

September 20, 2018

The regular meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Maughan on September 20th at 12 noon in the Cypress Room of Island Hospital.

Those present were Commissioners Chip Bogosian, MD; Paul Maughan, PhD; Lynne Lang, PhD Warren Tessler and Jan Iversen. Also present were Vince Oliver, CEO; Elise Cutter, CFO; Bob Prins, MD, Chief Medical Officer; Jason Hogge, MD, Chief of Staff; Kim Graf, Executive Assistant and Briana Alzola, Anacortes American.

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

Public Comments:

There were no public comments.

Action Items Completed:

- Letter of Appreciation sent to Dr. Monaghan
- Scheduled Gary Preston, PhD to attend a Working Board Meeting

CONSENT AGENDA:

After review, Commissioner Bogosian made a motion to approve the Consent Agenda. Commissioner Lang 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. Hogge reported:

ED Committee: Dr. Murray reviewed documentation protocol for Sepsis, Acute Respiratory Failure and Metabolic Encephalopathy with the ED providers.

DI documentation for Head CTs, Chest X-Rays and EKGs was reviewed with providers to ensure that coders have adequate documentation to process claims. Examples of documentation which demonstrates medical necessity were discussed.

The Audit findings for 2Q18 for restraints and procedural sedation were discussed.

There was discussion of the increase in trauma cases seen at Island Hospital.

Infection Control Committee: Community Inquired Infections were discussed.

CMS trends for healthcare associated infections were discussed. Island Hospital continues to work on decreasing associated infections as described in the Infection Prevention Annual Plan.

FINANCE UPDATE:

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

- ◆ *Balance Sheet* – The hospital collected \$8.9 million in cash in August and paid out \$16.3 million which included \$7.6 million in debt service for the New Market Tax Credit loans. This resulted in day's cash on hand of 133.8(104.8 excluding the remaining bond funds) down from 142.3 at the end of July. The current ratio increased to 2.42 from 1.54 in July due to the payoff of the debt.
- ◆ *Net Revenue* – Net revenue for August 2018 was \$7.6 million with an actual collection rate of 37.3% which was lower than the budgeted 40.1% and lower than prior year of 41.3%. Inpatient volumes were down significantly along with an increase in Medicaid volumes for the month. The two combined created a large variance to budget.
- ◆ *Operating expenses* – Total year to date operating expenses are 3% below budget and equal to the prior year. Categories of significant overage are professional and physician fees and purchased services. The total number of FTE's for 2018 is 554 which is under the budget of 565 and 20 less than 2017. The Hospital recorded a net operating loss year to date of \$4,079,000 versus the budgeted operating loss of \$61,000. The excess income year to date is \$1,488,000 or 2.5% of net revenue versus budgeted excess gain of \$2,532,000 or 3.8% of net revenue. The swing in excess margin is due to \$2,355,800 of debt forgiveness from the New Market Tax Credit loans.

Strategic Update:

Commissioner Bogosian remarked that the Leadership Conference Agenda will be sent for review early next week.

Administration Update:

CMO: Dr. Prins provided an update on a recent quarterly TeamHealth meeting which focused on review of the Hospitalist, Emergency Department and Walk-In-Clinic Programs. Dr. Prins remarked on improved patient satisfaction within the Walk-In-Clinic and improved patient transfer processes when admitting patients from the Emergency Department.

Dr. Prins commented on ongoing dialogs regarding an Antimicrobial Stewardship Program and urology discussions.

CEO: Vince provided an update on recruitment efforts for primary care, internist and a general surgeon. Vince was pleased to share that IIM has extended a Provider Agreement to an internist and Island Hospital has a signed agreement for a full time OB/GYN provider. Vince is optimistic that inpatient volumes will rise with the addition of primary care providers within our community and at Island Hospital.

Commissioner Iversen suggested that increased marketing efforts highlight the positive changes that are ongoing at Island Hospital.

Vince commented on ongoing renovations for the new the MRI and the Walk-In-Clinic and remarked on the InReach Dx Outreach Program.

Vince recapped a recent governmental relations discussion held with Jake Johnson, Island Hospital Lobbyist, and Laura Gelwicks, Community Liaison for Congressman Larsen. The discussion focused on the ERSA Termination, an update on MDA reimbursement and how

Congressman Larsen's team will liaise with Senator Cantwell's team regarding the data request with CMS, the Rural Health Demonstration Project and 340B Legislation.

Vince noted that Island Hospital and Skagit Valley Hospital have entered into a Consulting Agreement to review the Oncology Department.

NEW BUSINESS:

Island Hospital Foundation: Jeannette Papadakis provided the Commissioners with updates on a recent Development Committee Meeting, the upcoming Legacy Society Luncheon and the Foundation Board Retreat both scheduled for next week.

Jeannette provided an overview of a recent IHF Finance Committee Meeting remarking on IHF program support and grants.

Commissioners Calendar:

The Board approved the October Board Calendar as presented.

Miscellaneous:

Vince introduced Dr. James Abbey, Internist, who has joined the Anacortes Family Medicine Clinic. Dr. Abbey shared with the Commissioners his personal and educational background. All welcomed Dr. Abbey to the Island Hospital Medical Staff.

Action Items to be completed:

- Send Leadership Conference Agenda to Commissioners.
- Marketing efforts to highlight positive changes at Island Hospital through Heartbeats and other media focusing on physicians and departments.

ADJOURNMENT:

There being no further business, Commissioner Maughan called for the meeting to be adjourned at 1:20pm.

Paul Maughan, PhD, President/Commissioner

Warren Tessler Secretary/Commissioner

Jan Iversen, Commissioner

Chip Bogosian, MD., Commissioner

Lynne Lang, PhD, Commissioner

