



**Public Hospital District 3 of Pacific County
Ocean Beach Hospital and Medical Clinics
BOARD OF COMMISSIONERS MEETING
November 17, 2015**

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 November 17, 2015 at 5:36 pm</p> <p>Commissioners present: Nancy Gorshe, Chairman of the Board; Alan Johnson, Darren Thorsen, Steven Linhart, Suzanne Staples</p> <p>Also Present: Kendall Sawa, CEO Linda Kaino, CNO Tammie Jefferies, Executive Assistant Beth Hash, Accountant</p>	
AGENDA	<p>Suzanne Staples opened the meeting. Kendall added the EOC report and Executive Session to the agenda. Suzanne Staples requested approval for the agenda with the requested additions.</p>	<p>A motion to approve the agenda with the additions was made by Steven Linhart; Darren Thorsen seconded. The motion passed by unanimous vote.</p>
MINUTES	<p>Suzanne Staples requested approval for the October minutes.</p>	<p>A motion to approve the minutes of the October board meeting was made by Steven Linhart; Darren Thorsen seconded. The motion passed by unanimous vote.</p>
Board Report	<p>Chapter 18 was reviewed by Nancy Gorshe.</p> <p>Cultural competencies – Nancy Gorshe would like to have the board be educated on this. Chapter 19 will be reviewed by Darren Thorsen.</p> <p>Reminder: The December board meeting will be on December 15th due to the Christmas Holiday.</p>	

	Nancy reviewed with the board members the evaluations.	A motion to approve the quality dash board made by Darren Thorsen; Alan Johnson seconded. The motion passed by unanimous vote.																											
Consent Agenda	<p>Quality dashboard – reviewed</p> <p>EOC Quarterly – the board reviewed the quarterly report. Steven asked if the report could be in a more simplified format. It is unclear who attended the meetings and what the discussions are. Linda shared this was talked about at the last meeting and they are coming up with a more improved and accurate report. It was also recommended for the Facilities Manager to attend the board meetings when these reports are being approved.</p>	A motion to approve the consent agenda was made by Steven Linhart; Darren Thorsen seconded; all in favor. The motion passed by unanimous vote.																											
	Linda shared the new ED real time questionnaire. The ED patients will have an opportunity to complete an electronic questionnaire after their visit before they leave the hospital. This will be a good information and should be able to resolve issues quickly.																												
Approval of Vouchers October Financials	<p>Vouchers – October</p> <p>Kendall Sawa presented the October Financials. See attached.</p> <p>Kendall shared we got notice of the 2015 Interim Rate Questionnaire. There will be a payment of \$514,884 by the end of the year. There is a reserve of \$604k to pay this.</p> <p>2015 Interim Rate Questionnaire</p> <table border="1"> <thead> <tr> <th></th> <th>Current Rates</th> <th>Calculated</th> </tr> </thead> <tbody> <tr> <td>IP</td> <td>3,178</td> <td>3,660</td> </tr> <tr> <td>OP</td> <td>52.79%</td> <td>45.00%</td> </tr> <tr> <td>Swing</td> <td>2,812</td> <td>3,193</td> </tr> <tr> <td>RHC I</td> <td>284</td> <td>356</td> </tr> <tr> <td>RHC II</td> <td>276</td> <td>204</td> </tr> <tr> <td>LS based on 08/31/2014 PS&R</td> <td></td> <td>(514,884)</td> </tr> <tr> <td>Previous LS Received</td> <td></td> <td>-</td> </tr> <tr> <td>Total LS</td> <td></td> <td>(514,884)</td> </tr> </tbody> </table>		Current Rates	Calculated	IP	3,178	3,660	OP	52.79%	45.00%	Swing	2,812	3,193	RHC I	284	356	RHC II	276	204	LS based on 08/31/2014 PS&R		(514,884)	Previous LS Received		-	Total LS		(514,884)	A motion to approve the October vouchers was made by Darren Thorsen; Steven Linhart seconded. The motion passed by unanimous vote.
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Wipfli – Consulting Engagement:

1. Accounting services: (Plan to transition onsite over 6 months)
 - a. 3rd party Review
 - b. AR Allowance Review
 - c. Review and recording of any new operating/capital lease or long-term-debt

