

April 29, 2020

The regular meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Tessler on April 29th at 12noon in the Cypress Room of Island Hospital.

Those present were Commissioners Lynne Lang, PhD; Chip Bogosian, MD and Jan Iversen. Also present were Charles Hall, CEO; Elise Cutter, CFO; Robert Prins, MD CMO; Denise Jones, RN CPCE; Carolyn Pape, CHRO Robert Rieger, MD, COS and Kim Graf, Executive Assistant.

Via WebEx: Ann Raish, Interim COO; Briana Alzola, Anacortes American; Commissioner Maughan, Commissioner Tessler

Action Items Completed:

- Press Release for Island Hospital COVID 19 Response

**Public Comments:**

No public comments were made.

**2018 Audit Report:**

Eric Volk and Wes Thew, Wipfli, presented to the Board of Commissioners the Island Hospital 2018 Audit Report.

Wes reported that Island Hospital had a clean audit and that five adjustments were needed. Wes highlighted the financial analysis and provided an accounting update.

After review, Commission Bogosian made a motion to approve the 2018 Audit Report as presented. Commissioner Lang seconded the motion. Commissioners Maughan, Tessler, Bogosian, Lang and Iversen all voted aye and the motion carried.

Eric provided a health care industry update and reported on COVID 19 public and emergency funds being distributed through CARES, FEMA and the Federal Communications Commission Grant (FCC).

Elise thanked the Island Hospital Finance and Patient Accounts Departments for their efforts to consistently and continually produce a clean audit.

Commissioner Tessler commended Elise and the Finance and Patient Accounts Departments for their efforts with the audit.

## **CONSENT AGENDA:**

After review and discussion, Commissioner Bogosian made a motion to approve the Consent Agenda. Commissioner Lang 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 updates on how the COVID 19 Pandemic has effected the following Medical Staff Committees:

- Emergency Department
- Surgery Department
- Department of Medicine
- Credentials
- OB/Peds

## **Financial Update:**

Elise Cutter reported on the March 2020 financial statements with the Commissioners and highlighted the following as significant items:

- ◆ *Balance Sheet* – The hospital collected \$10.4 million in cash in March and paid out \$8 million. This resulted in day's cash on hand of 147.3 (124.4 excluding the remaining bond funds) up from March 139.5. The current ratio decreased to 3.13 from 3.16 in March.
- ◆ *Net Revenue* – Net revenue for March 2020 was \$7.8 million with an actual collection rate of 45.7% which is above the budgeted 41% due to a DSH Settlement for 2015. Hospital net revenue fell below budget 4.9% and Primary Care and Specialty Clinics net revenue fell below budget 17.9%. 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% due to the impacts of decreased volume from the COVID pandemic.
- ◆ *Operating expenses* – Total operating expenses for March are 3.5% below budget and .6% below the prior year. Wages and Salaries 5.2% below budget and 6.1% under prior year. Supplies are 13.6% below budget and under prior year by 21.5%. Professional and physician fees are 25.2% below budget and 26.7% below prior year. Purchased services are 11.6% below budget and 2.5% above prior year. Drug expense is 14.2% below budget and 29.8% under prior year. The total number of FTE's for 2020 is 538 which is under the budget of 579 and 9 more than 2019. The Hospital recorded a net operating loss for March of \$64,000 versus the budgeted operating income of \$166,000. The excess gain for March is \$300,000 or 3.8% of net revenue versus budgeted excess gain of \$547,000 or 6.2% of net revenue.

### **Administration Update:**

Charles provided an update on the ongoing COVID 19 pandemic within our region and highlighted the following:

- Regional Metrics
- Island Hospital Current State Metric Dashboard
  - Positive Cases
  - Laboratory Demographics & Testing
  - Island Hospital Predictive Model for April
- Recovery Plan and establishment of Recovery Task Force

Charles reported on the roll out of testing in Skagit County reviewing the parameters for testing. The testing site is located at Skagit Community College in Mount Vernon.

Charles expressed his sincere gratitude for all those who have been involved with the Island Hospital COVID 19 Response:

- Elise Cutter, CFO and the Finance Department
- Ann Raish, Interim COO and the Emergency Operation Committee (EOC)
- Carolyn Pape, CHRO and the Human Resources Department
- Jeannette Papadakis, IHF Executive Director and the Island Hospital Foundation
- Anacortes American for their willingness to provide weekly informational updates to the community
- Dennis Richards, Director Community Relations and the Community Relations Department
- and lastly to all the support staff heros, nursing heros and physician heros at Island Hospital who continue to endlessly care for the patients of our community.

On behalf of the Board of Commissioners, Commissioner Tessler remarked on the Boards gratitude for the Island Hospital team and their response to the COVID 19 pandemic.

Charles commented on the upcoming retirement of Dennis Richards, Director of Community Relations, and thanked him for his twenty-two (22) year commitment to Island Hospital.

### **Telemedicine:**

Elise was pleased to share that the Island Hospital Telemedicine Program has been launched sharing that twenty one (21) providers are now seeing patients via telehealth. The telehealth focus has been on following up with patients whose appointments were cancelled due to clinic closure or patients who need urgent care. Telehealth is available in the following clinics:

Pain

Sleep

Primary Care

Psychiatry & Behavioral Health

Oncology

Elise commended Kristen Moore, Supervisor Pain Clinic, for leading the telemedicine roll out.

**New Business:**

**IHF:** Jeannette Papadakis remarked on recent donations that the Island Hospital Foundation has received to support the COVID 19 Relief Fund. To date over \$600,000 has been raised for the COVID Fund.

Jeannette commented on the positive responses received regarding the IHF Executive Briefings, noted the upcoming online “Giving Tuesday” Campaign and shared a positive patient experience letter received from a recent patient who recovered from COVID 19.

**May Board Calendar:**

The May Board Calendar was approved with the correction that Commissioner Maughan will attend the May Finance Committee Meeting.

Charles reported that Medical Staff Committee Meetings will resume in May through WebEx.

**Action Items:**

- Follow Up with Commissioner Tessler on Audit

**ADJOURNMENT:**

There being no further business, Commissioner Tessler called for the meeting to be adjourned at 1:57 pm.

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Warren Tessler President/Commissioner

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Jan Iversen Secretary/Commissioner

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Paul Maughan, PhD Commissioner

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Chip Bogosian, MD., Commissioner

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Lynne Lang, PhD, Commissioner