

GRANT COUNTY PUBLIC HOSPITAL DISTRICT NO. 2
dba QUINCY VALLEY MEDICAL CENTER
BOARD OF COMMISSIONERS MEETING
April 28, 2014 - 5:30 p.m.
QUINCY VALLEY MEDICAL CENTER ANNEX

Present: Anthony Gonzalez, Randy Zolman, Don Condit

Also in attendance: Mehdi Merred, CEO; Sarina Pirkey, Dean Taplett, Tom Richardson, Alene Walker, Sheryl Wood, Mike Pirkey, Colleen Canfield, Michele Wurl, Cynde Tilton, Linda Stadig (QVMCF), Jill Fitzsimmons (QVPR) and Sean Highfill (Connect Telecom).

CALL TO ORDER – Anthony Gonzalez, Chairman of the Commissioners, called the meeting to order at 5:35 p.m.

1. **Comments from the Audience:** None.
2. **Approval of Minutes:** *A motion was made by Randy Zolman with a second from Don Condit to approve the minutes from the March 24 (Regular) and March 18 (Special) meetings as published. Motion carried.*
3. **Board Chair Report:** Anthony commented that we have been meeting with the County, our accountants and QVMC leadership regarding the finances of the facility and how to move forward. He stressed that we are still working very diligently on the issue and don't have anything ready at the current time to release publicly. Anthony mentioned that the Spring Swing would be taking place on June 13 and invited everyone's participation.
4. **QI Report:** Mike reported an overall 83% rating on the Scorecard; "Profitability" and "Facility Budget" are hindering this percentage. The DOH Plan of Correction Audit remained the same as last month. Safety meetings slipped for the month of March because Nursing and Dietary did not hold a meeting. The Annual Review process has started and should be completed by the middle of May. *A motion was made by Randy Zolman with a second from Don Condit to approve the QI Report as presented. Motion carried.*
5. **Consent Agenda**
 - Bad Debt/Charity Care: A motion was made by Don Condit with a second from Randy Zolman to approve the Bad Debt/Charity Care Adjustments totaling \$195,749.00. Motion carried.*
 - Vouchers (Accounts Payable and Payroll): A motion was made by Don Condit with a second from Randy Zolman to approve the Vouchers totaling \$1,168,028.22 as corrected. Motion carried.*
6. **Standing Committee Reports**
 - Finance Committee:** Don reported that our revenue for March 2014 was stronger than March 2013 by nearly \$100,000. He also pointed out that payroll costs were virtually the same and operating expenses were down from 2013 to 2014. Despite that, we lost \$113,744 in March, for a year to date loss of \$367,778. Looking at the YTD numbers compared with last year, our revenue numbers are very close, and expenses are down, however the year to date loss is significantly higher.

The current warrant line with the county is approximately 3,790,000 – this needs to be

dramatically reduced. Don reported every finance meeting focuses on our collection efforts. As we approach our higher volume months, we are hoping to see some improvement on the warrant line.

Dean reported that the managers are generally holding expenses under budget. He also indicated that we are making systematic improvements with CPSI in the collection area. He reported he expected to see some improvement in our current backlog within the next 60 days.

Sheryl reported 62 out of 486 people responded to the letters sent out regarding unpaid accounts. The total amount set up on payment plans was \$172,000. Mehdi expressed his frustration in this lack of response from the public. The lack of payment from people for services offered is placing an undo burden on the district's tax payers. He stressed that people who do not pay their bills will be turned over to collections.

Mehdi reported that he had just returned from a Washington State Rural Healthcare meeting where he learned that we had the highest percentage of bad debt/charity care in 2012. Our rate is approximately double that of other critical access hospitals on the west side.

Mehdi responded to community questions regarding whether or not our community needs a hospital. He pointed out the fact that new business recruitment would cease if the facility didn't exist. This would have a dramatic effect on the city and the County. He pointed out the over 11,000 people serviced last year and the life and death difference that having to travel greater distances would result in. He pointed out that financially, the medical center cannot survive on a standalone ER. He stressed that the \$1.8 million in bad debt that our patients imposed on the facility is a community problem that the community needs to help address. Mehdi stressed that we are not asking for a handout, we are simply asking to be paid for the services we deliver. He also expressed frustration that the community recognizes the needs for a new library, public works building, city hall, police station and expanding our schools, however the 1959 hospital is never addressed.

