**CASCADE MEDICAL**
PARTNERS IN YOUR HEALTH

Minutes of the Board of Commissioners Meeting
Cascade Medical Center – Arleen Blackburn Conference Room
Public Hospital District No. 1 – October 22, 2019

**Present**: Bruce Williams, President; Mall Boyd, Vice-President – excused absence; Mary Helen Mayhew, Commissioner; Helen Rayfield, Commissioner; Tom Baranouskas, Commissioner; Diane Blake, Chief Executive Officer; Jim Hopkins, Chief Financial Officer; Shawn Ottley, Chief Clinical Officer; Pat Songer, Chief Operating Officer.

**Guests**: Marianne Vincent, Director of Accounting; Rachel Hansen, PR Coordinator; Steve Sutherland, Pharmacy; Dave Sutherland, Pharmacy, Deb Jahnke, RN, Endoscopy; Kathy Montgomery, Foundation Member.

| Topics | Actions/Discussions |
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| **CALL TO ORDER** | ▪ President Bruce Williams called the meeting to order at 9:03 AM, following a board education session which was a recap of the WSHA Annual Meeting, Governance Day and Advocacy Bootcamp. |
| **PLEDGE OF ALLEGIANCE** | ▪ Pledge of Allegiance was recited. |
| **CONSENT AGENDA** | ▪ Mary Helen Mayhew moved to approve the Consent Agenda.<br>▪ Helen Rayfield seconded the motion.<br>▪ Motion was approved. |
| **COMMUNITY INPUT** | ▪ None |
| **FOUNDATION REPORT** | ▪ Kathy Montgomery-The Think Pink Fund has provided free mammograms for 14 women to date. The month of October has seen the largest number of scheduled mammograms to date (70). The Wildflour Benevolent Night is October 23, with 25% of proceeds going to the Think Pink Fund. The 2019 Home & Garden Tour saw a 11% increase in proceeds from 2018.The Foundation Board Retreat will be held October 30 at Mountain Springs Lodge. The Foundation is looking for ways to increase giving without adding events. The CM Foundation 2020 project has been approved as Ambulance Safety and includes the purchase of 3 Stryker Auto Lifts and 3 LUCAS Compression Systems for use in our ambulances. |
| **VALUES** | ▪ Diane Blake shared a letter of gratitude from the Cascade School District for hosting the Free Physical Event, serving 149 student athletes (48% of athletes). Free vaccines were offered at the 2019 event.<br>▪ Shawn Ottley shared a reading on the Quality of Value entitled "Quality is Everyone's Responsibility". |
| **QI Presentations**<br>▪ Pharmacy | ▪ Steve Sutherland shared that he and Dave Sutherland have teamed at CM for many years. Steve shared the Pharmacy Bar Code Scan (BCMA) Quality project that tracks dosing, with an estimated 2-3,000 doses administered in Acute each month. 98% accuracy is the target goal, with August and September reporting 96.5% and 93%. Non-scanners have primarily been agency nurses. A one-sheet was developed for training purposes for new RN's and Agency nurses. The pharmacy has also completed an assessment of 600+ medications for bar code accuracy after a recent change to our primary pharmaceutical supplier. |
| **PR Update** | ▪ Flu Clinic October 23, 3-6 PM at Alpine Lakes Elementary. Health Insurance Fair October 24, 3-6 PM at Cascade Medical, sponsored by Amerigroup, with giveaways, bilingual navigators, and Perri the Poetry Fairy. Icicle Creek Center for the Arts will donate a portion of proceeds from the Oct 25 "Winterland" ski film, and Icicle Brewing donated a $125 raffle that will be held in conjunction with the ski film, with proceeds from both benefiting the Think Pink Fund. |
| **COMMITTEE REPORTS** | |
| a. Governance Committee | ▪ Recent work includes review of Board President Job Description, CEO Review process, Self-Assessment surveys, and there was a brief discussion around Credentialing work. |
| b. Medical Staff Meeting | ▪ There was no quorum at most recent meeting, and a presentation was given by a Confluence staff member regarding Palliative Care. Diane noted that we have not explored Palliative Care. |
| c. Finance Committee | ▪ 3rd Quarter revenue looks good, margin improving, and cash is strong. The Medicare Outpatient Cost to Charge Ratio has improved from .62 at the end of 2018 to .54 at the end of the 3rd Quarter, which is good. Charge Capture is improving, particularly in the ED. |

