

February 15, 2018

The regular meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Maughan on February 15th 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; Jason Hogge, MD, Chief of Staff; Kim Graf, Executive Assistant and Brian Alzola, Anacortes American.

Not present: Denise Jones, RN, CPCE and Carolyn Pape, CHRO

Public Comments:

Rozetta Ludwigsen, RN remarked on the ongoing WSNA negotiations. Supporting Ms. Ludwigsen were numerous IH nursing staff.

Headache 101 Presentation:

James Moren, MD and Mike Jones, PA provided the Commissioners with information on the Island Hospital Headache Clinic highlighting: (1) why there is a need for a headache specialty clinic, (2) consequences of headache disorders, (3) reviewed the certification requirements to become a Headache Specialist, and (4) explained how headaches develop and discussed various treatments for headache disorders.

Review of Action Items Completed:

- Reviewed the official DNV Report
- Commissioner Open Public Meeting Training
- Approved 2018 Organizational Quality Goals
- Resolution 2018-2060 Line of Credit passed
- Copy of certification of completed EPIB training for Commissioners to HR and Compliance

CONSENT AGENDA:

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

BOARD QUALITY & PATIENT SAFETY REPORT

Medical Staff Meeting Summaries: Dr. Hogge reported:

Department of Surgery:

It was noted that Diane Lyda, RN has been named the Interim Surgical Director.

It was discussed that ED providers will follow the Harborview protocol for spine precautions.

P&T Committee: There was discussion of adverse drug reaction reports and medication error reporting.

The committee discussed and approved the addition of a new formulary for COPD treatment. The addition has been forward to MEC for consideration.

There was a report provided on controlling costs for oncology drugs. A group has been designated to meet quarterly to review drug expenses and determine where cost saving measures can be implemented.

Clinical Ethics: Palliative Care Program development was discussed.

Credentials Committee: The Committee reviewed the Credentials list.

Credentials:

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

Board Quality & Management Review:

Commissioners Iversen and Bogosian remarked on the DNV Survey findings and the format for the Quality Management Review Meeting.

Dr. Prins reported that Management Review Meeting format will remain the same for in 2018.

The DNV Survey Findings were discussed noting that there were nine (9) NC-1 findings and five (5) NC-2 findings. Corrective action plans for all findings are due in early February.

FINANCE UPDATE:

Elise Cutter reported on the January 2018 finances with the Commissioners and highlighted the following as significant items:

- Patient Volumes – Inpatient admissions for January 2018 were 258 against a budget of 278 and 286 in 2017. The average daily census for January 2018 was 26 patients compared to 27 budgeted and 29 for 2017. Emergency Room visits for January 2018 were 7.7% more than budgeted and 7.1% more than 2018. The total number of outpatient visits year to date is 9.7% less than budget and 5.8% less than in 2017, physician clinic visits were 12% below budget and 8.6% more than in 2017. Year to date rural health clinic visits were 4.5% below budget and equal to 2017.
- Balance Sheet – The hospital collected \$7.3 million in cash and paid out \$8.3 million which resulted in day's cash on hand of 107.8 down from 118.1 at the end of December. The days in Accounts Receivable at the end of January was 40.6 up from 35.9 in December, and above the target of 40 days. The current ratio from remained the same at 1.74 in January.

- Net Revenue – Net revenue for January 2018 was \$8.2 million with an actual collection rate of 39% which was lower than the budgeted 40.1% and less than prior year of 40.2% due to increased bad debt and slow collections. We had 42 deliveries in January 2018 compared to 43 in 2017. Year to date Bad Debt is \$59,000 above budget for 2018 and year to date Financial Assistance is \$9,000 above 2017.
- Operating expenses – Total year to date operating expenses are .1% above budget and 5.2% more than the prior year. Categories of significant overage are drug costs and supplies related to surgery. The total number of FTE's for 2018 is 545 which is under the budget of 565 and 25 less than 2018. The Hospital recorded a net operating loss year to date of \$293,000 versus the budgeted operating income of \$46,000. The excess income year to date is \$60,000 or .7% of net revenue versus budgeted excess gain of \$366,000 or 4.3% of net revenue.

Financial Policy:

Elise Cutter and Paula Fors reviewed current financial assistance plans which are available to patients and discussed the proposed new Financial Policy which will become effective April 1, 2018. They remarked on the new partnership with Care Payment. This partnership aims to improve financial payment services for patients in need.

After discussion, Commissioner Bogosian made a motion to approve the Financial Policy, effective April 1, 2018, 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 reported that he is working with Anita McCoy to develop quarterly Quality Presentations for Medical Staff Meetings.

CEO:

Vince provided an update on continued urology discussions with several organizations and recruitment efforts for a urologist.

Vince discussed the upcoming site visits for an internist, family practice provider and OB/GYN and remarked on a recent conversation with the Inline Group to assist with recruitment efforts for family practice providers. Vince shared that Dr. Llewellyn has announced her retirement and that discussion for coverage of nursing home visits has begun.

Vince and Dr. Prins have been approached by Dr. Larry Schecter, Associate Dean of Clinical Education with WSU College of Medicine, to set up an informational discussion regarding a potential Residency Program.

Vince remarked on the current Hospitalist program and ongoing discussions with TeamHealth to operate the Hospitalist Program at Island Hospital and on a professional service agreement to perform colonoscopies at Island Hospital.

NEW BUSINESS:

Commissioners Calendar:

The March Board Calendar was approved as presented.

AHA Conference Recap- Commissioner Maughan reported on the recent AHA Annual Conference that he attended early in February. Commissioner Maughan asked the Commissioners to provide input on governance, structure and meaningful topics for discussion which will be reviewed at an upcoming Board Meeting. Commissioner Maughan requested the information be sent to Kim prior to the March Board Meeting.

Action Items:

- ECG service line analysis report
- Invite Jake Johnson, IH lobbyist, to attend Board Meeting.
- Commissioner input on governance, structure, discussion topics

Executive Session:

Commissioner Maughan called for an Executive Session to discuss:

1. The performance of a public employee pursuant to RCW42.30.110 (1) (G). Action to follow.
2. Pursuant to RCW 42.31.110(1)(i), an executive session is needed relating to a potential litigation matter. No action to follow.

We expect the session to take (45) minutes/hours in length.

At the end of the Executive Session we do expect action to be taken on the discussion of item no. 1 and therefore we will reconvene.

The Board reconvened the regular session at 1:50pm.

Superintendent Contract Review:

After discussion, Commissioner Lang made a motion to accept the CEO Evaluation with noted edits and to increase the CEO annual base salary by 4.87%. Commissioner Iversen seconded the motion. Commissioners, Maughan, Tessler, Lang, Bogosian and Iversen all voted aye and the motion carried.

ADJOURNMENT:

There being no further business, Commissioner Maughan called for the meeting to be adjourned at 1:57pm.

Paul Maughan, PhD, President/Commissioner

Warren Tessler Secretary/Commissioner

Jan Iversen, Commissioner

Chip Bogosian, MD., Commissioner

Lynne Lang, PhD, Commissioner