

December 22, 2021

The Regular Board Meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Iversen at 12:00 pm on December 22nd in Cypress Conference Room at Island Hospital.

Due to the ongoing COVID 19 Pandemic the Regular Board Meeting was conducted via WebEx.

Those present were Commissioners Jan Iversen, Paul Maughan, PhD and Chip Bogosian, MD. Also present were Elise Cutter, Interim CEO; Dr. Jason Hogge, MD, CMO; Dr. Rob Carter, DO, COS; Julie Norton Stewart, CFO;; and Kim Graf, Provider Relations & Recruitment.

Present via WebEx: Commissioner Tessler and Commissioner Lang, PhD

Not present: Carol Northup, RN CNO

Public Comment:

Adrian Fewing, RN, Island Hospital staff nurse Acute Care, remarked on the following topics:
Island Hospital Branding Project
Health and Wellness Center
Island Primary Care Orcas
Facility Upgrades

ACTION ITEMS: No follow up action items

OATH OF OFFICE:

Liz Wingard, Island Hospital Notary, swore in Commissioners Maughan and Tessler for their Commissioner positions. Commissioner Maughan will serve in Position 3 and Commissioner Tessler will serve in Position 2. Both seats are for six (6) year terms beginning January 1, 2022 and continue through December 31, 2027.

CONSENT AGENDA:

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

BOARD QUALITY & PATIENT SAFETY REPORT

Medical Staff Meeting Summaries:

Dr. Carter provided an update on the following medical staff committee meetings:

ED Committee

P & T Committee

Anesthesia Committee

OB/Peds Committee: Noted over 500 deliveries to date for 2021

FINANCIAL UPDATE:

Financial Statement Review: Julie Stewart reported on the November 2021 financial statements with the Commissioners and highlighted the following as significant items:

- ◆ *Balance Sheet* – The hospital collected \$8.6 million in cash in November and paid out \$8.4 million. This resulted in day's cash on hand of 244 (218.7 in operating cash funds) up from October of 242.6. The current ratio increased to 2.39 from 2.30 in October. Repayment of the Medicare Advance Funding in November was \$619,000.
- ◆ *Net Revenue* – Net revenue for November 2021 was \$9 million with an actual collection rate of 41.9%, which is same as the budgeted. Outpatient gross revenue as a percentage of total revenues decreased to 80% of the total gross revenue. Hospital net revenue was above budget .1% and Primary Care and Specialty Clinics net revenue was below budget by 16.8%. For the month of November 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 2.1%.
- ◆ *Operating expenses* – Total operating expenses for 2021 are 4.4% below budget and 12.9% above 2019. Wages, Salaries and benefits were 8.3% below budget. Supplies are 14.3% below budget. Professional and physician fees are 2% above budget. Purchased services are 11.4% above budget. Drug expense is 6% above budget. The total number of FTE's for 2021 is 540 which is under the budget of 594. The Hospital recorded net operating income for 2021 of \$1,368,000 versus the budgeted operating income of \$1,023,000. The excess margin for 2021 is \$5,428,000 or 5.6% of net revenue versus budgeted excess margin of \$5,177,000 or 5% of net revenue.

Resolution 2021-2132 Authorized Credit Card Holders

After review and discussion, Commissioner Maughan made a motion to approve the Resolution 2021-2132 as presented. Commissioner Lang seconded the motion. Commissioners Bogosian, Iversen, Lang, Tessler and Maughan all voted aye and the motion carried.

Resolution 2021-2133-Invest and Transfer Money

After review and discussion, Commissioner Maughan made a motion to approve the Resolution 2021-2133 as presented. Commissioner Lang seconded the motion. Commissioners Bogosian, Iversen, Lang, Tessler and Maughan all voted aye and the motion carried.

Resolution 2021-2134-Authorized Signature Cards

After review and discussion, Commissioner Maughan made a motion to approve the Resolution 2021-2034 as presented. Commissioner Lang seconded the motion. Commissioners Bogosian, Iversen, Lang, Tessler and Maughan all voted aye and the motion carried.

