

January 27, 2021

The Regular Board Meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Tessler at 12:00 pm on January 27th via WebEx.

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

Those present were Commissioners Warren Tessler; Jan Iversen, Lynne Lang, PhD, Paul Maughan, PhD and Chip Bogosian, MD. Also present were Charles Hall, MSN, CEO; Elise Cutter, COO; Dr. Rob Rieger, COS, Carol Northup, RN CNO, Carolyn Pape, CHRO, Julie Norton Stewart, CFO, Kim Graf, Executive Assistant and Questen Inghram Anacortes American.

Public Comment:

No Public Comments were made

Action Items Completed:

No Action Items

Welcome:

Charles was pleased to introduce Julie Norton Stewart, MBA. Julie has joined the Island Hospital Senior Leadership Team and will serve as the Chief Financial Officer. Julie expanded on her personal and professional background.

Board of Commission Slate:

Commissioner Tessler presented the 2021 Board of Commissioner Officer Slate:

President: Jan Iversen
Secretary: Armen “Chip” Bogosian

Election of Officers:

After discussion, Commissioner Maughan made a motion to approve the 2021 Board of Commissioner Officer Slate as presented. Commissioner Lang seconded the motion. Commissioners Bogosian, Iversen, Lang, Tessler and Maughan all voted aye and the motion carried.

Commissioner Iversen commended Commissioner Tessler for his leadership over the last two years while serving as Board President.

CONSENT AGENDA:

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

BOARD QUALITY & PATIENT SAFETY REPORT

Medical Staff Meeting Summaries:

Dr. Rieger provided brief updates on the following Medical Staff Committees:

- ED Committee
- P&T Committee
- Clinical Ethics
- Credentials

Financial Update:

Financial Statement Review: Elise Cutter reported on the December 2020 financial statements with the Commissioners and highlighted the following as significant items:

- ♦ *Balance Sheet* – The hospital collected \$10.1 million in cash in December and paid out \$10.1 million. This resulted in day's cash on hand of 254 (230.1 in operating cash funds) down from November of 262.5. The current ratio increased to 1.78 from 1.74 in November.
- ♦ *Net Revenue* – Net revenue for December 2020 was \$8.9 million with an actual collection rate of 43.1% which is above the budgeted 41.5%. Outpatient gross revenue as a percentage of total revenues stayed at 83% of the total gross revenue. Hospital net revenue was **above** budget 1.2% and Primary Care and Specialty Clinics net revenue was below budget by 11.2%. For the month of December the Hospital did not meet its financial pillar goal of an operating margin of net revenue to meet or exceed 1%, with an actual operating margin of 8.4%.
- ♦ *Operating expenses* – Total operating expenses for 2020 are 7.8% below budget and 2.6% above the prior year. Wages, Salaries and benefits were 10.5% below budget and 1.4% below prior year. Supplies are 5.2% below budget and below prior year by 7.7%. Professional and physician fees are 12.3% below budget and 16.7% below prior year. Purchased services are 4.8% below budget and .2% below prior year. Drug expense is 4.9% above budget and 11.6% above prior year related to oncology. The total number of FTE's for 2020 is 501 which is under the budget of 579 and 33 less than 2019. The Hospital recorded a net operating loss for 2020 of \$2,231,000 versus the budgeted operating income of \$951,000. The excess margin for 2020 is \$2,398,000 or 2.6% of net revenue versus budgeted excess gain of \$5,522,000 or 5.3% of net revenue.

Resolution 2021-2118 Extension of Line of Credit:

After review and discussion, Commissioner Maughan made a motion to approve the Resolution 2021-2118 Extension of Line of Credit as presented. Commissioner Lang seconded the motion. Commissioners Bogosian, Iversen, Lang, Tessler and Maughan all voted aye and the motion carried.

Administration Update:

Farewells: Charles shared that Carolyn Pape will leave Island Hospital after 7 years of service to Island Hospital and our community. Charles thanked Carolyn for her strong leadership and commitment to the organization during her time with the organization.

Employee Recognition:

Employee of the Month January: JoAnn Fain, Information Systems Applications Analyst.

CEO:

Charles provided updates on the following:

- Provider recruitment efforts for Island Primary Care-Orcas, Island Urology, Island Women Services and Island Gastroenterology.
- Charles briefly remarked on State, regional and county COVID Metrics.
- COVID-19 Vaccine Clinic Update highlighting Vaccine Clinic ramp up efforts, total number of doses given to date, first dose and second dose processes and collaboration with the Island Hospital Ethics Committee.
- Healthy Washington Resetting of the Phases within the State of Washington

New Business:

IHF: Janie Crane, Foundation Director, provided updates on fundraising efforts, new donors, the Island Hospital Foundation 2021 Strategic Plan, multi-year fundraising goals and new fundraising ideas in order to achieve the goals.

Community Relations & Marketing: Laura Moroney, Director Marketing and Community Relations, provided updates on the 2021 key initiatives the department:

- COVID -19 Vaccine Rollout and communication efforts with the community
- New communication vehicles (eNewsletter and Instagram)
- Brand Fresh
- Orcas Clinic Launch
- Health & Wellness Center Launch
- Reviewed the Upcoming Community Education Classes that will be offered virtually in February.

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

Executive Session:

Commissioner Iversen announced that we will be holding an Executive Session to discuss:

1. Review the activities of the Quality improvement Committee pursuant to RCW70.44.062(2).

We expect the session to take thirty (30) minutes in length. At the end of the Executive Session ACTION will NOT be taken and therefore we will reconvene.

The Board reconvened at 2:15 pm.

Action Item:

- No action item

ADJOURNMENT:

There being no further business, Commissioner Tessler called for the meeting to be adjourned at 2:18pm.

Jan Iversen President/Commissioner

Chip Bogosian, MD Secretary/Commissioner

Paul Maughan, PhD Commissioner

Warren Tessler Commissioner

Lynne Lang, PhD, Commissioner