

January 24, 2019

The regular meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Maughan on January 24th at 12noon in the Cypress Room of Island Hospital.

Those present were Commissioners Lynne Lang, PhD; Paul Maughan, PhD; Chip Bogosian, MD; Jan Iversen and Warren Tessler. Also present were Vince Oliver, CEO; Elise Cutter, CFO; Robert Prins, MD, CMO; Carolyn Pape, CHRO; Jason Hogge, MD, Chief of Staff and Kim Graf, Executive Assistant.

Not present: Denise Jones, RN, CPCE

Public Comments:

No public comments were made.

Election of Officers:

The slate of officers for the 2019 Island Hospital Board of Commissioners was presented.

Commissioner Tessler-President

Commissioner Iversen-Secretary

After review, Commissioner Bogosian made a motion to approve the slate as presented. Commissioner Lang seconded the motion. There were no nominations from the floor. Commissioners, Maughan, Tessler, Lang, Bogosian and Iversen all voted aye and the motion carried.

CONSENT AGENDA:

After review and discussion, Commissioner Lang made a motion to approve the Consent Agenda. Commissioner Bogosian seconded the motion. Commissioners Iversen, Lang, Bogosian, Tessler, and Maughan all voted aye and the motion carried.

2018 Organizational Goal Review & Proposed 2019 Organizational Goals:

- The Administrators reviewed the Organizational Quality Goals 2018 & Proposed 2019 Organizational Quality Goals.
- The Administrators reviewed the successes and challenges of the 2018 Quality Organizational Goals and presented the proposed 2019 Quality Organizational Goals remarking on the opportunities and strategies to achieve the goals.
- Highlighted were the five (5) pillars:
- People-The focus will be on employee engagement as demonstrated by increasing our retention rate and the employee satisfaction percentage.

- Patient Experience-The focus will be on increasing the overall patient experience for Inpatient, Emergency Department, Clinics and Providers as quantified by increasing the 2018 Press Ganey Survey results by 15%.
- Clinical Excellence-The focus will be to reduce or maintain a Standardized Infection Ratio (SIR) of below 1 for Surgical Site Infection (SSI) and other Hospital Acquired infections. Improve Ambulatory Clinical Quality metrics as identified by Clinic 15% over 2018. Decrease patient falls by 50%.
- Financial-The focus will be on ensuring the contribution margin, as a percentage of net revenue, meets or exceeds 3.0 %.
- Growth- The focus will be on ensuring that needed growth and capacity are being met by increasing the adjusted admissions to 9,467 or greater and increasing outpatient clinic visits by 25%.

The Commissioners requested that Urology, Physician Engagement & Satisfaction and Oncology be added to the 2019 Strategies & Opportunities.

Vince asked that the Commissioners review the proposed 2019 Organizational Quality Goals and to be prepared to take ACTION to approve the goals at the February Working Board Meeting. The suggested changes will be incorporated into the presentation and the revised PowerPoint will be shared with the Commissioners for review prior to the February Working Board Meeting. The Commissioners were asked to send PowerPoint comments directly to Kim.

BOARD QUALITY & PATIENT SAFETY REPORT

Medical Staff Meeting Summaries: Dr. Prins reported:

Emergency Department: Dr. Smith, Swedish Medical Center, was in attendance to discuss new processes for stroke patients.

In order to comply with regulations, there was discussion of the audits completed for restraints and procedural sedation within the Emergency Department.

In order standardize equipment within the ED and hospital, the ED will be using the same trays & needle guards as the rest of the hospital.

The Medical Staff has been encouraged to attend the Trauma Review which will be held in early February.

OB/Peds Committee: There was discussion of sepsis protocol and the use of TXA for postpartum symptoms.

Board Quality & Management Review:

Anita McCoy, RN provided a recap of the discussion at the January Board Quality & Management Review Meeting. The following topics were discussed:

Operative and Invasive Procedures

Unanticipated Deaths

Adverse Events

Near Miss Events

Readmissions

Patient Flow Issues

and in depth discussions of the QMS 2019 Required Reporting and Oversight Committee requirements.

