

March 21, 2019

The regular meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Tessler on March 21st 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; Carolyn Pape, CHRO; Jason Hogge, MD, Chief of Staff; Kim Graf, Executive Assistant and Briana Alzola, Anacortes American.

Not Present: Dr. Robert Prins, CMO

Public Comments:

No public comments were made.

Completed Action Items:

The following action items have been completed:

- Commissioner follow up with January Finance Dashboard
- Scheduled Emergency Preparedness to attend Working Board Meeting-August 2019

CONSENT AGENDA:

After review and discussion, Commissioner Maughan 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.

BOARD QUALITY & PATIENT SAFETY REPORT

Medical Staff Meeting Summaries: Dr. Hogge reported:

ED Committee: There was review of billing and documentation with TeamHealth.

OB/Peds: Due to inclement weather, the Nitrous demonstration has been rescheduled for March. It was reported that the Quantitative Blood Loss System is ready for use. It was reported that Dr. Katrina Gardner, MD will be joining the Island Family Physician Practice in June. There was discussion of Code Pink and Breastfeeding Friendly Facility grant opportunities.

Board Quality/Management Review:

Anita McCoy reported on the following items and reviewed the recommendations:

- Anita shared that Island Hospital recently received recertification notification from DNV.
- Denise Jones reviewed Staffing Management: License and/or Certification; Scope of Practice; Determining and Modifying Staffing; Aggregate Report of Performance Data; Compliance with CE Requirements

FINANCE UPDATE:

Commissioner Lang remarked on the improved staffing management efforts within the nursing units to flex staff in response of the patient census.

Financial Statement Review: Elise Cutter reported on the February 2019 financial statements with the Commissioners and highlighted the following as significant items:

- ◆ Balance Sheet – The hospital collected \$7.4 million in cash in February and paid out \$7.5 million. This resulted in day's cash on hand of 140.6 (117.4 excluding the remaining bond funds) up slightly from January. The current ratio decreased to 2.69 from 2.73 in January.
- ◆ Net Revenue – Net revenue for February 2019 was \$7 million with an actual collection rate of 38.4% which is below the budgeted 40.5% and lower than prior year of 38.8%. The collection rate was lower due to a higher percentage of Medicaid, Medicare and Tricare revenues for February. Cancellations due to the snow resulted in an average of a 12% loss of visits in the outpatient clinics.
- ◆ Operating expenses – Total year to date operating expenses are 3.3% below budget and 2.3% below the prior year. Supplies were over budget 11.9% due to surgical supplies and laboratory reagents. The total number of FTE's for 2019 is 524 which is under the budget of 558 and 27 less than 2018. The Hospital recorded a net operating loss year to date of \$904,000 versus the budgeted operating loss of \$369,000. The excess loss year to date is \$98,000 or -.7% of net revenue versus budgeted excess gain of \$322,000 or 2.0% of net revenue.

Physician Recruitment Agreement (Income Guarantee) Katina Gardner, MD and Island Family Physicians:

After discussion, Commissioner Lang made a motion to accept the Physician Recruitment Agreement (Income Guarantee) for Katrina Gardner, MD as presented. Commissioner Bogosian seconded the motion. Commissioners, Maughan, Tessler, Lang, Bogosian and Iversen all voted aye and the motion carried.

Administration Update:

CPCE: Denise shared a patient experience letter from a family member who commended the nurses in the Acute Care Department.

CHRO: Carolyn Pape provided an update on ongoing labor relation discussions, Press Ganey Employee Engagement Survey follow up and HR involvement and support for staff with the CEO replacement transition.

Dr. Hogge requested that the Board provided an update on interim and permanent CEO recruitment efforts at the April Medical Staff Meeting.

CEO: Vince provided an update on physician recruitment efforts for an internist. Vince shared that Provider Solutions & Development will attend an upcoming Board Meeting to expand on physician recruitment efforts and on an upcoming call with a potential physician search firm.

Vince remarked on Project TAG which will go live on April 22nd. Vince is optimistic this is the right time to roll out this project and that this project will promote and enhance teamwork, improve access and allow for future growth within the Primary Care Clinics.

Commissioner Iversen inquired on urology services. Vince shared that discussions continue to Pacific Rim Urology and Bellingham Urology Group.

Vince provided an update on the Phone Replacement Project and noted that an additional FTE will be added to the call center in order to support the daily volume of calls that come into the clinics. The RFPs for the new system are still being collected. Vince anticipates the new system will be rolled out in third quarter.

Strategy Committee:

Commissioner Tessler reported that the Strategy Committee will meet in April and remarked on the Executive Transition Committee which will oversee CEO recruitment efforts.

NEW BUSINESS:

Island Hospital Foundation: Jeannette Papadakis remarked on a recent discussion with Oncology regarding available Heartstrings funds for the Oncology Department.

Jeannette reported that sponsorships for the 2019 Gala are up and that all tickets have been sold.

Jeannette invited the Commissioners to join the Foundation and Emergency Department for an upcoming Open House Reception. This reception will provide information on the new lifesaving equipment that will be purchased for the Emergency Department with this year's Heartstring Raise Your Paddle.

Commissioners Calendar:

The April Board Calendar was approved as presented.

New Equipment-Hana Table:

Due to a change in the surgery schedule, this demonstration will be rescheduled.

Island Hospital Lobby Efforts:

Vince remarked on lobbying efforts with Jake Johnston, IH lobbyist. Topics include MDH, Rural Health Demonstration Program, 340B eligibility, Critical Access designation and Helipad support.

The agenda for the upcoming lobbying trip to Washington, DC is still being drafted.

Resolution 2019-2081 Dissolution & Liquidation MIN-NS:

After review and discussion, Commissioner Maughan made a motion to approve the Resolution 2019-2081 as presented. Commissioner Iversen seconded the motion. Commissioners Iversen, Lang, Bogosian, Tessler, and Maughan all voted aye and the motion carried.

Vince noted that the MIN-NS Board is hopeful that Reliance will continue to be a replacement option for current MIN-NS users.

As follow up to one of the March Reading Material articles, Commissioner Iversen requested that a letter of appreciation be sent to April Carlson for her efforts to reduce expenses associated with EVS by consolidating services with Waste Management.

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 2:10pm.

Action Items:

- Interim and Permanent CEO Recruitment Update at April Medical Staff Meeting
- Letter of Appreciate from Board to April Carlson
- Reschedule Hana Table presentation
- Provider Solutions + Development attend upcoming Board Meeting

ADJOURNMENT:

There being no further business, Commissioner Tessler called for the meeting to be adjourned at 2:15pm.

Warren Tessler President/Commissioner

Jan Iversen Secretary/Commissioner

Paul Maughan, PhD Commissioner

Chip Bogosian, MD., Commissioner

Lynne Lang, PhD, Commissioner