

**Southern Coos Health District
Board Minutes
April 24, 2014
7:00 p.m.**

I. Call to Order

The regular monthly meeting of the Board of Directors for Southern Coos Health District was called to order at 7:00 p.m. by Esther Williams, Board Chair.

Members Present: Esther Williams, Chair; David Allen; Bob Hundhausen, Brian Vick; and Carol Acklin, Directors. **Administration:** Charles Johnston, Robin Triplett, Carol Meijer, Megan Holland, MD and Kim Russell. **Public:** Chris Cox, Melody Gillard-Juarez, Linda Olsen, Jim and Donna Reilly.

II. Public Input – No public input.

III. Consent Agenda – With no additions or corrections to the Consent Agenda or Foundation Report, Brian Vick **moved** to approve the Consent Agenda. David Allen **seconded** the motion. **All in favor.** Bob Hundhausen noted a correction to be made to Days Cash on Hand on page 6 of the March 27 meeting minutes.

IV. Staff Reports

A. CEO Report – New Clinic Update - Charles Johnston began with introduction of Jim Coffey, of Stebbins & Coffey Law Firm in Coos Bay. Mr. Coffey's estimated timeline for new clinic bid process was distributed to all meeting attendees. Mr. Coffey explained that Oregon State Law requires compliance with the bid process pursuant to Oregon Revised Statutes Chapter 279C. The Board must decide what type of schedule and timeline can we use and comply with, to begin with a schedule and timeline including items built in by statute. The first step is to ask the Board to, by motion, authorize hospital staff to issue an invitation to bid for this project. Jim has begun work on the bid documents to have the package complete to issue by May 5. Public Notice must be made on May 5 to the local paper and to the Daily Journal of Commerce in Portland. Bids will be due Wednesday, May 21. For a project of this size, it is required by Oregon Law for contractors to disclose any subcontractors they intend to use and the dollar amounts of those subcontracts. By law, SCH may only open bids on a Tuesday, Wednesday, or Thursday. Bids will be opened at 2:00, Wednesday, May 21, with bidders having a maximum of 2 hours to turn in subcontractor disclosure statements. At the May 22 Board Meeting submitted bids will be reviewed. If everything is in order, the Board will determine the potential low bidder and move to accept low bid and authorize staff to issue on May 23 the Notice of Attempt to Award contract to the low bidder, with notice going to all bidders. All qualifications will be reviewed as a part of acceptance of low bid. Bid documents will provide compliance information, sample contract, and insurance requirements. If financed with a funding agency, bidders are to

add the funding agency as an additional insured. Section 400 of bid documents will have requirements and engineering specifications. Bidder response is required on all bid specifications; SCH may waive minor irregularities with prior legal opinion of counsel and review of engineer. Oregon Law states that SCH must provide bidders a period of time in which to file a protest, Oregon Statute is 10 days, but this period may be modified by board action, in the motion to authorize the invitation to bid, that the protest period after bids are received and notice of award is issued will be, rather than 10 days, will be 5 days -- to May 28 to file a protest. If no protests are filed, on May 29 we can issue Notice of Award and Contract to the low bidder who then has 15 days to sign the contract, supply the bonds and required insurance. SCH will require a payment bond for employees and subcontractors, and a performance bond which is the insurance that the project will be built according to specifications and bid documents. Oregon Law does allow for the waiver these, but Mr. Coffey stated that he would never recommend that be done. Fifteen days from May 29 is June 13, the last day for the contractor to provide the signed contract and insurance. A contractor may return these documents sooner. SCH will then have 10 days to return the copy of the signed contract with issue of Notice to Proceed. These are statutory dates, however, often can be accomplished within a day or two. The estimated date of completion based on a 100 day estimate, from June 23, is October 3. Brian Vick **motioned** to authorize staff to issue an Invitation to Bid and authorize within the bid package to reduce the time for bidders to file a protest to the Notice of Intent to Award contract from 10 days to 5 days. Bob Hundhausen **seconded** the motion. **All in favor.** Mr. Coffey reviewed with the Board and Administration that some time ago he had begun to review SCH local public contracting rules which are out of date. Mr. Coffey and past-CEO Mr. Jim Wathen had previously visited on the subject at which time Mr. Wathen had requested that Mr. Coffey proceed with that update. However, during the period of time with interim CEO, and so forth, the project did not proceed. Once the current bid package project is complete, Mr. Coffey plans to provide SCHD with new set of public contracting rules that will bring the Southern Coos Health District to current guidelines. These rules will provide a guide for the future contracting for goods and services or public improvement projects. There are specific rules to follow to issue solicitations based on the dollar value of a contract. Under \$5,000 a CEO or designee can directly solicit a purchase. Between \$5,000 and \$100,000, goods or services or a public improvement project, a bid process is not required, but a Request for Proposal may be issued. Any public improvement project over \$100,000 must go through this bid process. A lease without intent to purchase, will require some attention and should be reviewed with counsel.

