

June 24, 2020

The regular meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Tessler on June 24th at 12noon in the Cypress Room of Island Hospital.

Those present were Commissioners Warren Tessler; Paul Maughan, PhD; Chip Bogosian, MD; Commissioner Lang, PhD and Jan Iversen. Also present were Charles Hall, CEO; Elise Cutter, COO/CFO; Robert Prins, MD CMO; Denise Jones, RN CPCE; Carolyn Pape, CHRO; Ann Raish, Interim COO; Robert Rieger, MD, COS and Kim Graf, Executive Assistant.

Via WebEx: Briana Alzola, Anacortes American

Action Items Completed:

- Letter to donor sent by Commissioners
- OPEBB information sent to Commissioner Tessler

Public Comments:

Bill Bangs remarked on the Island Hospital submission of the Medical Clinic Operator Request for Proposal for Orcas Island Heath Care District

CONSENT AGENDA:

After review and discussion, Commissioner Maughan made a motion to approve the Consent Agenda as presented. 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 the following Medical Staff Committees:

- Emergency Department
- Surgery Department
- QA Committee
- Anesthesia Committee
- Clinical Ethics Committee
- Credentials Committee
- Department of Medicine

Quality Management Oversight Committee:

Dr. Prins reported on the following items and recommendations:

- Restraints
- Sedation
- DNV NC 1 Finding Progress Report Facilities
- DNC NC 1 Findings Progress Report Clinical
- Employee Health & Safety

Financial Update:

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

- ◆ **Balance Sheet** – The hospital collected \$10 million in cash in May (of which 5.1 million was in grant funds from HHS for the Hospital and RHCs) and paid out \$5.7 million. This resulted in day's cash on hand of 195.4 (166.9 in operating cash funds) up from April 166.8. The current ratio decreased to 2.15 from 2.76 in April.
- ◆ **Net Revenue** – Net revenue for May 2020 was \$5 million with an actual collection rate of 39.1% which is above the budgeted 41.1%. Hospital net revenue fell below budget 39.5% and Primary Care and Specialty Clinics net revenue fell below budget 53.9%. 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 -23.8% due to the impacts of decreased volume from the COVID pandemic.
- ◆ **Operating expenses** – Total operating expenses for May are 27% below budget and 25.8% below the prior year. Wages and Salaries 24.8% below budget and 17.5% under prior year. Supplies are 60.1% below budget and under prior year by 61.4%. Professional and physician fees are 9.5% below budget and 32.3% below prior year. Purchased services are 26.3% below budget and 23% below prior year. Drug expense is 18% below budget and 31.1% under prior year. The total number of FTE's for 2020 is 488 which is under the budget of 579 and 43 less than 2019. The Hospital recorded a net operating loss for May of \$1,188,000 versus the budgeted operating income of \$129,000. The excess gain for May is -\$826,000 or -16.5% of net revenue versus budgeted excess gain of \$510,000 or 5.9% of net revenue.

Administration Update:

Employee Recognition:

Charles thanked Ann Raish for her leadership, guidance and assistance with the work she led during her time as Interim COO.

Commissioner Tessler thanked Ann for her contributions to Island Hospital during her time serving as Interim COO.

Leadership Roundtable Recognition: Hope Campbell, Medical Technologist Laboratory

May Basket of Goodwill passed from Engineering to Psychiatry & Behavioral Health

Employee of the Month April: Sara Castillo, Medical Assistance AFM

Employee of the Month May: Carol Bear, Registered Nurse Pre Anesthesia Clinic

CEO:

Charles provided a brief update on the COVID 19 Pandemic highlighting:

- Regional & Island Hospital Metrics
- Various testing methods

Charles remarked on several quality related assessments that will be conducted in the near future noting that the results will be reviewed with the Commissioners at an upcoming Board Meeting.

Charles provided an update on physician recruitment efforts highlighting the following:

Urology: Dr. Mansel Kevwitch has begun to see patients in Island Urology Clinic. The clinic opened June 22nd

Child Psychiatrist: Dr. Shad Ali will join the Island Hospital Medical Staff and Psychiatry & Behavioral Health Clinic in September.

Family Practice: Dr. Stephen Horras will join the Island Hospital Medical Staff and FMA Clinic in September.

Remarked on the expansion of ENT services at Island Hospital, collaborations with Eventide Health Friday Harbor, the RFP for Orcas, GI expansion and the Master Facility Assessment that is currently underway.

Human Resources Update:

Carolyn Pape provided updates on the following:

- SharedWork Program through the Employment Security Department (ESD) noting that Island Hospital has been approved to participate in this program.
- “High Risk” Leave Protection Proclamation which has been extended to August 1, 2020.
- Workplace Violence Training through AVADE Training
- Recruitment & Staffing Update
- Labor & Employee Relations
- Benefits Plan Update
- Employee Engagement Survey has been rescheduled for May 2021

Carolyn Pape recognized the Human Resource Department Team for their efforts to manage employee relations over the last several months.

Commissioner Maughan suggested that the Board send a letter of appreciation the Human Resource Department.

New Business:

IHF: Jeannette Papadakis remarked on the year to date donations that the Island Hospital Foundation has received. To date the Island Hospital Foundation has received close to \$1.7 million in donations and reviewed the various funds that the donations are allocated to.

Jeannette commented on the most recent IHF electronic newsletter, an upcoming Executive Briefing & Doc Talk which will feature Dr. Mansel Kevwitch, announced the recipients of the John Carabba Memorial Scholarship and remarked on the upcoming Island Hospital Golf Classic.

June Board Calendar:

The June Board Calendar was approved with the correction that the Finance Committee will begin at 10am rather than 8am.

Executive Session:

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

1. Discuss litigation where legal counsel representing the District pursuant to RCW 42.30.110 (1)(i).
2. To review Request for Proposal of a publicly bid contract pursuant to RCW42.30.110 (1) (d).

We expect the session to take thirty (60) minutes in length. At the end of the Executive Session ACTION will be taken and therefore we will reconvene.

The Board reconvened at 3:30 pm.

Medical Clinic Operator Request for Proposal:

After review and discussion, Commissioner Maughan made a motion to approve the submission of the Medical Clinical Operator Request for Proposal for Orcas Island Health Care District as presented. Commissioner Lang seconded the motion. Commissioners Bogosian, Iversen, Lang, Tessler and Maughan all voted aye and the motion carried.

Action Items:

- Letter of Appreciation to the Human Resource Department.

ADJOURNMENT:

There being no further business, Commissioner Tessler called for the meeting to be adjourned at 3:35pm.

Warren Tessler President/Commissioner

Jan Iversen Secretary/Commissioner

Paul Maughan, PhD Commissioner

Chip Bogosian, MD., Commissioner

Lynne Lang, PhD, Commissioner