



**Public Hospital District 3 of Pacific County
Ocean Beach Hospital and Medical Clinics
BOARD OF COMMISSIONERS MEETING
September 25, 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 September 25, 2012 at 5:30 pm</p> <p>Commissioners present: Darren Thorsen, Chairman of the Board; Nancy Campiche, Secretary of the Board; Garnette Sutherland and Nancy Gorshe</p> <p>Also Present: Terry Finklein, Interim CEO Linda Kaino, CNO Tammie Jefferies, Executive Assistant (recorder)</p> <p>Excused: Alan Johnson Dr. Law Chief of Staff</p>	
Presentation	Steve Evans – Presentation on Audit & Audit Options	No follow-up required.
AGENDA	Darren Thorsen requested approval for the agenda	A motion to approve the agenda was made by Nancy Gorshe; Nancy Campiche seconded. The motion passed by unanimous vote.
MINUTES	Darren requested approval for the August minutes	A motion to approve the minutes of the August _? Meeting and the Special Board Meeting on (date) to accept the recommendation of PeaceHealth to approve the new CEO Candidate was made by Nancy Campiche; Nancy Gorshe seconded the motion. The motion passed by unanimous vote.
Patient Quality	Review of Patient Quality board summary	Reviewed with no discussion

Summary		
Finance Committee		
Approval of Vouchers	Vouchers: August 2012 Terry & Kathy shared they met with the County Treasurer this past week. Kathy shared that we are trying to streamline the cash flow and check processing system between the hospital, bank and county. In the process of getting ACH set up with our vendors and payroll will also be going through the Bank of the Pacific. We are in the process of closing/transferring the clinic account to the hospital account at the Bank of the Pacific so we will have one account to work with. August Financials reviewed. See attached.	A motion to approve the August voucher listing was made by Nancy Gorshe; Garnette Sutherland seconded the motion. The motion passed by unanimous vote. Staff will work with the Bank of the Pacific and the county to accomplish this task.
August Finance Review By Kathy Hubbard	Terry shared the Aged Accounts report. Terry shared we did get the Medicare Cost Report reimbursement. The accounts payable is at about \$800k of which \$300K to \$400k is over 60 days. The Financial dashboard – reviewed. Terry shared the goal is to have a dashboard with highlighted colors by next meeting. Status Reports 2011 Medicare Cost Report 2010 Medicaid Settlement Still Pending (\$ 232,000) 2011-2012 Medicaid Recoupment (Clinics) • OBH Medical Clinic (\$ 87,131) • Naselle Clinic (\$11,011)	A motion to approve the August financial report was made by Nancy Campiche; Nancy Gorshe seconded the motion. The motion passed by unanimous vote. Continue to monitor. Funds of \$ 891,056 have been received. Evaluate any possible appeal by October 15, 2012

	<ul style="list-style-type: none"> • Women's Health Clinic (\$736) <ul style="list-style-type: none"> – Total = (\$ 98,878) <p>We have an appeal period until October 15th. We have to look at it a little closer.</p> <p>Terry shared we did reserve from the Medicare Cost Report \$300k into reserves Terry expects \$100k will go back to Medicaid.</p>	
Resolution 2012-08	<p>Bank of Pacific Line of Credit Extension</p> <p>Terry requested the board of commissioners approve the extention of the Bank of Pacific Line of Credit to September 20, 2013. Some of the terms are:</p> <ul style="list-style-type: none"> ○ \$737,227.77 Line of Credit Loan ○ 5% interest ○ \$3,535 additional loan fee. When renewing monthly it cost \$500 per month for renewal ○ Payment Schedule – starting in October ○ Continue to send ongoing information to the bank – Annual & Interim Financial Statements ○ Covenants/Ratios: Maintain working capital of \$1million, Cash Flow/Current Maturity (LTD) of minimum 1.25 to 1.0 this mea profit + depreciation/Long Term Debt ○ Net Fund Balance at least 2.70 ○ Any PeaceHealth Management Change by District Commissioners after Interim CEO, the loan will be due in full 	<p>Darren asked for an approval for Resolution 2012-08 to extend the line of credit with Bank of Pacific to September 20, 2013 and that this approval be effective September 15, 2012 as described at that meeting and further described at tonight's meeting . Nancy Campiche moved to approve; Nancy Gorshe seconded the approval and all were in favor.</p>
CRAFT3	<p>CRAFT3 – Terry received a document from them that they were willing to move forward on the loan.</p> <ul style="list-style-type: none"> - Principal \$550,00 - Loan Fee 1.5% - Closing Costs \$550.00 - Total Loan = \$558,800 - Term is 5 Years - Rate = Variable rate of prime + 5% adjusted quarterly (rate would be 8.25%) - Payment monthly would be \$11,397 for 60 months 	<p>Terry noted that we have not been in compliance with some of these conditions for the last few years.</p> <p>Terry recommends placing this on hold for now.</p>