McKesson-Paragon Separation Update - The letter of response to McKesson-Paragon sent today pursuing a sum from them for services not rendered in amount of \$1.176M. The letter is to prompt reasonable discussion and resolution without lawsuit. Mr. Coffey confirmed that the Board wishes to dissolve the contract with no further payments. If a suit is filed the speculated location would be a Federal District Court in their state of Georgia, then the Board would be required to hire a Georgia lawyer, as Mr. Coffey is not licensed to practice in Georgia, or attempt to get the suit moved to Oregon where the contract was signed and service provided, which would add further expense. McKesson-Paragon believes is still owed a figure in the range of \$70,000-\$200,000 of real and disputed charges. **Strategic Planning Update** - April 1 goals have been met.

Cyndy Vollmer, Director of Human Resources, provided an action plan and activities completed to be an Employer of Choice, including manager training and review of employee turnover rates. "Lunch with the CEO" is a part of the Employer of Choice goal with positive feedback and results, though deferred this month due to CPSI training schedules. Robin Triplett reported that the SCH goal to improve billing practices coincides with the new HFMA program training for staff to help patients understand their bill. CPSI has a patient-friendly bill format that will change in June to be in color and will include our logo. Leslie, the Billing Manager, is getting involved in the MAP program to get tools to help our patients understand the billing process better. "Lunch with the CEO" is a part of the employer of choice goal. Charles shared that it is going very well with positive feedback received, though deferred this month due to CPSI training, etc. Charles enjoys having the opportunity to visit with staff and learn more about the individuals. Carol Acklin inquired if the Bylaws, Rules and Regulations update, a July 1 Strategic Goal, would affect the Board Bylaws. Carol Acklin and Esther Williams have done recent work on the Board Bylaws. SCH to provide material for Board review within the next few weeks. **C-Arm** - The Philips trial is complete, with the GE trial starting on April 29. Once the preferred model is determined, SCH will review lease or purchase options per bid process for items over \$100,000. **Foundation Director Interviews** – The advertised position has so far resulted in three interviews. An out of state candidate will be in Bandon on Saturday to visit with Charles and Joseph Bain, Foundation Board President. **Marketing Report** – The new surgery commercial with Dr, Montana is airing on TV now. Business cards, letterhead, and brochures in place. SCH participated in the Bandon Chamber Business Fair on 17th and today at Pacific View Assisted Living. Website is up and running, nearing completion, and will include the clinic construction Public Notice and bid request form on May 5. The current art show is in place – the first of two shows jointly sponsored by SCH and the Foundation. After the Fall show we will need to revisit the subject. Work is being done on new testimonial ads for print media and we continue to work the police on child safety.

B. CFO Report – Robin Triplett, CFO, reviewed the monthly Finance Report. Month of March patient days were up 183% above March 2013. YTD we are up 8.9%. All ancillary services are trending upward: Radiology is up 5%, Respiratory is up 1.7%, Surgery 23%, Clinic 5.8%. In-patient mix for March was 105 Medicare, 3 commercial, and 11 Medicaid. Volume, commercial patients and no unusual high write-offs due to bad debt all contribute to positive bottom line. Bob Hundhausen asked about possible greater participation from private care providers to which Dr. Holland responded that as patients are admitted through the ER or the Hospitalist, it would be difficult to run that statistic as the primary care physician would be a referring physician, but the Hospitalist is the admitting physician. Robin added that perhaps she will have better tools to track such information with CPSI. In March SCH posted a positive bottom line of \$10,617. Expenses were \$115,000 over budget due to a combination of registry use in both Nursing and Radiology. Website and business cards added to expenses. March 2013 to 2014 our overall volume has improved. Notice has been received that our Meaningful Use application for \$2.8M was approved but no dollar amount or date has been confirmed. Operating Revenue was at 2.1% above 2013. Statistics: March 2014 Gross Revenue of \$1.7M, 2nd highest after January's \$2.1M, since Nov 2012. Days of