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| | AR will be a focus area in 2020. Bond Compliance Reporting has been completed, and the Board of Commissioners would like to have some Board Education in this area to better understand what this entails. The Finance Committee recommends approval of the budget, acknowledging challenges ahead related to market growth and Nurse Registry costs. Committee recommends the 1.5% (non-union staff) and 3% (managers, provider) wage increases. Diane clarified that the non-union staff also have a 1.5% step increase for a total of 3%. Committee also recommends approval of the Long-Term Capital Budget and the use of DZA for the 2019 audit. |
| **September Finance Report** | ▪ Jim shared that the $385,434 margin still included high Nurse Registry costs but benefited from a $371,000 Medicare Cost Report Settlement Receivable as well as a $100,000 Receivable for the Foundation donation. Y-T-D margin is now positive, and patient volumes will drive end of year results. The EMS tax levy adjustment and GEMT funds may give us some receivables for the year. GEMT Receivable could be $71,000 for Jan-June of 2018 and approximately $140,000 the period of June 2018-June 2019. Y-T-D margin is (192,362), with clinic Gross Revenues doing well. Supply expense continues to be high due to flu vaccine, wound care, infusion, and lab supplies. Cash position looks good through the end of 2019. |
| **2020 Budget Hearing – 2nd Reading** | ▪ Significant budget changes from the 1st draft include decreasing the estimated clinic volume growth to 5.5% after reducing estimates for L.C.S.W. stats and a modest reduction for a 2020 Provider sabbatical. The clinic volumes also included estimates for an embedded clinic in the school. Swing bed volumes were also reduced. Adjustments were made based on the recent Interim Cost Report, but these numbers were trimmed down. Most significant was the increase in tax revenue of $185,000 due to the 14% increase in the property tax roll for 2020. Miscellaneous expense increases included the actuarial study required for the OPEBB expense. Overall, the changes resulted in a change in margin from $257,000 to $474,000.<br>▪ No change has been made to the Capital Budget, with a new ambulance and nurse call system being the larger items. There has been an effort made to build out subsequent years in the Capital Budget. Comment was made that we need to carefully consider colonoscope purchases (ROI).<br>▪ With the recommended wage increase, margin will move from $474,000(2.3%) to $372,000(1.8%). Jim noted that the dollar amount of the wage increase is greater than the difference, but that some of the increase is covered through cost reimbursement by Medicare.<br>▪ The Cash Flow Statement assumes that we repay the EHR Payable. Jim also noted the projected increase in cash flows, despite a high capital budget expenditure. |
| **ACTION ITEMS: NEW BUSINESS** | |
| a. Resolution 2019-03 – 2020 Operating and Capital Budget Approval | ▪ The Finance Committee recommended budget approval with a 3% annual increase. Employees on a step schedule will receive it in two parts (1.5% in January and 1.5% at time of step) and employees not on a step schedule will receive 3% at beginning of year.<br>▪ Tom moved to approve Resolution 2019-03, 2020 Operating and Capital Budget Approval with the above noted wage increase.<br>▪ Mary Helen Seconded the motion.<br>▪ Motion was approved. |
| b. Resolution 2019-04 – 2020 M&O Tax Levy Approval | ▪ Tom moved to approve Resolution 2019-04, 2020 M&O Tax Levy Approval.<br>▪ Helen Seconded the motion.<br>▪ Motion was approved. |
| c. Resolution 2019-05 – 2020 EMS Tax Levy Approval | ▪ Tom moved to approve Resolution 2019-05, 2020 EMS Tax Levey Approval.<br>▪ Helen Seconded the motion.<br>▪ Motion was approved. |
| d. Resolution 2019-06 Surplus Equipment | ▪ Mary Helen moved to approve Resolution 2019-06, Surplus Equipment<br>▪ Helen Seconded the motion.<br>▪ Motion was approved. |
| e. Authorization for CEO Diane Blake to sign WSNA Agreement | ▪ Shawn presented details of the new WSNA CBA. We are now aligned with the Janis Hearings, which allow workers to opt out of the union. We do not pay staff for negotiating time, nor is the CEO required to attend specific committee meetings.<br>▪ Primary changes were financial. The primary change was to the wage scale, with nurses in the 5-15-year range seeing significant changes. Other changes included an increase in Weekend Premium from $2.50 to $3.00, a Certificate Pay addition of $1.00 to base pay for certification relevant to the job, a Degree Pay for RN or BSN addition of $1.00 to base |