	<ul style="list-style-type: none"> - Bond Counsel – they indicated there would be no charge for bond counsel. Terry shared the bond counsel is our cost. - No prepayment penalty - Collateral = LTGO Bond; cross-collateralized with existing CRAFT3 loan. 	
Budget 2013	<p>Terry announced the budget is still in a work in progress. The staff has really done a nice job with very little instruction. Terry shared that it will be available and presented at the Special Public Board meeting on Oct 1st.</p>	<p>Terry will continue to refine the 2013 Budget for public presentation on October 1st.</p>
Cash Flow Projections	<p>Terry shared the cash flow- see attached..</p>	
Contracts	<p>Radiology contracts have been evaluated. We have selected a Radiology group. There were a few recommendations to contract and we are waiting for their response. At this point the savings are significant and anticipated to be over \$300k per year.</p> <p>The next contract Terry will be looking at is the ER contract. Terry is also looking at Hospitalist services through the ER agreement.</p>	<p>Staff will finalize the agreement and take action to implement the new radiology contract for the hospital and Terry will report back to the Board.</p> <p>Pending at this time.</p>
Teamsters Audit	<p>The information we got back from our legal council is that the Teamsters' attorney has all the information she needs from us and is preparing a finalized report for us to review. Terry recommended leaving this on the agenda so it doesn't get dropped.</p>	<p>Terry will update the board as the audit continues.</p>
Margaret Myers Trust Fund	<p>Terry wanted to make the board aware there is a trust the hospital has been named to receive monies. Terry shared he does not have the exact amount at this time.</p>	<p>No discussion.</p>
Redistricting	<p>Maps were displayed. There will be special board meeting on Oct 1st in Ocean Park. This meeting will be for community input on the redistricting.</p>	<p>Special public board meeting for input on the proposed redistricting plan on Oct 1st.</p>
PeaceHealth	<p>CEO Selection: Terry shared the candidate has shown a lot of positive interest.</p>	<p>.Terry will inform the board once he gets an answer from Sy.</p>

	Financial Oversight: we have started the transition. Mr. Tom Haywood is the CFO out of the regional office out of Vancouver. Ms. Jori Scruggs-Brown is the director of financial services and based out of St. Johns in Longview. Jori will be our go to person and she will be the one who will be working most directly with us. Terry has asked Stephanie Brenden w/ CMH to continue for next couple of months to assist the smooth transition.	Continued meetings and transitions will occur as necessary.
Board	In the last issue of the eNews the board response from their roundtable was listed in there.	The Board endorsed this method of closure to their quarterly Board-Employee Roundtables to assure that staff could see that issues were acknowledged and addressed.
Business Plan	Oncology – reviewed The Board appreciated the overview of this service line.	A 6-month re-evaluation is planned and presented at the April 2013 Board Meeting.
	Nancy Gorshe talked about a strategy on marketing our oncology service and others with current resources we have and not spend money. The marketing would be with current methods or upcoming events.	Terry will follow up with Geri on how we can use current resources for marketing our services.
CEO Report	<p>Board Calendar – Tammie printed out calendars for October and November. The calendar will list upcoming events, meetings, and reminders for the board.</p> <p>October board meeting – Terry shared he will be out of the office at the next scheduled board meeting. It was discussed to move the meeting.</p> <p>The November board meeting will be on the 4th Tuesday, November 27th.</p> <p>Union Contract Information: Teamsters contract and WSNA are both up for negotiations. Each board member received a copy of the current contracts. Terry asked for the board to review for understanding the contacts in place. He shared ideas on how communications should occur between the Negotiating Team and the Board during the negotiating process.</p>	<p>Nancy C. requested to add the monthly meetings to the calendar.</p> <p>It was agreed to have the next board meeting on October 30th.</p> <p>No action necessary.</p> <p>Anticipate establishment of a communication strategy for contract negotiations to keep the Board informed without a public meeting.</p>
Interim CEO	Terry shared with not knowing the candidates decision he	A motion to approve the Interim CEO Agreement to

addendum	would like to extend his agreement to go through the next board meeting. Terry is requesting to extend the Interim CEO Agreement to November 2, 2012.	November 2 nd was made by Nancy Campiche; Nancy Gorshe seconded the motion. The motion passed by unanimous vote.
PUBLIC PARTICIPATION	Darren Thorsen opened it for public participation.	No action required.
Adjournment	The meeting adjourned at 7:24p.m.	