

August 26, 2020

The regular meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Tessler on August 26th 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; Carolyn Pape, CHRO; Robert Rieger, MD, COS and Kim Graf, Executive Assistant.

Via WebEx: Briana Alzola, Anacortes American, Robert Prins, MD CMO and Jeanne Sandahl, RN Interim CNO

Action Items Completed:

- Strategic Planning Consultant Contact Information Passed to IHF

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.

BOARD QUALITY & PATIENT SAFETY REPORT

Medical Staff Meeting Summaries:

Dr. Rieger acknowledged Dr. Prins for his mentorship within the OB/GYN specialty during his time practicing medicine in the Anacortes community. He will be missed tremendously.

Dr. Rieger provided updates on the following Medical Staff Committees:

- P & T Committee
- Department of Surgery
- QA Committee
- Credentials Committee

Commissioner Iversen inquired on flu shot availability. It is anticipated that Island Hospital will receive the vaccinations by the middle of September. It was noted that local retail pharmacies may have the shots available now.

Quality Management Oversight Committee:

Anita McCoy reported on the following Medical Staff Committee Meetings:

- Infection Prevention and Control
- Antimicrobial Stewardship
- Emergency Preparedness
- Surgical Services
- Medical Record Delinquency

Financial Update:

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

- ◆ Cash on hand of 202.6 (173 in operating cash funds) down from June of 204.8. The current ratio decreased to 2.04 from 2.07 in June.
- ◆ Net Revenue – Net revenue for July 2020 was \$8.8 million with an actual collection rate of 40.8% which is below the budgeted 41.1%. Outpatient gross revenue was 83% of the total gross revenue impacting the collection rate as well as bad debt write offs of \$173K, financial assistance write offs in July of \$100K and another \$143K in Medicare write offs. Hospital net revenue fell below budget .1% and Primary Care and Specialty Clinics net revenue fell below budget 16%. 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 -2.2%.
- ◆ Operating expenses – Total operating expenses for July are 1.9% above budget and 16% above the prior year. Wages and Salaries 6.1% below budget and 9.8% over prior year. Supplies are 29.9% above budget in surgery and lab supplies and over prior year by 55.4%. Professional and physician fees are 8.6% above budget due to consulting and recruiting fees and 3.3% below prior year. Purchased services are 2.8% above budget in contract labor and repairs and 8.5% above prior year. Drug expense is 13.6% above budget and 41.1% above prior year. The total number of FTE's for 2020 is 484 which is under the budget of 579 and 45 less than 2019. The Hospital recorded a net operating loss for July of \$195,000 versus the budgeted operating income of \$217,000. The excess gain for July is \$153,000 or 1.7% of net revenue versus budgeted excess gain of \$598,000 or 6.6% of net revenue.

Administration Update:

Employee Recognition:

Charles was pleased to announce that Laura Moroney has been selected as the new Island Hospital Director of Community Relations and Marketing. Laura brings over twenty (20) years of extensive marketing experience with her and Charles is confident she will be an asset to the Island Hospital Leadership Team.

Charles shared that Dr. Prins is retiring as of August 28th and thanked him for his leadership and service to our community and patients over the last 25 years. Dr. Prins has been a leader and mentor for the Medical Staff throughout his tenure on the Island Hospital Medical Staff and he will be missed tremendously.

Charles shared that Karrie Pike, Director of Dietary Services, will be leaving Island Hospital and noted that Island Hospital is currently working with Thomas Cuisine Management to identify a replacement.

Charles shared that Terry Halemba, Medical Staff Coordinator, will be leaving Island Hospital the middle of September. Terry has been with Island Hospital for over thirteen (13) years and will be missed dearly.

Employee of the Month August: Karla Smith, MSW Care Management.

CEO:

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

ENT: Dr. Kevin Harris has begun ENT surgical procedures here at Island Hospital.

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.

Briefly remarked on the timeline and negotiations with Orcas Island Health Care for the Medical Clinical Operator for the Orcas Medical Clinic.

Remarked on the ongoing recruitment efforts for the CNO and CFO positions.

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

- Regional & Island Hospital Metrics
- Testing metrics
- Island Hospital preparedness and the COVID Readiness Committee

Charles commended the Emergency Department for their efforts to increase their Patient Experience scores with Press Ganey during Quarters 2 & 3.

Charles remarked on COVID federal assistance funding, additions of TeleICU services at Island Hospital and GI growth opportunities.

CHRO Update:

Carolyn Pape provided updates on the following:

- Recruiting and staffing
- Leave Cases and how to effectively manage leave cases within departments.
- Remarked on solutions to deal with Island Hospital working parents and local school schedules for Fall 2020.
- Briefly remarked on the Island Hospital Remote Work Program
- Employee Service Awards scheduled for September 29th.
- Employee of the month via WebEx
- Summer Carnival scheduled for September 2nd.

Highlighted Employee Wellness activities which are currently underway: Virtual Summer Hiking Series, Food of The Month and Farm Stand.

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.

Jeannette shared that the Island Hospital Golf Classic has been cancelled for 2020 however she was pleased to share that over \$32,000 in sponsorships have been converted to support COVID testing.

Jeannette remarked on an upcoming Executive Briefing and Doc Talk, shared that the Island Hospital Foundation had a clean audit report and commented on the IHF Strategic Planning Retreat. 2019 Impact Report, 990 Tax Report, Employee Campaign and Annual Holiday Appeal Campaign.

September Board Calendar:

The September Board Calendar was approved as presented.

Action Items:

- No Action Items

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