

February 9, 2022

The Working Board Meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Iversen at 12:00 pm on January 12th in the Cypress Room of Island Hospital and via WebEx.

Those present were Commissioners Warren Tessler; Jan Iversen, Lynne Lang, PhD and Paul Maughan, PhD Also present were Elise Cutter, CEO; Carol Northup, RN CCO, Julie Stewart, CFO , Dr. Jason Hogge, CMO, Kim Graf, Administration and Briana Alzola Anacortes American.

Not Present: Commissioner Chip Bogosian, MD, Dr. Rob Carter, COS

Public Comment:

No Comments

Introduction:

Elise introduced Tom Barnts, Island Health Facility Director. Tom expanded on his personal and professional background. All welcomed Tom to the Island Health Leadership Team.

Finance Dashboard:

Julie Stewart reported on the December 2021 financial statements with the Commissioners and highlighted the following as significant items:

- ◆ Balance Sheet – The hospital collected \$9.9 million in cash in December and paid out \$14.7 million. This resulted in day's cash on hand of 221.6 (218.7 in operating cash funds) down from November of 244. The current ratio decreased to 2.36 from 2.39 in November. Repayment of the Medicare Advance Funding in December was \$672,000.
- ◆ Net Revenue – Net revenue for December 2021 was \$8.6 million with an actual collection rate of 40.9%, which is under the budgeted 41.8%. Outpatient gross revenue as a percentage of total revenues stayed the same at 80% of the total gross revenue. Hospital net revenue was below budget 6.5% and Primary Care and Specialty Clinics net revenue was below budget by 21.9%. For the month of December 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 -28.6%.
- ◆ Operating expenses – Total operating expenses for 2021 are 3.5% below budget and 10.1% above 2019. Wages, Salaries and benefits were 5.8% below budget. Supplies are 13.4% below budget. Professional and physician fees are 4.1% above budget. Purchased services are 13.8% above budget. Drug expense is 7.7% above budget. The total number of FTE's for 2021 is 540, which is under the budget of 594. The Hospital recorded net operating loss for 2021 of \$1,091,000 versus the budgeted operating income of \$1,101,000. The excess margin for 2021 is \$3,416,000 or 3.2% of net revenue versus budgeted excess margin of \$5,633,000 or 5% of net revenue.

Purpose, Values and Focus:

The focus group (Laura Moroney -Community Relations, Megan Hill -HR, Lisa Lee-DI, Tiari Schwab-Medical Records, Jodi Yeager, RN -ACU/ICU, Marcy Shimada, Practice Management, Elise Cutter, Carol Northup, Julie Stewart) for the Purpose, Values and Focus reviewed the work completed which led to the presentation today of the Purpose, Values and Focus areas.

The proposed Purpose, Values, Focus statements will replace the current Mission, Vision, Values statements.

Purpose (What we do.): **To be the best healthcare partner for those we serve.**

Meaning behind the words:

- **BEST** – The statement needs to be aspirational.
- **HEALTHCARE** – Define who we are.
- **PARTNER** – We acknowledge we can't force patients or the community to be healthy or make healthy choices, but we can be the best partner in the journey to meet their healthcare goals.
- **THOSE** – We wanted to find an inclusive word that represented all we serve (i.e. patients, loved ones, coworkers, communities, medical staff, community partners, etc.).
- **SERVE** – In our organization we see all roles as a calling to serve others.

Values (How do we accomplish the Purpose): **Island Health C. A. R. E. S.**

Demonstrate **Compassion:**

We care for our patients, their loved ones and one another.

We are motivated to make a difference.

Be **Accountable:**

We have high integrity. We are empowered to do the right thing, solve issues at every level and take ownership of all that we do.

Show **Respect:**

We interact with honesty and humility.

We treat all with kindness and value each individual.

Strive for **Excellence:**

We are results driven, seeking to raise the bar and recognize a job well done.

Practice **Stewardship:**

We make wise use of our talents, time, equipment and finances.

Focus (How we measure how we are doing):

PATIENTS/CLINICAL EXCELLENCE:

We strive to deliver the best quality outcomes in every interaction. (CMS/Outcomes data)

PEOPLE:

We empower people; creating a culture of collaboration, professional development and belonging. (Employee surveys; retention data)

SERVICE EXCELLENCE:

We honor our patients' perspective of our care and act on their feedback.
(Press Ganey)

SUSTAINABILITY:

We are fiscally responsible and innovative, ready to meet the needs of our community and team.
(Finance; growth benchmarks)

Elise commended the focus group on the work completed with the Purpose, Values and Focus.

Next steps: Board Approval, develop a rollout plan for Purpose, Values and Focus areas to staff and to integrate Values into the employee hiring and annual evaluation processes.

After review and discussion, Commissioner Maughan made a motion to replace the current Mission, Vision and Values statements with the presented Purpose, Values and Focus statements. Commissioner Lang seconded the motion. Commissioners Iversen, Lang, Tessler and Maughan all voted aye and the motion carried.

2022 Organizational Quality Goals :

The Senior Leadership Team presented the proposed 2022 Organizational Quality Goals.

Clinical Excellence:

- Sepsis Measure: To meet 68% or higher compliance to Sepsis bundle for FY 2022
- Restraints: Initial Face to Face Composite Measure compliance at 73% compliance or higher
- Diabetes: Implement Quality vantage for three (3) Diabetes eCQM as measured by Hemoglobin A1x, eye exam, Medial Attention for Nephropathy

Service Excellence:

- HCAHPS Inpatient Overall Willingness to Recommend: Achieve an annual or quarterly average of HCAHPS Inpatient "Overall Willingness to Recommend" on inpatient satisfaction scores great or equal to the 90th percentile.
- Outpatient Clinic Overall Willingness to Recommend: Achieve an annual average of "Overall Willingness to Recommend" on a satisfaction scores great than or equal to 50th percentile.

People:

- Voluntary Turnover: Reduce Island Hospital voluntary turnover from FY21 27.1% to 23% or less in FY22.

Sustainability:

- Financial: Achieve a 0% or higher operating financial margin with the overall performance of the organization.
- Growth: Increase Adjusted patient days by 5% over FY21.

Elise shared that a quarterly review of the Organization Quality Goals will be conducted at the second Working Board Meeting of the following quarter.

After review and discussion, Commissioner Iversen made a motion to accept the Island Health 2022 Organizational Quality Goals as presented. Commissioner Maughan seconded the motion. Commissioners Iversen, Lang, Tessler and Maughan all voted aye and the motion carried.

Commissioner Iversen commended Elise for her leadership in her new role of CEO.

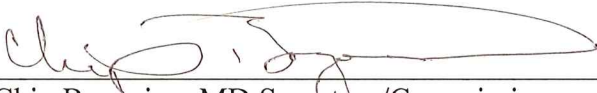
Action Item:

- No Action Items

ADJOURNMENT:

There being no further business, Commissioner Tessler called for the meeting to be adjourned at 1:05pm.


Jan Iversen President/Commissioner


Chip Bogosian, MD Secretary/Commissioner


Paul Maughan, PhD Commissioner


Warren Tessler Commissioner


Lynne Lang, PhD, Commissioner