ADMINISTRATION UPDATE:

Administrative Update:

Employee Recognition: Elise Cutter remarked on November and December employee recognition events highlighting the following:

- Eva Hardesty, RN Information Systems, November Employee of the Month
- New hires for the month of December
- Kate Scherer, RN Emergency Department, December Employee of the Month
- December Basket of Goodwill-EVS Department passed to the Emergency Department

- Employee Holiday Lunch & Ugly Sweater Day commending the HR Department for their work in November and December with organizing and hosting the employee recognition events.
- Employee Wellness De-Stress Fest which included the therapy dogs and a bow making projected sponsored by the Psychiatry & Behavioral Health Department.
- December LRT Recognition celebration which focused on the accomplishments of the Leadership Team. The Senior Leadership Team announced that the 2020 Management Leadership Award is being presented to ALL Island Hospital Directors, Managers and Supervisors for their extraordinary efforts over the last year.

Elise provided updates on State, regional and county COVID metrics. Elise remarked on the Omicron variant and the “Say Yes” COVID Test Program sponsored Skagit County. The campaign is designed to distribute free at home COVID testing kits for county residents to complete an at home with the hopes of decreasing the spread of the virus. Dr. Hogge remarked on the benefits that at home testing will have on our community.

Island Hospital By-Law Review:

After review and discussion, Commissioner Iversen made a motion to approve the Island Hospital By-Laws as presented with no changes. Commissioner Maughan seconded the motion. Commissioners Iversen, Bogosian, Tessler, Lang and Maughan all voted aye and the motion carried.

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

Executive Session:

Commissioner Iversen announced that we will be holding an Executive Session to discuss:

- To review the qualifications of an applicant for public employment. RCW 42.30.110 (1)(g)

We expect the session to be fifteen (15) minutes in length.

At the end of the Executive Session we do expect action to be taken and therefore will reconvene.

The Board reconvened at 1:10pm.

CEO Announcement:

After a thorough internal interview process, Commissioner Iversen made a motion to select Elise Cutter as Superintendent /Chief Executive Officer for Island Hospital. Commissioner Bogosian seconded the motion. Commissioners Iversen, Lang, Tessler, Bogosian and Maughan all voted aye and the motion carried.

Resolution 2021-2135:

After review, Commissioner Iversen made a motion to approve the Resolution 2021-2135 as presented which appoints Elise Cutter as the Superintendent of Skagit Public Hospital District

#2, approves the Superintendent employment agreement as presented and sets the annual base salary for the Superintendent to be \$335,000. Commissioner Maughan seconded the motion. Commissioners Iversen, Lang, Tessler, Bogosian and Maughan all voted aye and the motion carried.

Commissioners Iversen thanked the Senior Leadership Team, Medical Staff representatives and Island Hospital staff who participated and assisted with the processes which led to the decision to select Elise Cutter as the CEO.

Elise thanked the Board of Commissioners for trusting and supporting her as she takes on the role of CEO. Elise briefly remarked on her optimism for the organization and what lies ahead for the organization

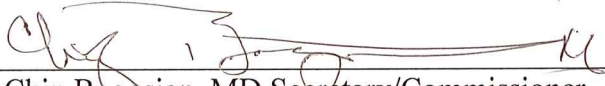
ACTION ITEM:

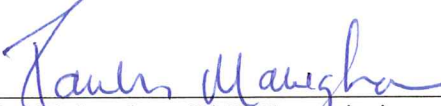
- Board of Commissioners Letter of Appreciation to Ann Meyers
- Board of Commissioners Letter of Appreciation to Labor & Delivery Department

ADJOURNMENT:


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


Jan Iversen, President/Commissioner


Chip Bogosian, MD Secretary/Commissioner


Paul Maughan, PhD Commissioner


Warren Tessler Commissioner


Lynne Lang, PhD, Commissioner