

October 27, 2021

The Regular Board Meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Iversen at 12:00 pm on October 27th in Cypress Conference Room at Island Hospital.

Due to the ongoing COVID 19 Pandemic the Regular Board Meeting was conducted via WebEx.

Those present were Commissioners Jan Iversen, Paul Maughan, PhD, Warren Tessler, Lynne Lang, PhD and Chip Bogosian, MD. Also present were Elise Cutter, COO; Dr. Jason Hogge, MD, CMO; Dr. Rob Carter, DO, COS; Julie Norton Stewart, CFO; Carol Northup, CNO; and Vickie Brannon, Executive Assistant.

Not Present: Charles Hall, CEO, MSN

Public Comment:

No Public Comments were made.

Action Items Completed:

- Updated logo slide sent to Commissioners

CONSENT AGENDA:

After review, Commissioner Iversen made a motion to approve the Consent Agenda with the noted change to the September Working Board minutes that Commissioner Iversen voted aye and carried the motion to the meeting be added. Commissioner Bogosian seconded the motion. Commissioners Iversen, Bogosian, Tessler, Lang and Maughan all voted aye and the motion carried.

BOARD QUALITY & PATIENT SAFETY REPORT

Medical Staff Meeting Summaries:

Dr. Carter provided an update on the following medical staff committee meetings:

- Emergency Department New Staff Jennifer Crew, NP and Hyma Raman, PA-C
- Tele-ICU Metrics and Discussion. Dr. Hogge gave a description of how invaluable this is for patients to get thorough treatment.
- Tele-Stroke partnership with UW
- P&T Committee Metrics
- OB/Pediatrics Committee Metrics Regular Session
- Department of Medicine Metrics Regular Session

Board Quality & Management Review

Anita McCoy provided updates:

- Laboratory – Joint Commission Survey Review
- Medical Records Metrics
- Privacy / HIPAA Discussion

- Safety Walks through Departments
- Departmental Compliance
- Quality & Management Goals

Financial Update:

Financial Activity Review:

Warrant Resolution: The Committee reviewed the Board Warrant Approval resolution. Disbursements for the month of September totaled \$9,957,286 which included \$144,654 from the Plant Fund.

Financial Statement Review: Julie Stewart reported on the September 2021 financial statements with the Committee and highlighted the following as significant items:

- ◆ Balance Sheet – The hospital collected \$10.2 million in cash in September and paid out \$10.3 million. This resulted in day's cash on hand of 240.8 (181 in operating cash funds) down from August of 242.2. The current ratio increased to 2.35 from 2.3 in August. Repayment of the Medicare Advance Funding in September was \$630,000.
- ◆ Net Revenue – Net revenue for September 2021 was \$9.6 million with an actual collection rate of 44.5% which is above the budgeted 42% due to the receipt of \$602,000 capital payment from Tricare. Outpatient gross revenue as a percentage of total revenues increased to 82% of the total gross revenue. Hospital net revenue was above budget 5.6% and Primary Care and Specialty Clinics net revenue was below budget by 16%. For the month of September the Hospital met its financial pillar goal of an operating margin of net revenue to meet or exceed 1%, with an actual operating margin of 8.1%.
- ◆ Operating expenses – Total operating expenses for 2021 are 6.1% below budget and 7.9% above 2019. Wages, Salaries and benefits were 8.5% below budget. Supplies are 15.4% below budget. Professional and physician fees are 2.5% below budget. Purchased services are 10.4% above budget. Drug expense is 7.2% above budget. The total number of FTE's for 2021 is 539 which is under the budget of 594. The Hospital recorded net operating income for 2021 of \$1,281,000 versus the budgeted operating income of \$778,000. The excess margin for 2021 is \$4,637,000 or 5.8% of net revenue versus budgeted excess margin of \$4,177,000 or 5% of net revenue.
- ◆ Board Presentation – Julie presented to the Finance Committee a draft of a new Executive Dashboard that she would like to start using for the Board.

CFO Update: Julie reported on the following:

- Executive Budget Dashboard Spreadsheet
 - September Operating Metrics
 - Consolidated Summary of Revenue & Expenses
 - YTD Statistics: Cash, Staffing, Challenging Areas, & Recruitment
 - Discussed What's Working Well & Current Challenges

Administration Update:

COO Update: Elise reported on the following:

- Washington State COVID Update
 - Skagit County Metrics Update
 - Regional Conditions Metrics
 - Island Hospital Metrics
 - Skagit County Fairgrounds COVID Testing
 - Booster (Moderna) Services Preparation and Scheduling; Staff First then Open to the Public
 - Pediatric Vaccine Clinics Discussion
 - Vaccine Clinics Volunteer Coverage Discussion
 - COVID-19 Vaccination/Testing Metrics Update
 - Vaccination Mandate Update

IHF: Janie Crane, Foundation Director, provided updates on the following:

- Provided a Fundraising Update - Kiwanis Club
- Health & Wellness Center Donation Update
- Holiday Appeal Letter Fundraising Update
- Discussed the Gala of Hope Auction Options (April 16, 2022)
- Board of Directors Virtual Retreat (Accordant Philanthropy)

Community Relations & Marketing: Laura Moroney, Director Marketing and Community Relations, provided an update on the following:

- Reported on Island Hospital Brand Rollout Update
- Boosters Process Update
- Signage Process Update
- Veteran's Day Celebration at Island Hospital (11/11/21)

November Board Calendar: November Board Calendar was approved as presented.

Action Item:

No Action items.

ADJOURNMENT:

There being no further business, Commissioner Iversen called for the meeting to be adjourned at 1:13pm.

Jan Iversen, President/Commissioner

Chip Bogosian, MD Secretary/Commissioner

Paul Maughan, PhD Commissioner

Warren Tessler Commissioner

Lynne Lang, PhD, Commissioner