

July 22, 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; Robert Rieger, MD, COS and Kim Graf, Executive Assistant.

Via WebEx: Briana Alzola, Anacortes American, Denise Jones, CPCE; Elise Cutter, COO; Carolyn Pape, CHRO , Robert Prins, MD CMO and Jeannette Papadakis, IHF Executive Director.

Action Items Completed:

- DOH volunteer point of contact information sent to Commissioners
- Letter to HR from Commissioners: Commissioner Tessler read the Letter of Appreciation sent to the Human Resources Department.

Public Comments:

No public comments were made.

CONSENT AGENDA:

After review and discussion, Commissioner Lang 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 updates on the following Medical Staff Committees:

- Emergency Department
- OB/Peds
- Infection Control

There was discuss of the requirement for wearing a mask within the Hospital for all patients, visitors, vendors and staff.

Financial Update:

Commissioners Maughan and Bogosian briefly remarked on the June financial dashboard.

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

- ◆ Balance Sheet – The hospital collected \$8.7 million in cash in June (of which 2.9 million was in advance funding from Medicare) and paid out \$6.1 million. This resulted in day's cash on hand of 204.8 (177.6 in operating cash funds) up from May of 195.4. The current ratio decreased to 2.07 from 2.15 in May.
- ◆ Net Revenue – Net revenue for June 2020 was \$7.55 million with an actual collection rate of 38.3% which is below the budgeted 41.2%. Outpatient gross revenue was 79% of the total gross revenue impacting the collection rate as well as \$131K in higher final write offs on some larger Medicare accounts, financial assistance write offs in June of \$160K and another \$43K in Medicare write offs. Hospital net revenue fell below budget 13.9% 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 -1.1% as the Hospital works to open up all services.
- ◆ Operating expenses – Total operating expenses for June are 10.6% below budget and .2% above the prior year. Wages and Salaries 11.4% below budget and 4% over prior year. Supplies are 6.2% below budget and over prior year by 10.3%. Professional and physician fees are 1.7% above budget and 28% below prior year. Purchased services are 27.9% below budget and 19.5% below prior year. Drug expense is 5.4% above budget and 38.4% above prior year. The total number of FTE's for 2020 is 436 which is under the budget of 579 and 87 less than 2019. The Hospital recorded a net operating loss for June of \$83,000 versus the budgeted operating income of \$189,000. The excess gain for June is \$321,000 or 4.2% of net revenue versus budgeted excess gain of \$570,000 or 6.5% of net revenue.

Administration Update:

Employee Recognition:

The July Basket of Goodwill will be passed from Psychiatry & Behavioral Health to another department at our July 28th LRT Meeting

Employee of the Month June: Jeff Freeland, Respiratory Therapist.

Charles thanked Denise Jones, RN for her leadership, guidance and mentoring during her 17 years with Island Hospital. Denise will be leaving Island Hospital in August and will be missed dearly.

CEO:

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

- Regional & Island Hospital Metrics

- Various testing methods & Island Hospital Respiratory Clinic volumes
- Island Hospital COVID Readiness Committee areas of focus

There was a brief update on establishing Tele-ICU services at Island Hospital. Charles anticipates that a decision will be made later in the year.

There was an update on the video conferencing upgrade project that will be completed this year. Charles reported that Cypress, Guemes and the Admin Conference Rooms will be upgraded in September and noted that advanced WebEx subscriptions will soon be available.

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

Urology: Dr. Mansel Kewwitch has begun to see patients in Island Urology Clinic. The clinic is ramping up quickly and seeing an increase in daily clinic volumes.

ENT: Dr. Kevin Harris will begin to provide ENT surgical services here at Island Hospital in the near future.

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.

Charles provided an update on the Orcas Medical Clinic Operator Request for Proposal noting that the San Juan Hospital District Board of Commissioners voted to move forward with contract negotiations with Island Hospital. Island Hospital will participate in an Orcas community update forum next week.

Updates were provided for recruitment efforts for the Chief Financial Officer, Chief Nursing Office, Director of Community Relations & Marketing and the Surgical Services Director.

There was brief discussion on a recent Privacy Assessment and upcoming Compliance Assessment.

CPCE:

Denise Jones provided an update on Patient Experience Press Ganey scores during COVID. Highlighted were the Emergency Department scores from 1st Quarter to 2nd Quarter which significantly increased. Denise expanded on the factors that affect patient satisfaction and the challenges with providing patient care during the Pandemic. The visitation guidelines for inpatients and screening entrance processes were reviewed.

Denise shared several patient experience letters with the Commissioners.

Denise remarked that it has been an honor to work at Island Hospital and thanked the Board of Commissioners and Senior Leadership for the opportunity.

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 \$1.8 million in donations and noted the top funds that the donations are allocated to.

Jeannette reported on expanded communication platforms the Foundation is utilizing to share Foundation news, the Island Hospital Golf Classic, ongoing fundraising strategies, the recent Island Hospital Foundation audit conducted by Wipfli and upcoming collaborative strategic planning efforts with Island Hospital.

August Board Calendar:

Charles remarked on the upcoming Strategic Planning Timeline noting that meetings will be set up in the near future with Commissioners Lang and Tessler.

The August Board Calendar was approved as presented.

Action Items:

1. Provide IHF with Tom Martin's contact information

ADJOURNMENT:

There being no further business, Commissioner Tessler called for the meeting to be adjourned at 1:50 pm.

Warren Tessler President/Commissioner

Jan Iversen Secretary/Commissioner

Paul Maughan, PhD Commissioner

Chip Bogosian, MD., Commissioner

Lynne Lang, PhD, Commissioner