up with a calendar for the budget. Reason is that there are requirements with deadlines for public hospitals to follow</p>	<p>A motion to approve the grant application for the ER Quick program was made by Nancy Campiche; Alan Johnson seconded the motion. The motion passed by unanimous vote.</p> <p>Terry asked for a motion for approval of the budget calendar. Motion made by Nancy Campiche; Alan Johnson seconded the motion. All were in favor.</p>
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	<p>regarding the budget process..</p> <p>Lid Lift Levy: Terry shared that the Treasurer recommends reconsidering. Terry will be following up with the Treasurer based on her experience.</p>	<p>Terry will re-assess going for a Levy Tax Lid Lift in November.</p>
<p>PeaceHealth &amp; OBH Management Task Force</p>	<p>Darren shared that they had their task force meeting with PeaceHealth Monday evening. There was a lot of good discussion. We are getting closer to having a document drawn up to review. The attorneys are looking at it to define performance expectations that OBH has for PH relative to the management agreement. There will be two agreements- a master agreement with us contracting with PH and management oversight and the second agreement will be a letter of engagement. Once we agree and sign the documents they will move forward to the recruitment process.</p> <p>Darren mentioned one thing PH requested from us was a list of goals.</p> <p>Terry's recommendations for goals are:</p> <p>Create and sustain a stable positive financial position</p> <ul style="list-style-type: none"> <li>- Achieve a breakeven or positive operating margin prior to inclusion of tax revenues by Jan 1, 2013</li> <li>- Keep the Accounts Payable current – ongoing</li> <li>- Evaluate Revenue Cycle by March 2013 <ul style="list-style-type: none"> <li>• Review and adjustment of Charge Master by June 2013</li> <li>• Achieve Days Outstanding Targets achieved and maintained by May 2013 <ul style="list-style-type: none"> <li>- Hospital = 50.0 or less</li> <li>- Clinics = 40.0 or less</li> </ul> </li> </ul> </li> <li>- Evaluate and modify as necessary all significant contracts by Dec 2013</li> <li>- Assess the operation of OBH Clinics and implement improvements as identified by Oct 2013)</li> <li>- Create realistic 2014 Budget in compliance with requirements by Nov 2014</li> </ul>	

<p>PeaceHealth &amp; OBH Management Task Force Continued...</p>	<ul style="list-style-type: none"> <li>– Successfully negotiate union agreements (Teamsters &amp; WSNA)-Mar 2013</li> <li>• Improve Communications <ul style="list-style-type: none"> <li>– Provide information and education to the Board on an ongoing basis</li> <li>– Spokesperson for the hospital both internally with employees, medical staff, volunteers and externally with the communities, county officials, and others on an ongoing basis.</li> </ul> </li> <li>• Continue to achieve consistent high quality patient care <ul style="list-style-type: none"> <li>– Develop as necessary measurement metrics (June 2013)</li> <li>– Compliance with all State and Federal requirements for Critical Access Hospitals and Rural Health Clinics (ongoing)</li> <li>– Obtain high patient satisfaction ratings for clinic and hospital services (ongoing)</li> </ul> </li> <li>• Establish and effective stable highly qualified management team <ul style="list-style-type: none"> <li>– Make any necessary management structure changes to improve efficiency and achieve goals (Ongoing)</li> </ul> </li> </ul> <p>Evaluate service line opportunities in collaboration with PeaceHealth, CMH and other health delivery partners as appropriate (ongoing)</p> <p>Discussion on the dynamics of PH choosing a CEO candidate. Darren shared that PH will include the board with choosing a CEO. Terry shared that the board is still responsible for the operation and the success of the hospital and the board needs to make sure they get the information they need to manage. The new CEO will have to report to PH and to the Board of Commissioners. Darren shared that the tone of the meetings was definitely cooperation.</p>	<p>Nancy Gorshe recommended adding regulatory compliance requirements to the board.</p> <p>Terry asked for an endorsement of the goals. The board has agreed to endorse.</p>
<p>Redistricting</p>	<p>Terry shared that Darren has taken on as a responsibility. Darren would like to put together a task force. He mentioned that Pat Gardner requested for it to be done by the end of the year. Darren is asking for another</p>	<p>Marshal requested there be two from the community along with two of the commissioners.</p>

	<p>commissioner and someone from the community. Darren asked Marshal Tate if he would be interested in being on the task force. Marshal asked if the board has chartered the task force.</p>	<p>Terry offered to help to charter the task force.</p> <p>Nancy has volunteered to be on the task force. Mr. Tate has also agreed to volunteer.</p>
Charity Care	<p>Terry wanted to bring up the issue of charity care. Earlier this week a medical application for charity care for an elective surgery was evaluated by our business office. Terry shared he is not used to this providing charity care for elective procedures . Terry believes originally charity care was implemented to help patients that need it for required care. There is a policy and screening process utilized for deciding whether a patient qualifies or not prior to writing the bill off. Practice has been that there has not been a screening done therefore a patient would come in have several services done and we would write it off after the fact. Terry wanted to bring this to the boards attention. He does not have a recommendation at this time.</p>	<p>Terry will continue to do research and follow up with the board on charity care.</p>
PUBLIC PARTICIPATION	<p>Darren Thorsen opened it for public participation.</p>	
Adjournment	<p>The meeting adjourned at 7:49p.m.</p>	