2. Board Reports/Presentation
 - a. Benchmarking
 - b. Reimbursement updates
 - c. Trends
 - d. Board Education

Financial Statement Analysis

<u>Assets</u>	2014	2013	2012	Change 2013 to 2014	Percent Change
(in thousands)					
Current assets:					
Cash and cash equivalents and resident funds	\$ 2,729	\$ 1,508	\$ 809	\$ 1,221	81%
Patient accounts receivable - Net	1,931	2,598	2,045	(667)	-26%
Electronic health records incentive	-	-	450	-	
Due from third-party reimbursement programs	527	752	1,013	(225)	-30%
Other receivables	26	11	9	15	136%
<u>Other current assets</u>	<u>319</u>	<u>375</u>	<u>350</u>	<u>(56)</u>	<u>-15%</u>
Total current assets	5,532	5,244	4,676	288	5%
Assets limited as to use	4,172	3,836	3,482	336	9%
<u>Capital assets - Net</u>	<u>3,664</u>	<u>3,995</u>	<u>4,396</u>	<u>(331)</u>	<u>-8%</u>
TOTAL ASSETS	\$ 13,368	\$ 13,075	\$ 12,554	\$ 293	2%

- Cash and cash equivalents largely due to a Medicare lump sum received at year-end of \$900,000.
- Patient accounts receivable decreased substantially as this was the first full year on the new system
- Third-Party accounts fluctuate from year to year. The variance identified above is within expectations.

<i>Liabilities and Net Position</i>	2014	2013	2012	Change 2013 to 2014	Percent Change
(in thousands)					
Current liabilities:					
Current maturities of long-term liabilities	\$ 290	\$ 279	\$ 256	\$ 11	4%
Current maturities of capital lease obligations	12	48	104	(36)	-75%
Accounts payable	553	553	495	-	0%
Accrued liabilities	1,358	1,226	1,154	132	11%
Due to third-party reimbursement programs	-	-	190	-	0
Other liabilities	7	8	11	(1)	-13%
Total current liabilities	2,220	2,114	2,210	106	5%
Long-term debt, net	1,628	1,919	2,198	(291)	-15%
Capital lease obligations, net	-	12	60	(12)	-100%
Net position	9,520	9,030	8,086	490	5%
TOTAL LIABILITIES AND NET POSITION	\$ 13,368	\$ 13,075	\$ 12,554	\$ 293	2%

- Accrued liabilities (payroll/vacation) as FTEs increased from 156 to 171.
- Long-term liabilities continue to decrease as no new debt or capital leases were entered into during the year.
- Overall, net position increased by \$489,457 in 2014.

Key Financials Ratio Analysis:

- Financial flexibility” - the ability of a business to withstand the financial consequences of significant changes in its situation.
- Successful organizations realize “financial flexibility” by achieving superior performance with respect to:
 - Profitability
 - Liquidity
 - Debt capacity
 - Securing the condition of the physical facilities

The financial ratios appearing in the following graphs are presented to assist in understanding the “financial health” of the Hospital District. The ratios presented compare the financial position and operating results of the District to historical levels and industry averages from the Center for Healthcare Industry Performance Studies’ 2015 Almanac of Hospital Financial and Operating Indicators (“Far West”) for Critical Access Hospitals and the CAH Financial Indicators Report: Summary of Indicator Means by State – April 2014.

Medical Staff Report

The executive medical staff have completed the review and

	revisions of the bylaws. Tammie will be cleaning the bylaws up and sending it to the attorney for final review then the bylaws will be presented to the board for final approval.	
Foundation update	The next meeting is scheduled for December 10 th . At this meeting the plan is to talk about next steps and see if they are all interested in joining.	
Strategic Planning Committee	Nancy shared they are waiting for the PH management contract renewal. They are talking about changing it a bit. Nancy has asked Sara Cave to facilitate the strategic meeting in January.	
CEO report by Kendall Sawa	Larry gave an update on the provider that was offered the position has declined. There is a NP that is exploring us again. She is planning on a site visit in the next couple of weeks. The Naselle provider is out for unknown time. At this point we have 2 providers alternating going out to Naselle to cover. SAVE THE DATE: Employee recognition dinner is scheduled for January 23 rd at the Chinook Gym.	
PUBLIC PARTICIPATION	Nancy Gorshe opened it for public participation.	No action required.
	Nancy Gorshe adjourned the meeting at 6:50pm. Nancy announced there will be an executive session for about 20 minutes to discuss employment of a public employee. Break 7:01pm the executive session began. Executive Session ended at 7:17pm and went into general session Kendall announced his resignation. He has been offered a CEO position at another facility. It is with mixed emotions but he feels that hospital is at a place where he is comfortable with moving on. The board discussed Larry Cohen, COO being an interim administrator.	Nancy Gorshe sought a motion for Kendall's resignation; Darren Thorsen made a motion; Alan Johnson seconded. All were in favor with no discussion. Nancy Gorshe sought a motion for Larry Cohen to be interim CEO; Suzanne Staples made a motion; Steven Linhart seconded. All were in favor with no discussion.
Adjournment	The meeting adjourned at 7:20p.m.	

