

August 24, 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 August 24th 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; Julie Norton Stewart, CFO; Jason Hogge, MD, CMO; Vicki White, MSN, Interim CCO, and Deanna Marshall, Executive Assistant.

Not present: Rob Carter, DO COS

Public Comment:

No Public Comments were made

Action Items Completed:

- No Action Items

CONSENT AGENDA:

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

BOARD QUALITY & PATIENT SAFETY REPORT

Anita McCoy shared information regarding the Antimicrobial Stewardship annual review. She presented the goals and plans for this upcoming year. Anita was pleased to recognize the accomplishment of achieving the five star rating from CMS once more.

Medical Staff Meeting Summaries:

Dr. Hogge provided a brief update on upcoming events for the Medical Staff Committees. Dr. Hogge was enthused to discuss that there will be education sessions for the medical staff leaders and committee members to refresh on quality, leadership, and participation for each committee starting in September. Dr. Hogge mentioned all of the names of all onboarding staff.

Financial Update:

Julie Stewart remarked on the July 2022 Financial dashboard.

- ◆ **Balance Sheet** – The hospital collected \$10.4 million in cash in July and paid out \$11.9 million. This resulted in operating day's cash on hand of 155 down from 158 in June. The current ratio increased to 2.6 from 2.4 in June. Repayment of the Medicare Advance Funding in July was \$557,000.
- ◆ **Net Revenue** – Net revenue for July 2022 was \$8.3 million with an actual collection rate of 36.9%, which is below the budgeted 39.5%. Outpatient gross revenue as a percentage of total revenues increased to 82%. Hospital net revenue was below budget 9.4% and Primary Care and Specialty Clinics net revenue was below budget by 10%. For the month of July 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 -10.8%.
- ◆ **Operating expenses** – Total operating expenses for 2022 are 3.9% above budget and 11.5% above 2021. Wages, Salaries and benefits were .4% below budget. Supplies are 16.7% below budget. Professional and physician fees are 10.9% above budget. Purchased services are 37.8% above budget. Drug expense is 4.9% below budget. The total number of FTE's for 2022 is 550, which is under the budget of 594. The Hospital recorded net operating loss for 2022 of \$5,482,000 versus the budgeted operating loss of \$107. The excess margin for 2022 is \$-2,245,000 or -3.6% of net revenue versus budgeted excess margin of \$2,574,000 or 4% of net revenue.

Commissioner Maughan commented that the July financials are very challenging. Julie mentioned that Island is receiving the same hardships with reimbursements as any other facility nationwide. Commissioner Iversen asked for the data on charity care that is approved at 200%.

Administration Update:

Elise provided general operation updates including that local EMS is meeting with senior leaders to discuss the potential transfers and diversions due to the change in Whidbey's trauma status. Elise invited the commissioners to the employee picnic to celebrate the five stars awarded by CMS. Elise provided an update on the CCO candidacy. Elise noted that there will be a new anesthesia group starting in October.

Operational Update:

Vicki White provided an update on the recruitment and retention efforts for departments throughout the organization. Vicki illustrated the process of training that future nurses will undergo with the Island Health Clinical Academy Training Program for Acute Care/ICU, L&D, and ED nurses. Vicki briefly discussed that there is abundant studies that result in success with mentorship type training. Vicki commended the Marketing department for their recruitment advertisement that has been cost saving and effective.

Vicki remarked on the collaborative work being completed to manage patient capacity.

There was an update on the Labor & Delivery Assessment currently being conducted. Vicki commented in the initiatives that Ricci Ros, MSN is putting in place to streamline communication and standardize processes.

Elise shared a touching patient experience that highlighted the compassion shown by ED nurses going the extra mile for patients.

Provider Recruitment Update:

Dr. Hogge provided an update on the ongoing provider recruitment efforts highlighting the following: Island Health has executed agreements for Orcas Pediatrician, Part-Time General Surgeon, Interventional Pain, two Family Medicine providers 24th and Wound Care and that there are open searches for family medicine w/OB, family medicine/internal medicine Orcas, OB/GYN and Psychiatry.

Elise remarked on the State hospital capacity issue remarking that hospitals throughout the State are working above capacity, the most significant factors contributing to the hospital capacity crisis are patient placement difficulties and limited staffing.

Elise remarked on the financial challenges that hospitals throughout Washington are experiencing noting on average hospital have had a negative operating margin of 10%. The main drivers of the financial challenges are low reimbursement rates, increased cost of staffing and the rise of the difficult to discharge patients.

Elise shared that hospitals throughout the state are working collaboratively with State legislators to help remove barriers in order to decompress hospital capacity, address reimbursement rates, provide funding to post-acute care facilities and consider solutions for patients in crisis modes within the Emergency Departments.

New Business:

IHF: Janie Crane opened her presentation with a recognition to two new Foundation Board members. Janie stated the Gratitude Partner Program which year to date has raised over \$1,153,604 for IHF and remarked on the funds distributed to Island Health for use to purchase equipment throughout the hospital. Janie remarked on planned giving efforts, mini grateful patient campaign and the year end for the Island Health Foundation.


September Board Calendar: August Board Calendar was presented.

Action Item:


- Charity Care Report
- Star Rating Community Comparison
- Paramedic patient metrics

ADJOURNMENT:

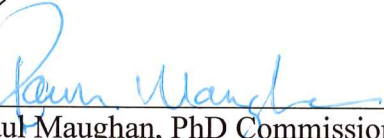
There being no further business, Commissioner Iversen called for the meeting to be adjourned at 1:40pm.



Jan Iversen President/Commissioner



Chip Bogosian, MD Secretary/Commissioner



Paul Maughan, PhD Commissioner



Warren Tessler Commissioner

Lynne Lang, PhD, Commissioner