

May 26, 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 May 26th in Cypress Conference Room. Due to the ongoing COVID 19 Pandemic the Regular Board Meeting was conducted via WebEx.

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

Public Comment:

No Public Comments were made

Action Items Completed:

- a. Hospital Week Events Shared with Commissioners
- b. Breakfast shifts for Commissioners
- c. Audit Follow Up at Finance Committee
- d. Follow Up Commissioners May Med Staff Commissioner Attendees

CONSENT AGENDA:

After review and discussion, Commissioner Bogosian made a motion to approve the Consent Agenda with the correction that Commissioner Iversen adjourned the Working Board Meeting on April 14th. Commissioner Maughan seconded the motion. Commissioners Bogosian, Iversen, Tessler, Lang and Maughan all voted aye and the motion carried.

BOARD QUALITY & PATIENT SAFETY REPORT

Medical Staff Meeting Summaries:

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

- Department of Surgery
- Ethics Committee

Financial Update:

Financial Statement Review: Julie Norton Stewart reported on the April 2021 financial statements with the Commissioners and highlighted the following as significant items:

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

- ◆ **Balance Sheet** – The hospital collected \$9.5 million in cash in April and paid out \$8.2 million. This resulted in day's cash on hand of 245.9 (218.3 in operating cash funds) up from March of 243.8. The current ratio decreased to 2.14 from 2.22 in March.
- ◆ **Net Revenue** – Net revenue for April 2021 was \$8.3 million with an actual collection rate of 39.5% which is below the budgeted 41.8%. Outpatient gross revenue as a percentage of total revenues increased to 86% of the total gross revenue. Hospital net revenue was below budget 6.1% and Primary Care and Specialty Clinics net revenue was below budget by 15.3%. For the month of April 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 -3%.
- ◆ **Operating expenses** – Total operating expenses for 2021 are 8.3% below budget and 3% above 2019. Wages, Salaries and benefits were 9.2% below budget. Supplies are 18.9% below budget. Professional and physician fees are 7.1% below budget. Purchased services are 3.8% above budget. Drug expense is 1.2% below budget. The total number of FTE's for 2021 is 529 which is under the budget of 594 and 17 more than 2020. The Hospital recorded a net operating loss for 2020 of \$205,000 versus the budgeted operating income of \$241,000. The excess margin for 2021 is \$1,212,000 or 3.7% of net revenue versus budgeted excess margin of \$1,751,000 or 4.8% of net revenue.

There was brief dialog of the April's Audit presentation by WipFli.

Administration Update:

Employee Recognition:

Charles said farewell to TJay Thompson who will be leaving Island Hospital for a professional growth opportunity in Seattle. All in attendance thanked TJay for his service to Island Hospital and the communities that we serve.

Basket of Goodwill: April: Surgical Services passed to Acute Care

Employee of the Month May: Anthony Penney, Medical Assistant Anacortes Family Medicine and the Walk In Clinic.

Recognized the new employees on boarded during the month of May.

CEO:

Charles provided updates on the following:

- Upcoming site visit to Island Primary Care-Orcas clinic by Representative Rick Larsen
- Program Development: Soltive Urology Laser, Intercept Tele-ICU, Island Health & Wellness Center, Spine Robotic Program
- Provider Recruitment Update: Dr. Joe Wilson, OB/GYN; Dr. Rob Billow, Ortho-Biologics, Dr. David Rice, Urology, Dr. Don Wakelin, Gastroenterology, Update CMO and General Surgeon recruitment efforts.
- Shared that Healthgrades, a nonprofit organization that recognizes hospitals for superior patient outcomes, has recognized Island Hospital in the Top 100 for Orthopedic Surgery Excellence and Joint Replacement Excellence.

Elise provided an update on COVID 19 Metrics and the Island Hospital Vaccine Clinic.

- Reviewed CDC Guidelines for Healthcare masking requirements and remarked on the work being conducted to develop policy and guidelines for masking requirements.
- Vaccine update and remarked that Island Hospital is ramping down the COVID Vaccine Clinic and will be transitioning COVID vaccinations to the primary care clinics, Walk In Clinic, ED and inpatient units.

Elise remarked on the establishment of a Community EMS Program in Anacortes and shared that Island Hospital is collaborating with EMS with the program.

New Business:

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

- Provided a recap of the IHF Well Journey Adventure and thanked the Commissioners for their support for the event. Janie shared that over \$340,000 in donations have been raised to date.
- Remarked on new donor opportunities and the addition of a Major Donor Officer to the IHF department.
- Update on the Island Hospital Golf Classic, upcoming IHF newsletters and an upcoming Foundation assessment which will help to complete a feasibility study for philanthropy growth.

Community Relations & Marketing: Laura Moroney, Director Marketing and Community Relations, provided a recap and attendees metrics on the Community Educations classes that were held during the IHF Well Journey Adventure. Remarked that the June focus will be Brand Strategy, SHIBA, Videography and staff recruiting within the Marketing and Community Relations Department.

It was noted that Island Hospital will not be continuing to staff an employee to support the SHIBA educational services here at Island Hospital. Island Hospital is working with SHIBA to identify new volunteers to assist with the program. Island Hospital will continue to offer Medicare classes through Community Education.

June Board Calendar: June Board Calendar was approved with the noted changes:

Commissioner Lang will attend the June Med Staff Meeting in place of Commissioner Iversen.

Commissioners Iversen and Tessler have swapped meeting times for their CEO Meetings scheduled for June 10th.

Action Item:

1. Branding Resolution for June Board Meeting

ADJOURNMENT:

There being no further business, Commissioner Iversen called for the meeting to be adjourned at 1:43pm.

Jan Iversen, President/Commissioner

Chip Bogosian, MD Secretary/Commissioner

Paul Maughan, PhD Commissioner

Warren Tessler Commissioner

Lynne Lang, PhD, Commissioner