

June 21, 2018

The regular meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Maughan on May 17th at 12 noon in the Cypress Room of Island Hospital.

Those present were Commissioners Chip Bogosian, MD, Paul Maughan, PhD, Lynne Lang, PhD, and Jan Iversen. Also present were Vince Oliver, CEO; Elise Cutter, CFO; Bob Prins, MD, Chief Medical Officer; Denise Jones, RN CPCE; Carolyn Pape, CHRO and Liz Martin, Executive Secretary.

Not presented: Jason Hogge, MD, Chief of Staff

Via Conference Line: Commissioner Warren Tessler

Public Comments:

There were no public comments.

Review of Action Items Completed:

- First Internet Bank Resolution

CONSENT AGENDA:

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

BOARD QUALITY & PATIENT SAFETY REPORT

Medical Staff Meeting Summaries: Dr. Prins reported:

QA Committee: There was discussion of having providers use the narrative section to describe conditions so that coders may use appropriate coding for assessment plans. The MEC will review the recommendation.

There was a review of the progress report for the 2018 DNV Findings.

Anesthesia Committee: Audits continue to check completeness of the Anesthesia Consent Form and reviewed Procedural Sedation Policy.

Infection Control Committee: It was noted that the public health authority is tracking flu cases and that state wide there has been an increase in sexually transmitted diseases.

Island Hospital continues to monitor total joint procedures to ensure there are no surgical site infections with these cases.

Credentials Committee: Requirements of ACLS and ATLS for providers in the Walk-In-Clinic were discussed.

Credentials:

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

Board Quality/Management Review: Anita McCoy reported on the review of the Utilization Management System remarking on the following areas:

- Utilization Management
- Medical Necessity Reviews
- Claim Denial Management and Prevention
- Provider Education

There was discussion of the restraints finding in the 2018 DNV Survey and a review of the corrective action plan for the finding.

Moderate Procedural Sedation processes were discussed. It was recommended that processes for monitoring adverse events continue.

FINANCE UPDATE:

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

- ◆ Balance Sheet – The hospital collected \$8.6 million in cash and paid out \$9.9 million which resulted in day's cash on hand of 113 down from 116.5 at the end of April, including \$725,000 draw on the LOC. The current ratio decreased to 1.43 from 1.59 in April.
- ◆ Net Revenue – Net revenue for May 2018 was \$6.7 million with an actual collection rate of 38.2% which was lower than the budgeted 39% and lower than prior year of 40.4%. Inpatient volumes were down significantly along with the EMR Go Live plan to reduce clinic volumes. The two combined created a large variance to budget.
- ◆ Operating expenses – Total year to date operating expenses are 1.5% below budget and .8% more than the prior year. Categories of significant overage are professional and physician fees, purchased services and supplies. The total number of FTE's for 2018 is 558 which is under the budget of 565 and 15 less than 2017. The Hospital recorded a net operating loss year to date of \$2,370,000 versus the budgeted operating loss of \$247,000. The excess loss year to date is \$224,000 or -.6% of net revenue versus budgeted excess gain of \$1,349,000 or 3.3% of net revenue.

Commissioner Maughan request that a revised projection of the 2018 Budget is presented with the Organizational Goal Update at the July Regular Board Meeting.

Elise reviewed the Amended LTGO Bond and Resolution 2018-2066. Elise remarked the amendment was needed due an edit with the original LTGO Bond Resolution 2019-2065.

After discussion, Commissioner Bogosian made a motion to accept Resolution 2018-2066 as presented. Commissioner Lang seconded the motion. Commissioners, Maughan, Tessler, Lang, Bogosian and Iversen all voted aye and the motion carried.

Administration Update:

CMO: Dr. Prins provided an update on the Washington Accountable Communities Health Network (ACH) and highlighted the goals of the network, HCA initiatives and CMS financing.

The ACH has nine (9) service areas, is self-governing and is not a new service delivery system or a replacement for Medicaid Managed Care Organizations. Island Hospital participates in the North Sound ACH. The North Sound ACH has eight (8) transformation projects. Island Hospital has chosen to participate in five (5) of the eight (8) transformation project and has submitted their application confirming participation.

CHRO:

Carolyn Pape provided an HR update remarking on the importance of staff selection and engagement, the annual performance evaluation completion rate progress is at ninety-seven (97) percent (%), ongoing recruiting demands and trends and reported on several new Washington Workplace Laws.

CPCE:

Denise Jones reported on the Northwest Organization of Nurse Executive conference that she recently attended. Denise noted the conference was informational and provided an opportunity to network with nurses from the surrounding region.

Denise provided an update on the recruitment efforts for a Surgical Director and shared that Interim Surgical Director, Diane Lyda, RN has begun to work on process changes within the Surgery Department.

Denise shared a patient experience from Acute Care

CEO: Commissioner Tessler and Vince provided a recap of the meetings attended on Capitol Hill last week with Island Hospital's lobbyist, Jake Johnston. Commissioner Tessler remarked that the trip was productive and suggested Island Hospital continues to lobby on Capitol Hill annually.

Vince reviewed the topics that were addressed:

1. Reimbursement for MDH status
2. Funding for the ERSA Agreement
3. 340 B Program reimbursement
4. Rural Community Hospital Demonstration Program Application

Vince commented that he will continue to work with Jake Johnston regarding the above topics and shared that a phone discussion is being set up for next week for Island Hospital, US Navy and HealthNet to discuss the ERSA Agreement.

Vince was pleased to share that the Laboratory Outreach Program Agreement with Catamaran has been signed. Vince is optimistic that participating in this program will generate new revenue for the Island Hospital laboratory.

Vince provided an update on physician recruitment efforts for a Neurologist, Urologist, and OB/GYN providers.

Vince shared that an agreement with TeamHealth has been signed to manage the Hospitalist Program at Island Hospital. TeamHealth will now manage the providers in the Emergency Department, Walk-In-Clinic and the Hospitalist.

WSHA will recognize Island Hospital's "Leader of the PAC" accomplishment at the upcoming WSHA and AWPHD 42nd Annual Rural Hospital Leadership Conference next week. Vince asked Commissioner Maughan to accept the recognition on behalf of Island Hospital.

Vince remarked on an upcoming all payer claims database (APCD) webinar which will provide information about the database on the Washington HealthCareCompare website. The database will show consumer "cost" and quality information by hospital for various inpatient and outpatient procedures. Vince commented that this database will provide Island Hospital with valuable information which includes information from ambulatory and surgery centers.

Strategic Update:

A Strategic Update will be provided at the July Board Meeting.

NEW BUSINESS:

Island Hospital Foundation: Jeannette Papadakis reported on several donor engagements and planned giving conferences she has recently attended.

Jeannette shared that the new Donor Wall unveiling will be held on June 27th, the 2017 IHF Audit was completed last week, the Foundation is currently updating various software programs, will roll out an electronic newsletter next week and shared that the IHF Board has approved and will create a Development Committee.

Commissioners Calendar:

The Board accepted the July Board Calendar as presented.

Commissioner Salary Increase:

Vince shared that AWPHD has reported that on July 1, 2018 a commissioner will be entitled to \$128 for each day on district business and may not be paid more than \$12,288 in a year.

Action Items to be completed:

Strategic Update

Organizational Goal & Budget Update

ADJOURNMENT:

There being no further business, Commissioner Maughan called for the meeting to be adjourned at 1:42p.m.

Paul Maughan, PhD, President/Commissioner

Warren Tessler Secretary/Commissioner

Jan Iversen, Commissioner

Chip Bogosian, MD., Commissioner

Lynne Lang, PhD, Commissioner