

November 18, 2020

The regular meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Tessler on November 18th at 12noon. Due to COVID safety measures our meeting was conducted virtually via WebEx.

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

Not present: Rob Rieger, MD COS

Action Items Completed:

- Hospice NW communication shared with Commissioners

Public Comments:

No public comments were made

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.

Resolution 2020-2116

After review and discussion, Commissioner Maughan made a motion to approve Resolution 2020-2116 Washington Federal Signature Authorization as presented. Commissioner Bogosian 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:

Anita McCoy provided brief updates on the following Medical Staff Committees:

- ED Committee Meeting
- Surgery Committee Meeting

Quality Management Oversight Committee:

There was review and discussion of the recommendations and action plans for the following:

- Utilization Review
- Blood Use & Pathology
- Physical Environment Management
- Reporting Transition
- Hand Hygiene Monitoring
- Pain Management
- PACU Medication and Transfer Orders
- Sequential Compression Devices Documentation
- IV Access Documentation
- Epidural Monitoring

Financial Update:

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

- ◆ *Balance Sheet* – The hospital collected \$20.8 million in cash in October (which included \$11.2 million in additional Medicare Advance Funding) and paid out \$7.1 million. This resulted in day's cash on hand of 263.7 (231.9 in operating cash funds) up from September of 209.7. The current ratio decreased to 1.70 from 2.05 in September.
- ◆ *Net Revenue* – Net revenue for October 2020 was \$8.6 million with an actual collection rate of 39.6% which is below the budgeted 41.2% due to the higher percentage of outpatient to total revenue. Outpatient gross revenue as a percentage of total revenues increased to 85% of the total gross revenue. Hospital net revenue fell below budget 3.3% and Primary Care and Specialty Clinics net revenue was below budget by 5.6%. For the month of October 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 1%.
- ◆ *Operating expenses* – Total operating expenses for October are 2.6% below budget and 2.5% below the prior year. Wages, Salaries and benefits were 6% below budget and 1% below prior year. Supplies are 7.3% above budget primarily in Lab related to COVID testing supplies and below prior year by 2.4%. Professional and physician fees are 20.2% below budget and 31% below prior year. Purchased services are 12.5% above budget and 7.9% above prior year due to contract labor and other contracted services. Drug expense is 37.6% above budget and 24.1% above prior year related to oncology and flu vaccines. The total number of FTE's for 2020 is 494 which is under the budget of 579 and 38 less than 2019. The Hospital recorded a net operating income for October of \$86,000 versus the budgeted operating income of \$188,000. The excess gain for October is \$461,000 or 5.4% of net revenue versus budgeted excess gain of \$570,000 or 6.4% of net revenue.

Administration Update:

Employee Recognition:

Employee of the Month October: Clarisa Shook, BSN RN ICU Department.

Basket of Goodwill: Information System passed to the Respiratory Clinic.

CEO:

Charles provided updates on:

- Island Hospital Flu Clinics
- Island Orcas Clinic Marketing & Communication Plan

- COVID 19 Pandemic reporting on: Regional & Island Hospital metrics and new COVID safety measures and restrictions outlined by Governor Inslee in a recent press conference.
- Remarkd on one of Island Hospital’s major initiatives for 2021: The Island Hospital Health & Wellness Center.

New Business:

IHF: Jeannette Papadakis remarked recent Doc Talk which can be viewed on YouTube and had 58 households participate, provided an update on year to date donations which are over \$2.1 million, upcoming Holiday Appeal the 2020 Employee Giving Campaign, the Hospital Shop & Give events that support the Island Hospital Foundation and the upcoming IHF Board Retreat.

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

There was brief discussion of Hospice NW.

Action Item:

- Confirm if electronic signatures are acceptable for Board Warrant and Resolutions with virtual meeting platform due to COVID Safety measure requirements.

ADJOURNMENT:

There being no further business, Commissioner Tessler called for the meeting to be adjourned at 1:45pm.

Warren Tessler President/Commissioner

Jan Iversen Secretary/Commissioner

Paul Maughan, PhD Commissioner

Chip Bogosian, MD., Commissioner

Lynne Lang, PhD, Commissioner