Anthony expressed his gratitude to all the Managers for the work they are doing and for staying within their budgets.

Building & Grounds Committee:

Will be discussed in the new business.

Personnel: None.

7. **Old Business:** None.

8. **New Business:**

a. Resolution 14-01: Disposal of surplus property: *Randy Zolman made a motion, with a second from Don Condit to approve Resolution 14-01 as presented. Motion carried.*

b. Purchase Approval: Hospital Phone System: A proposal from Connect Telecom was presented to purchase a refurbished phone system for the hospital via a 3-year loan. This purchase is estimated to save the facility \$9,276/year due to reduced reoccurring monthly phone costs. Randy stated this has been an ongoing issue for over 5 years. He indicated the

system is continually failing and he strongly recommended the group move forward with the purchase with the caveat that there are at least 2 copper lines for the telephone system that can run without power. Installation is scheduled to be done by June. There will be minimal downtime during the actual number transition. ***A motion was made by Randy Zolman, with a second from Don Condit, to approve the purchase as presented. Motion carried.*** Mehdi reiterated that this type of purchase is the direct result of our aging facility and we can expect more of these types of failures to come up as time passes.

c. Purchase Approval: CPSI Electronic Remits: Sheryl indicated that while working with North Valley, they noticed that we did not have electronic remittance for payers which requires a large amount of manual work. This is a very slow, cumbersome process that requires a .5 FTE. Electronic remit allows for an immediate secondary bill to go out once the primary payment is received and eliminates the manual work. A proposal was presented to purchase modules from CPSI to allow for electronic payment receipt and patient account management. The Board requested a more detailed contract, including tax and a delivery date. The "Unlimited Commercial Payer" pricing is contingent upon North Valley also authorizing the purchase. ***A motion was made by Randy Zolman with a second from Don Condit to approve the "Medicaid, L&I and Premera Blue Cross" portion of purchase as presented, and to approve the second portion of the request regarding "Unlimited Commercial Payers" contingent on approval from the North Valley Hospital Board. Motion carried.***

9 Department Reports:

Administrator's Report: Mehdi reported that we had a signed employment acceptance with Alicia Shields as our new CNO, effective May 27. We look forward to having her on board. Anthony thanked Sarina for her years of service as a CNO.

Mehdi also reported that we have a contract with a local business for Occupational Health Services. This is a great way to partner with area businesses for both education and preventative health services. We are excited to expand this service. We are still in the process of looking for a permanent general surgeon but have some interest from two locum surgeons for permanent placement. Colleen reported that Dr. Callarman (podiatrist) will be returning to see patients in Quincy one a month. He is already performing his surgeries here. She is also in conversation with a cardiologist and a sleep specialist to come see patients in our facility. These arrangements would be similar to our arrangement with our Orthopedic Surgeon.

Mehdi reported some changes in leadership in our Clinic and Lab. He also reported that Dr. Newton's last regular day in our ER was on Friday; however Dr. Crosier has picked up his hours and will be in our facility on a regular basis. He reported we had multiple doctors interested in picking up these shifts which is a high compliment to our staff.

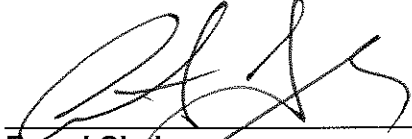
Mehdi pointed out that Quincy Valley Medical Center hosted a statewide trauma meeting last week with over 70 people from all over Washington state and Portland in attendance. This conference is sponsored by the Department of Health and is held three times per year. Despite the condition of our facility, people like holding the meeting in Quincy due to our central location.

10. An Executive Session for QI Matters was called for a period of fifteen minutes with No Action

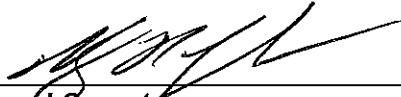
to be taken following the Executive Session.

Regular session resumed:

Adjournment: There being no further business the meeting was adjourned at 7:10 p.m.



Board Chairman



Board Secretary

(Minutes recorded by and submitted by Michele Wurl)