KENNEWICK PUBLIC HOSPITAL DISTRICT
KENNEWICK, BENTON COUNTY, WASHINGTON
BOARD OF COMMISSIONERS
BOARD MEETING

Trios Mission: We are a unified team of healthcare professionals delivering quality and compassionate care to improve the health and well-being of everyone we serve.

5 p.m. – Thursday, May 25, 2017
Conference Rooms C&D

COMMISSIONERS PRESENT:

Marvin Kinney, Mike McWhorter, Gary Long, Richard L. Reil, Don Campbell, Dr. Leonard Dreisbach

COMMISSIONERS EXCUSED:

Wanda Briggs

EXECUTIVE STAFF:

Craig Cudworth, Tony Sudduth, Brenda Atencio, Lorie Orozco, Lisa Teske, Dr. Randall Fong, Heidi Ellerd, Attorney; Mary T. Schumacher

STAFF MEMBERS:

Ken Daniel, Kate Green, Liz Rice, Stacey Slaughter

GUESTS:

Pat Johnstone-Jones, Pat Loera, Lester Dougherty, Cyndi Kittson

CALL TO ORDER:

Marvin Kinney, Chairman, called the meeting to order in Conference Rooms C&D at 5 p.m.

I. DISTRICT BUSINESS:

A. Approval of Consent Agenda*

The materials listed under the Consent Agenda are considered routine by the Board of Commissioners, and are adopted by one motion. There will be no separate discussion of the following items:

- Approval of the previous month’s Board minutes
- Approval of warrant register/revenue fund (outlined below)
- Approval of construction, Trios Medical Group Funds, medical dental trust, Adult Day Services funds, and other miscellaneous funds (outlined below)
- Acceptance of financial report
- Statistics
- KPHD Write-offs

However, an item may be removed from the Consent Agenda and considered separately if the Board members desire further discussion. As of this date, the Board of Commissioners
unanimously approves by a majority vote, the payment of those items included in the Consent Agenda and further described as follows:

Accounts payable and payroll funds 453796 to 454165 and 300602 to 300606 and 4/14/17 to 4/28/17 in the total amounts of $3,533,525.50 and $3,426.85 and $4,273,699.05 and $5,113,936.03.

Construction, KGH Physician Clinics Funds, Medical/Dental Trust, Adult Day Services 12186 to 12239 in the total amounts of $56,529.77 and $10,648.68.

IT WAS MOVED AND SECONDED TO APPROVE THE CONSENT AGENDA AS SUBMITTED. Motion carried.

B. Public Comment

None

C. Membership/Liaison Reports:

1. Tri-Cities Cancer Center

   No report.

2. TMG Provider Operating Committee (POC)

   Marv Kinney reported that:
   
   - The CEO updated the group on the current financial performance and Management’s continued work on financial improvement.
   - He provided a summary of Chapter 9 bankruptcy and what would be involved in the filing of same. He also indicated that Management is speaking with two organizations interested in possible affiliation.
   - Recruitment is underway for primary care and PAs to increase access to patients.
   - It was reported that Dr. Echaiz has resigned and the group commended him for his development of the Antibiotic Stewardship Program.
   - The group approved the amended Clinic Cancellation policy to outline processes for provider leave both urgent and non-urgent.
   - The Quality Director made a presentation to the group about their quality scores and statistics with Kaiser Permanente (formerly Group Health). They are very complimentary about the group’s performance and TMG has a 70.3% quality rating!

3. Trios Foundation

   In Wanda Briggs’ absence, Ken Daniel reported that:
   
   - On June 2nd the Foundation will open and sponsor mini markets on both campuses for staff members to obtain fresh, prepared and pre-packaged food.
   - On June 9th, the Foundation will participate in the First Annual George and Pat Jones’ Community Service Day. They plan to beautify the Women’s and Children’s campus at Auburn by planting flowers, weeding and cleaning the planter beds and distributing mulch. From 8 to Noon on the same date, Dave
Retter will provide a barbecue ribeye steak lunch at Columbia Park for those that help. Please contact the Foundation Office to sign up.

4. Adult Day Services

Richard L. Reil reported that volume stays strong at the Service and they are doing well financially. They underwent a survey recently, and continue to receive high marks. The Service has done well under Michael Porter’s leadership.

II. HOSPITAL BUSINESS:

A. Executive Report

1. Chief Executive Officer – Craig Cudworth
   a. General Update

      Mr. Cudworth reported that:

      - As reported above, Management is concentrating their provider recruitment in the area of primary care, and signed an exclusive agreement with a recruitment firm to help in that regard.
      - Dr. Khawandi has accepted the position of Chief Medical Officer for the District.
      - The Cancer Center has set up a breast cancer education site for patients to receive information about the diagnosis and care modalities.

   b. Presentation of Trios Success Metrics Aggregated

      Mr. Cudworth presented to all the updated Trios Success Metrics as a power point presentation and reviewed the information with them. The teams working on the initiatives for improvement are:

      - Case Management
      - Physician Services & Market Review
      - Clinical Operations
      - Supply Chain
      - Accreditation
      - Information Technology
      - Managed Care
      - Workforce Efficiency
      - Finance/Refinance

      This information is reviewed each month with the Board.

      The Board President introduced the newest addition to the Board, Dr. Leonard Dreisbach.