Cash on Hand jumped to 68.93 days, due in part from having received the Medicare cost report settlement from 2013 of \$517,000. AR collections of \$1.2M this month and each of the last 3 months. Days in AR have gone down to 53.2. March 2014 payroll is about even to 2013. Overtime can be attributed to more training with CPSI staff on site. Training has been going well. SCH was able to move \$300,000 back in to State Pool from Medicare with a balance of \$2.8M, the highest since March 2013. Review of Statistics: 119 patient days for an average daily of 3.84. ER visits were up and clinic visits at all-time high at 500 visits. MRI improved to 20 visits, Bone Density up to 9 visits, Lab and Respiratory visits both up. Dr. Holland inquired about limitations of what physicians can order for in-patients with the WOA-Healthcare situation. Charles Johnston has visited with the CEO from Coquille Valley Hospital on this subject. Of the 11 in-patients this month, Robin indicated that in-patient bills are being paid unless there was a decision made by WOA/Healthcare that a service provided was not clinically necessary, which SCH always appeals. They are paying Emergency Room billing unless they decide a visit was not emergent. Physician STAT orders have been paid. The concern is that when patients are referred to Bay Area, the patient does not always follow through. Since the Healthcare Reform Act, many people are being assigned to WOA who were once on commercial insurance, qualifying due to income. However, once with WOA they cannot receive services in our area, particularly in Radiology. Dr. Holland also expressed concern of possible conflict of interest with member of WOA Board who is working at NBMC, with all studies required to be done at Bay Area Hospital or NBMC, affecting who we can take care of locally. Charles stated that SCH may enter into a legal joint effort with Coquille Valley Hospital, as there is no incentive for WOA to contract with either of the two rural hospitals. Curry General and Reedsport are two different CCOs. Coos County the only county with a larger tertiary hospital to provide services, with original the idea to save money, now at the expense of the smaller rural hospitals in our area. Administration has had several calls with Oregon Health Authority and meetings with WOA with no success on the issue. It is against the law for SCH to contract with another CCO. The result is SCH and Coquille Valley are not getting paid and the people in rural areas are not getting served as citizens who cannot get to Coos Bay then end up sick and back in our ER and the hospital is again not paid. With the Cover Oregon Board recently voting to move to the Federal system perhaps this may be addressed. Charles Johnston and Dennis Zelinski, CEO from Coquille Valley, have communicated with state representatives. For radiology services over \$300, the physician has to write a clinical justification of why the patient cannot go to Bay Area. Robin was recently on the phone with WOA 1.5 hours for one ER patient to receive radiology service here. SCH has experienced success with Presumptive Care, where the uninsured patient immediately gets insurance via Medicaid, the patient is then on Open Card, which is still with the State. The opening of the primary care clinic may help offset the issue if hospital providers apply for WOA credentialing, then SCH is eligible to provide outpatient tests, x-ray and procedures for those patients. Resolving this issue is an ongoing effort. Due to new clinic timeline, SCH is looking at leasing a portable clinic building. Charles has been working with Dr. Holland and City of Bandon. A proposal has been approved for location at the end of 11th Street, but is still waiting for water and sewer connectivity confirmation. Brian Vick offered to contact Richard Anderson with Bandon Public Works to help expedite. This

option will provide a way to be ready for new physicians to start in July. Current bid process requirements will be followed.

C. Medical Staff Report

Dr. Holland gave the monthly privileging report as follows:

60-Day Temporary Privileges:

Peter Farkas, MD	Internal Medicine
Galen Church, DO	Family Medicine

6-Month Provisional Privileges:

Nikolas Jones, MD	Emergency Medicine
Timothy Janchar, MD	Emergency Medicine

There were no other recommendations. David Allen **motioned to approve**. Brian Vick **seconded**. No further discussion. **All in favor**.

Jim Coffey was excused from meeting at 8:15 p.m. He offered to be present for the 2:00 p.m., May 21, Bid Opening and/or the May 22 Board Meeting.

