

April 26, 2022

The Regular Board Meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Iversen at 12:00 noon on April 26th in the Cypress Room of Island Hospital.

Due to the ongoing COVID 19 Pandemic a WebEx option was available for the Regular Board Meeting. .

Those present were Commissioners Warren Tessler; Jan Iversen, Lynne Lang, PhD, Paul Maughan, PhD and Chip Bogosian, MD. Also present were Elise Cutter, CEO; Jason Hogge, MD CMO, Julie Norton Stewart, CFO; Dr. Rob Carter, COS and Kim Graf, Executive Business Partner.

Not present: Carol Northup, RN CCO

Public Comment:

No Public Comments were made

Action Items Completed:

The following ACTION Items have been completed:

- Volunteer Appreciation Lunch added to April Board Calendar
- Notified Quality that Commissioner Lang was in attendance at the March Quality Management Review Meeting

Introduction:

Elise was pleased to introduce James Glade, HR Director and Lauren Gansemer, Laboratory Manager. James and Lauren expanded on their personal and professional backgrounds. All welcomed both to the Island Hospital Medical Staff.

Audit Report

Eric Volk and Katie Raebel, WipFli, presented to the Board of Commissioners the Island Hospital 2021 Audit Report.

Eric reported that Island Health had a clean audit with no findings identified and one adjustment was needed. Eric highlighted the financial analysis and provided an accounting standards update.

Katie Rabel provided a health care industry update and reported on the finalized reimbursement changes for rural health clinics regarding cost based reimbursement rates noting the big win for the “grandfather” status received for both Island Health and the Orcas clinic. Katie remarked on rural health clinic strategic reimbursement for mental health telehealth services, maximizing Medicaid rates, mobile rural health clinics.

After review and recommendation by the Finance Committee, Commission Maughan made a motion to approve the 2021 Audit Report as presented. Commissioner Lang seconded the motion. Commissioners Maughan, Tessler, Bogosian, Lang and Iversen all voted aye and the motion carried.

Elise thanked the WipFli for their work with Island Health and the 2021 audit.

CONSENT AGENDA:

After review and discussion, Commissioner Bogosian made a motion to approve the Consent Agenda. Commissioner Iversen 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. Carter provided brief updates on the following Medical Staff Committees:

- ED Committee: There was discussion of the new partnership with the UW Telestroke Program, ED and ICU training for IO insertions, sepsis goals, ongoing recruitment efforts within the ED and special recognition to Dr. Curran for being recognized by UW Medicine Harborview Medical Center as a 2021 Stroke Champion.
- P&T Committee-There was brief review and discussion of the DNV findings and review of patient safety issues.

Quality Management Oversight Committee:

Anita McCoy provided an update on the April 2021 Quality Management Review Committee Meeting remarking on the following:

HCAHPS for Q1 for Patient Experience –Hospital
HCAHPS for Q1 for Patient Experience- Clinics
DNV Survey Update

Financial Update:

Julie Stewart remarked on the March 2022 Financial dashboard.

- ◆ Balance Sheet – The hospital collected \$10.3 million in cash in March and paid out \$10.8 million. This resulted in day's cash on hand of 183 (161.1 in operating cash funds) down from February of 188. The current ratio decreased to 2.4 from 2.5 in February. Repayment of the Medicare Advance Funding in March was \$590,000.
- ◆ Net Revenue – Net revenue for March 2022 was \$10.3 million with an actual collection rate of 40.2%, which is above the budgeted 39.5%. Outpatient gross revenue as a percentage of total revenues rose to 83% up from 81% in February. Hospital net revenue was above budget 8.6% and Primary Care and Specialty Clinics net revenue was below budget by 5.4%. For the month of March 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 1.7%.
- ◆ Operating expenses – Total operating expenses for March were 4.2% above budget and 17% above 2021. Purchased Services is 59.2% above budget and Professional and Physician Fees are 49.5% above budget. Total Operating expenses for 2022 are 2.8% above budget and 16% above 2021. Wages, Salaries and benefits were 4% above budget. Supplies are 16% below budget. Professional and physician fees are 15.5% above budget. Purchased services are 32.4% above budget. Drug expense is 9.6% below budget. The total number of FTE's for 2022 is 525, which is under the budget of 594. The Hospital recorded net operating loss for 2022 of \$2,238,000 versus the budgeted operating loss of \$1,000. The excess margin for 2022 is \$-942,000 or -3.6% of net revenue versus budgeted excess margin of \$1,148,000 or 4.1% of net revenue.

Administration Update:

Elise recognized the new Island Hospital employees for April and shared that HR & Finance Departments passed the Basket of Goodwill onto the Island Primary Care Orcas Clinic. Elise provided an overview of Hospital Week and the activities that are planned during the week noting that the new Island Health CARES values will be highlighted during the week.

Dr. Hogge provided an update on ongoing provider recruitment efforts highlighting the following: Dr. Wilson started with the Orcas Clinic on April 18th, remarked on new providers for Interventional Pain, Family Medicine, Orthopedic Surgeon and open searches for Internal Medicine, Family Medicine, OB/GYN and Wound Care.

Elise provided a brief update on the Master Facility Plan remarking on the goals of the project and shared that a formal presentation will be made at our upcoming May 11th Working Board Meeting.

Elise provided a brief update on the Washington State and Skagit County COVID metrics. 8

Dr. Hogge shared patient experience stories from the Birth Center and an Orcas patient who each commended nursing staff.

New Business:

IHF: Janie Crane, Foundation Director, provided an update on 2021 Island Health Gala. Janie commended the IHF Board and Commissioners for their participation as well as the Island Health employee volunteers for their efforts to make the evening a success. Janie was pleased to share that a total of \$394,495 was raised that evening.

Community Relations & Marketing: Laura Moroney provided a brief update on the recent Volunteer Appreciation Luncheon that was held to recognize the Island Health volunteers, the recent Psychiatry & Behavioral Health Community Event and an upcoming Senior Center Presentation. Laura shared that Island Health will be working with the Nick of Time Foundation and the Anacortes School District in participation with the EKG screening for adolescents. June 4th the Orcas Clinic will sponsor and host a fun run for the community.

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

Action Item:

- Letter of recognition to Dr. Curran
- Send Hospital Week Flier to Commissioners

ADJOURNMENT:

There being no further business, Commissioner Iversen called for the meeting to be adjourned at 1:55pm.

Jan Iversen President/Commissioner

Chip Bogosian, MD Secretary/Commissioner

Paul Maughan, PhD Commissioner

Warren Tessler Commissioner

Lynne Lang, PhD, Commissioner