B. Medical Staff Report

1. Randall Fong, MD, Medical Staff President

      Dr. Fong reported that:
• Work continues on CPOE and they plan to be CPOE compliant later this year.
• Dr. Salisbury is retiring after 16-years of service and the Medical Staff plan to present him with a gift.
• Several policies were adopted by the Medicine Department.
• In the months to come, there will be Bylaws changes presented to allow for some ICU Committee changes, the establishment of the new QAPI Committee, and establish the CMO as a non-voting member of the Medical Executive Committee.

III. NEW BUSINESS:

A. Committee Reports/Recommendations

1. Planning – Wanda Briggs, Chairman
   a. Meeting Report

   There were no action items.

2. Finance & Audit – Tony Sudduth, CFO
   a. April Financial Statements

   Consolidated net loss was $1,479,846 and days operating cash were zero. Patient volume in the clinics was extremely low in April. The efforts towards expense reduction are working, but volume is dropping which negatively affects our financials. Discussion followed on staffing and whether or not further reductions in that area will occur. The CEO reported that the productivity system that was implemented is working District-wide so they are able to control the staffing better.

   b. Resolution #2017-6 – Surplus Equipment*

      The Materials Management and Accounting departments submitted a listing of surplus equipment and the Committee recommends its approval.

      IT WAS MOVED AND SECONDED TO ADOPT RESOLUTION #2017-6 TO SURPLUS EQUIPMENT AND AUTHORIZE MANAGEMENT TO DISPOSE OF THE ITEMS APPROPRIATELY. Motion carried.

3. Executive/Governance – Marvin Kinney, Chairman
   a. Postpartum Overflow Renovations @ Auburn*

      It was reported that pending Board approval, work will begin soon on the renovations. Those renovations were the target of last year’s Trios Foundation’s Gala d’Vine fundraising efforts. Most of the work will be done by in-house Plant Operations staff members. However, the CEO asked for formal approval of the Board to commence the project. Discussion followed and the question was asked about possibly moving labor, delivery and nursery to Southridge. The CEO indicated that with the current volume they are seeing the need is critical for overflow beds. Although they will move to Southridge eventually, the need is still there in the interim.

      IT WAS MOVED AND SECONDED TO AUTHORIZE THE COMMENCEMENT OF CONSTRUCTION OF THE POSTPARTUM OVERFLOW RENOVATIONS ON THE 2ND FLOOR OF THE WOMEN’S AND CHILDREN’S HOSPITAL AT AUBURN IN THE AMOUNT OF
$97,600.00 and authorize the CEO to sign any necessary documentation. Motion carried.

b. Revocation of Executive Level Management Recruitment & Retention Policy & Adoption of Updated Management Authority Grid *

The Committee reviewed and recommended approval of this policy developed by Chris Cardwell some years ago. However, the Committee now recommends to the Board that they rescind the document as the information is no longer relevant. The Committee suggested further that in the 2018 Operating Budget process a salary range and Executive Level compensation process could be established as a part of that process.

It was moved and seconded to rescind the Executive Level Management Recruitment & Retention Policy and authorize management to return with a suggestion for Executive Compensation in the 2018 Operating Budget. Discussion followed and concern was expressed that this action might have a negative effect on current executive level contracts.

The motion and second were withdrawn and Management was asked to work with legal counsel to review and return to the next meeting with a recommendation.

c. Amended Committee Roster *

In light of a new Commissioner joining the Board, the Committee recommends the following changes:

- Dr. Dreisbach will join the Joint Conference Committee, replacing Don Campbell.
- Dr. Dreisbach will act as a liaison between the Board and the Medical Executive Committee
- Rick Reil will act as a liaison to the Provider Operating Committee replacing Mike McWhorter
- Mike McWhorter will join the Finance and Audit Committee

It was moved and seconded to approve the amended 2017 Committee Roster as outlined above. Motion carried.

IV. COMMISSIONER COMMENTS:

The following comments were noted:

Don Campbell – thanked everyone in the audience for attend this evening’s meeting.

Dr. Leonard Dreisbach thanked everyone for the warm welcome as he joins the Board, and he looks forward to a good term.

V. BOARD MEETINGS/EVENTS/EDUCATION:

A. Next Board Meeting - Thursday, June 29th @ 5 p.m., 3rd Floor Conference Rooms C&D
VI. EXECUTIVE SESSION (RCW 42.30.110 and RCW 70.44.061-1 and 2):

Per the RCWs noted above, the regular meeting was adjourned to Executive Session for the purpose of reviewing the following:

- Medical Staff Privileges
- Quality Report
- Legal Issues with Legal Counsel via Phone

A recess was taken at 5:51 p.m. and the meeting closed to Executive Session at 5:57 p.m. The meeting opened at 6:27 p.m. and was extended for 15-minutes. The meeting opened at 6:42 p.m. and was extended for 15-minutes. The meeting opened at 6:57 p.m. and was extended for 10-minutes.

OPEN FOR ACTION:

The meeting opened for action at 7:07 p.m.

IT WAS MOVED AND SECONDED TO APPROVE THE MEDICAL STAFF PRIVILEGES AS RECOMMENDED BY THE MEDICAL EXECUTIVE AND JOINT CONFERENCE COMMITTEES. Motion carried.

ADJOURNMENT:

There being no further business, the meeting adjourned at 7:08 p.m.

Respectfully submitted,

Mary T. Schumacher
Recorder

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Marvin Kinney, Chairman   Gary Long, Secretary