VI. New Business - Benchmark Reports

National Core Measures - Carol Meijer reminds that this period of review is 2012 to June 2013 which retards report use for proactive attention, but will show where we have needed attention and reminds us to review. Noting the # of falls, SCH is now at 131 days without falls. Carol Acklin asked what is now being done to prevent falls. Remediation education with staff, and Nursing visits with fall-risk patients and family members, identifies risks. Patients identified with fall risk are placed in rooms closer to Nurses station. We are educating Nurses, that if at bedside, how to use proper body mechanics to prevent a fall, and we are posting number of days without falls on the Nursing bulletin board. In Oregon that law is that a patient has a right to fall. This is different than in other states such as California. **Monthly Risk Management/ Morbidity Report** – Carol Meijer reported there was nothing of particular note. SCH follows-up with each employee injury. If a trend is indicated an effort is made to educate all employees. Carol Acklin requested that sometime in the future she would like to learn what type of injuries constitute a reportable employee injury. Carol agreed to provide that information. **Quarterly Risk Management Report** – Carol Meijer shared that this report is reviewed quarterly by an interdisciplinary committee meeting for to discuss questions and recommendations and to institute education or counseling programs, with financial trends addressed, if any. Regarding the statistic of number of patients who return to the ER: this is affected by the doctors requesting follow-up on procedures or a condition or conditions if necessary before patient get in to see their primary care doctor within 48 hours. Dr. Holland shared that this often occurs over the weekend if an ER patient is not sick enough to admit as in-patient, they may come back to ER before Monday for follow-up. There is not a way to differentiate between those who may have been discharged too early vs. those who need follow-up before they can see their primary care. Esther Williams noted that there were no medication errors reported. SCH encourages reporting and transparency as that ensures patient and

hospital safety. In response to Board question regarding use of registry nurses: Two nurses have been hired to night shift who are now in orientation plus a new part-time nurse who will be on-call and can be here within an hour. Also a CNA has been hired who is a nursing student. Another nurse is out of orientation and will take a day shift position that has been filled by agency nurses. Utilization has been reviewed closely by Charles, Robin and Carol with the goal to have our own staff. Carol, Heather Edwards and Cyndy Vollmer have been working very hard to turn this around so that we do not rely on agency nurses.

VII. Open Discussion

Brian Vick shared that the representative for the Elmira Building would like to be kept in mind if extra space is needed prior to SCH clinic completion. David Allen inquired about hospitalist duties currently performed by Dr. Park. Dr. Park and Dr. Lee will be sharing that responsibility until Dr. Santosa is here in July. This will assist Dr. Santosa to build his practice while we continue to look at other alternatives, such as a hospitalist-trained Nurse Practitioner. Dr. Santosa will be accessible with his time as he builds his practice will be on site. Carol Acklin shared that the State of Oregon has grant money for upgrading buildings to earthquake standards. An engineering assessment must be obtained, but the grant is at 100%. Charles will meet with Dennis Jurgenson upon his return. Bob Hundhausen noted that the hospital is under Southern Coos Hospital in the telephone directory rather than under "Bandon." SCH to look into the listing options. Dr. Holland noted that EmCare still is under obligation to provide hospitalist services and also noted the numbers of how many patients that are put into observation and in-patient status by Dr. Park vs. EmCare. Administration agreed that the EmCare Complete Care model is not to our best advantage, indicating that recruitment of a hospitalist is one of the biggest issues SCH is attempting to address. Once the new clinic and physicians are in place, SCH hopes to also have the Hospitalist position filled. EmCare bills on rounds made; if they don't make rounds, we are not paying for that service. David Allen reminded that the EmCare service was originally to appeal to visiting physicians with the hope of enticing relocation to our area, but the response from ER doctors he has visited with recently were that we do not pay enough for a physician to relocate. Specialized training is required. The Hospitalist role is to provide consistency in care where we have the EmCare physicians in the ER. Dr. Park has provided that consistency during this period. With no further discussion, Esther Williams moved the meeting to Executive Session.

VIII. Executive Session under Oregon 192.660(2)(i) to evaluate the performance of an officer, employee or staff member.

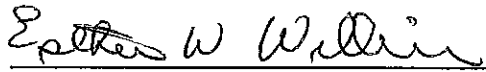
IX. Re-Convene from Executive Session

X. Possible Action from Executive Session

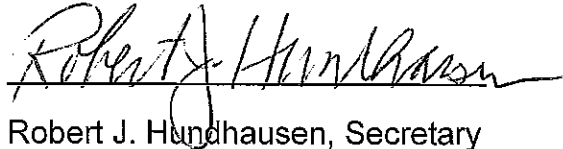
No action taken at this time.

Adjournment

With no further discussion, Ms. Williams adjourned the meeting at 9:30 p.m. The next regular meeting of the Southern Coos Health District Board will be **May 22, 2014** at 7:00 p.m. in the Hospital Conference Room.



Esther Williams, Board Chair



Robert J. Hundhausen, Secretary