It was decided that the committee will meet at 8am rather than 7am for the 2019 meetings.

FINANCE UPDATE:

Elise Cutter reported on the December 2018 financial statements with the Commissioners and highlighted the following as significant items:

- ◆ Balance Sheet – The hospital collected \$8 million in cash in December and paid out \$9 million. This resulted in day's cash on hand of 139.8 (113.6 excluding the remaining bond funds) up slightly from November. The current ratio decreased to 2.82 from 2.38 in November.
- ◆ Net Revenue – Net revenue for December 2018 was \$8.5 million with an actual collection rate of 44.9% which is above the budgeted 40.2% and higher than prior year of 43.3%. Inpatient volumes were still below budget for the month with ADC of 22 compared to a budgeted 26.
- ◆ Operating expenses – Total year to date operating expenses are 2.8% below budget and 1.3% above the prior year. Categories of significant overage are professional and physician fees and purchased services. The total number of FTE's for 2018 is 551 which is under the budget of 565 and 17 less than 2017. The Hospital recorded a net operating loss year to date of \$3,612,000 versus the budgeted operating income of \$117,000. The excess income year to date is \$3,282,000 or 3.5% of net revenue versus budgeted excess gain of \$3,836,000 or 3.9% of net revenue.

Vince requested that endoscopies case numbers performed by groups be broken out in surgery slide of the monthly Finance Dashboard.

Krystal Guzman reviewed Resolution 2019-2077 which approves the terms of an amended and restated interlocal agreement relating to the Washington Rural Health Collaborative; approving the terms of the termination of the current interlocal agreement and authorizes the District to enter into those agreements and carry out their terms.

After review and discussion, Commissioner Bogosian made a motion to approve Resolution 2019-2077 as presented. Commissioner Tessler seconded the motion. Commissioners Iversen, Lang, Bogosian, Tessler, and Maughan all voted aye and the motion carried.

Administration Update:

CMO: Dr. Prins provided an update on potential Telehealth Service Programs for pulmonary critical care, infectious disease and the use of ARNP/PA for minor primary care needs via telehealth.

CHRO: Report postponed to February

CEO: Vince reported on the ongoing physician recruitment efforts for primary care, internists and general surgeon providers.

Strategy Committee:

No report provided.

NEW BUSINESS:

Island Hospital Foundation: Dianne Kuhn reported that the Island Hospital Foundation fundraising efforts brought in over 1.3 million dollars in 2018. The second highest level ever achieved.

Dianne provided an update on the 2019 Gala of Hope.

Insurance Update: Dennis Richards provided an update on the recent Medicare Insurance issue that Island Hospital patients were experiencing. Dennis was pleased to share that the issues have been resolved.

Dennis commended Julie McKee for her efforts overseeing the SHIBA Program at Island Hospital.

Commissioners Calendar:

The February Board Calendar was approved with the correction of the 8:00am start time for the Board Quality & Management Review Meeting.

Executive Session:

Commissioner Tessler called for an Executive Session to discuss:

1. The performance of a public employee pursuant to RCW42.30.110 (1) (G). Action to follow.

We expect the session to take thirty (30) minutes in length.

At the end of the Executive Session we do not expect action to be taken. The Board reconvened at 2:25pm.

Action Items:

- Add Urology, Physician Engagement and Oncology to the Proposed 2019 Organizational Goals Presentation and send out revised PowerPoint to the Commissioners.
- Contact information for Denise and Mike Jones be sent to each Commissioner.

ADJOURNMENT:

There being no further business, Commissioner Tessler called for the meeting to be adjourned at 2:26pm.

Warren Tessler President/Commissioner

Jan Iversen Secretary/Commissioner

Paul Maughan, PhD Commissioner

Chip Bogosian, MD., Commissioner

Lynne Lang, PhD, Commissioner