

March 23, 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 March 23rd 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 Carol Northup, RN CNO, Julie Norton Stewart, CFO; Dr. Rob Carter, COS and Kim Graf, Executive Business Partner.

Public Comment:

No Public Comments were made

Action Items Completed:

The following ACTION Items have been completed:

- Confirmation of Med Staff Meeting location for March
- Reschedule the February Finance Committee to March 7th

Introduction:

Elise was pleased to introduce Dr. Charles Kotal to the Board of Commissioners. Dr. Kotal will join the 24th Street clinic as an Internal Medicine provider. Dr. Kotal expanded on his personal and professional background. All welcomed his to the Island Hospital Medical Staff.

CONSENT AGENDA:

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

- QA Committee: There was discussion of internal audits, deficiencies, outdated H & Ps, EMR issues for providers.
- Department of Surgery: Staffing update, departmental improvements, surgical block schedule, H & Ps and the 30 Day Rule.

- Credentials: Initial Appointments and Action Items

Credentials:

After review and discussion, Commissioner Bogosian made a motion to approve the Credentials list as presented. Commissioner Iversen seconded the motion. Commissioners Bogosian, Iversen, Lang, Tessler and Maughan all voted aye and the motion carried.

Quality Management Oversight Committee:

Carol Northup, RN provided an overview of the recent DNV survey noting that 2022 is a recertification year. Island Health is awaiting the final report from DNV.

Sandra Sheik, RN provided an update on the metrics that were reviewed at the March Quality Management Oversight Committee Meeting and remarked on the corrective action plans:

- Thirty day morality measures
- Readmission rates remarking on condition specific, procedure specific, elective total hip/total knee, excess days, procedure specific outcomes, overview of Island Health readmission rates attained from WSHA and internal metrics from BCA.
- Threats to Patient Safety: Review of incident reports by types, location, events, communication, tests/procedures, equipment, falls and workplace violence.

Financial Update:

Julie Stewart remarked on the February 2022 Financial dashboard.

- ◆ *Balance Sheet* – The hospital collected \$7.1 million in cash in February and paid out \$10.5 million. This resulted in day's cash on hand of 188 (166.3 in operating cash funds) down from January of 199. The current ratio increased to 2.52 from 2.47 in January. Repayment of the Medicare Advance Funding in February was \$507,000.
- ◆ *Net Revenue* – Net revenue for February 2022 was \$7.2 million with an actual collection rate of 36.6%, which is under the budgeted 39.5%. Outpatient gross revenue as a percentage of total revenues rose to 81% up from 80% in January. Hospital net revenue was below budget 17.1% and Primary Care and Specialty Clinics net revenue was below budget by 13.5%. For the month of February 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 -23.4%.
- ◆ *Operating expenses* – Total operating expenses for 2022 are 2% above budget and 15.5% above 2021. Wages, Salaries and benefits were 8.9% above budget. Supplies are 23.1% below budget. Professional and physician fees are 2.7% below budget. Purchased services are 18% above budget. Drug expense is 8.1% below budget. The total number of FTE's for 2022 is 539, which is under the budget of 594. The Hospital recorded net operating loss for 2022 of \$2,413,000 versus the budgeted operating income of \$1,000. The excess margin for 2022 is \$-1,517,000 or -9.5% of net revenue versus budgeted excess margin of \$766,000 or 4.2% of net revenue.

Administration Update:

Elise was pleased to share that Island Health on boarded Charles Kotal MD-Island Primary Care 24th Street and recently executed a provider agreement for an interventional pain provider to join Dr. Billow in the Sports & Spine clinic. There was a brief review of the ongoing provider recruitment efforts.

Elise reviewed the new employees for March, shared that the Basket of Goodwill was passed from the Diagnostic Imaging to Human Resources and Finance Department.

Elise reviewed the 90 day operational assessments remarking on leadership structure, staffing, facilities, equipment and EMR.

Elise expanded on the mission critical infrastructure needs and remarked on the approved capital equipment purchases.

Elise briefly remarked on State and County COVID metrics noting the significant decline of cases. Carol remarked on the recent Emergency Operation Committee meeting which reviewed the COVID precautions and noted that Island Health will make adjustments as needed to keep staff and patients safe.

Commissioner Tessler commented on communications with Island Health through the Portal, texting and web chats features. Dr. Hogge shared that it is anticipated that these communication features will be available to patients in the future. Elise expanded on the upcoming Portal enhancements which will be available later this year.

Carol Northup shared a patient experience from an OR patient who commended staff in the OR, Lab, DI, PT, Acute Care and Dietary departments.

New Business:

IHF: Janie Crane, Foundation Director, provided updates on fundraising efforts with community organizations, remarked on the Foundation Board of Directors and the Gratitude Partners Program and ongoing preparation for the Gala of Hope to be held on Saturday, April 16th.

Community Relations & Marketing: Laura Moroney, Director Marketing and Community Relations, remarked on the spring 2022 Heartbeats highlighting “Stories of Courage”, patient testimonials, upcoming Mental Health Community Briefing and community education classes. Laura shared that Heartbeats is shared in printed and electronic formats with the surrounding communities. Laura commended the Community Relations and Marketing team for their efforts with the recent brand refresh, launch of new website and spring Heartbeats issue.

Laura shared a photo of new signage that has been placed at the Orcas Clinic and the upcoming Volunteer appreciation lunch scheduled in April.

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

Executive Session:

Commissioner Iversen announced that we will be holding an Executive Session to review selection of site and acquisition of a real estate purchase when public knowledge would cause a likelihood of increased price. RCW 42.30.110 (1)(b). We expect the session to thirty (30) minutes in length.

At the end of the Executive Session we do not expect action to be taken and therefore will not reconvene.

Action Item:

- Add Volunteer Appreciation Lunch to April Commissioner Calendar
- Confirm with Quality that Commissioner Lang was at the most recent Quality meeting via phone.

ADJOURNMENT:

There being no further business, Commissioner Iversen called for the meeting to be adjourned at 1:20pm.

Jan Iversen President/Commissioner

Chip Bogosian, MD Secretary/Commissioner

Paul Maughan, PhD Commissioner

Warren Tessler Commissioner

Lynne Lang, PhD, Commissioner