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| | pay, Preceptor Premium Pay of $1.50, and a $3.50 addition to base pay for Clinical Resource Nurse. On average nurses saw a 16% increase in pay, and 20% including differentials. A 2% increase will occur for years 2 and 3 of the Contract.<br>▪ Benefits eligibility remains at 60 days after date of hire. No education pay will be paid for pool employees, as required classes are offered on site.<br>▪ Language related to protected classes was updated.<br>▪ Deb Jahnke, Endoscopy nurse was introduced and expressed her appreciation of the new contract.<br>▪ Helen moved to approve Authorization for CEO Diane Blake to sign the WSNA Agreement.<br>▪ Tom Seconded the motion.<br>▪ Motion was approved. |
| f. Board President Job Description Approval | ▪ Bruce noted that the Board Chair has not always led Governance and that Governance is more a function of the Board, not Management. Board Members noted that feel they have more of a voice than in the past.<br>▪ Helen moved to approve the Board President Job Description.<br>▪ Tom Seconded the motion.<br>▪ Motion was approved. |
| g. Conflict of Interest Policy | ▪ Board members discussed Conflict of Interest, and all members present noted no change in Conflict of Interest had occurred for any of them.<br>▪ Mary Helen moved to approve the Conflict of Interest Policy<br>▪ Helen Seconded the motion.<br>▪ Motion was approved. |
| **DISCUSSION / REPORT: OLD BUSINESS** | |
| a. 2019 Board Goals Check-in | ▪ 2019 Board Objectives were Strategic Thinking, Quality, and Financial Planning.<br>▪ Tom notes Board better at looking at Strategic versus Tactical goals, and Financial planning will see improvements if we increase revenue from marketing. Mary Helen notes we are better at looking ahead. Bruce appreciates the tying of CHNA results to Strategic Goals and appreciated Diane's commentary on the Dashboard for 2019 as it relates to the pillars. |
| b. Q3 2019 Dashboard | ▪ Diane expressed concern for our work on Financial Stewardship, while recognizing the strength of work on Community Connections.<br>▪ It was recognized that even though we are lagging on Financial Stewardship, there has been work done in this area. |
| c. Draft Strategic Plan Review | ▪ Leadership Team provided feedback, Medical Staff did not offer feedback. The Strategic Plan will see some refined language and fine-tuning.<br>▪ The development of a Culture of Safety under the Patient & Family Centered Care was recently added to the draft, and Diane noted that it has been a part of the discussion all along.<br>▪ Tom asked about Provider compensation and Diane noted this work is currently underway.<br>▪ Bruce questioned the end goal of a 70% increase in market share. The measure needs to be more clearly defined. Tom likes the large goal. |
| **Administrator Report** | ▪ The Foundation has committed $123,000 for 2020.<br>▪ We should have an update on the Clinic proposal for Vail Resorts soon.<br>▪ Marlene Farrell, Foundation Coordinator, and Pat are working on a grant proposal (due November 1) to the NCACH for the proposed Clinic work at the school.<br>▪ Work is being done to determine if the school or a mobile clinic would be approved billing sites of service.<br>▪ Diane did write to the City of Leavenworth expressing concern as to whether the CVCH mobile clinic offers the same services offered by CM. The City is waiting on the outcome of CVCH communication with M.E.N.D about the impact to the free clinic.<br>▪ Diane expressed our interest in collaborating in Blue Zones work being explored by Our Valley Our Future. This work is beginning in November in Wenatchee. Diane and Bruce will be attending a future meeting of Our Valley Our Future.<br>▪ Reminder that Finance Committee Board Evaluation is due November 1.<br>▪ Crosscut has a journalist that is doing work related to the financial viability of CAH's and is looking for a few good patient stories.<br>▪ Advisory Council is Saturday, November 2. |

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| | ▪ We experienced a Lockdown on October 21 due to a phone threat. Staff handled the situation very well.<br>▪ As a result of Pat's work, the Chelan County Sheriff department will be using the Administration Building as a Command Center during Christmas Lighting Festival.<br>▪ We will continue with the PEBB as our Medical Plan as it is the best fit for our population needs at this time. |
| **Executive Session** | ▪ The Board went in Executive Session at 12:16 PM for 30 minutes. At 12:46 the Board announced an extension of Executive Session by 15 minutes.<br>▪ Board came out of Executive Session at 1:01 PM. |
| **BOARD ACTION ITEMS** | ▪ Check e-mail at least three times per week, or more frequently if you are home and able.<br>▪ Verified date of Foundation Retreat and which Commissioners will attend. |
| **STRATEGIC QUESTION / MEETING EVALUATION / COMMISSIONER COMMENTS** | ▪ No Strategic questions/meeting comments |
| **ADJOURNMENT** | ▪ There being no further business, Mary Helen moved to adjourn the meeting.<br>▪ Helen seconded the motion.<br>▪ The meeting was adjourned at 1:04 PM. |

Bruce Williams, President

Helen Rayfield, Secretary