

July 27, 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 July 27th 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 Briana Alzola, Anacortes American (WebEx), Deanna Marshall, Executive Assistant and Kim Graf, Executive Business Partner.

Not present: Rob Carter, DO COS

Public Comment:

No Public Comments were made

Action Items Completed:

- L & D Zip Code Analysis
- Blood Transfusion Metrics

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

Anita McCoy followed up on Commissioner Tessler's question from the June Regular Board Meeting regarding increased blood transfusions. Anita shared that there has been a rise in the volumes of patients with increased hemoglobin levels from Oncology and the Emergency Department.

Medical Staff Meeting Summaries:

Dr. Hogge provided brief updates on the following Medical Staff Committees:

- Department of Medicine: Dashboards for hand hygiene and sepsis were reviewed. Sepsis education is being rolled out to Hospitalist and Emergency Room providers.

- OB/Peds: In order to increase deliveries within the L & D suites, there was discussion of completing antenatal testing in the nursery area located within the Birth Center. This will allow for central monitoring and utilization of L & D staff.
- QA Committee: At this time there are zero audits open and there was review and discussion deficiencies and H & Ps.

Credentials:

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

CMS 5 Star Rating:

Anita McCoy reported that the overall hospital quality star ratings for hospitals throughout the US have recently been released by CMS. Anita was pleased to share that Island Health has received a 5 Star Rating from CMS. Only 429 hospitals throughout the US received a 5 Star rating with only 5 hospitals in the State of Washington receiving this rating. Elise commended the Island Health staff for being recognized as one of the best hospitals in the country and thanked the Quality Department for their efforts with achieving this recognition. This is a very proud moment for Island Health!

Commissioner Maughan remarked that this recognition should be celebrated. Elise shared that a celebration will be planned. Commissioner Lang requested that a Star Rating comparison of health care organizations within the region be shared.

Financial Update:

Julie Stewart remarked on the June 2022 Financial dashboard.

- ◆ *Balance Sheet* – The hospital collected \$10.6 million in cash in June and paid out \$8.6 million. This resulted in day's cash on hand of 176 (158 in operating cash funds) down from May of 177. The current ratio remained at 2.4. Repayment of the Medicare Advance Funding in June was \$579,000.
- ◆ *Net Revenue* – Net revenue for June 2022 was \$9.6 million with an actual collection rate of 39.7%, which is above the budgeted 39.5%. Outpatient gross revenue as a percentage of total revenues decreased to 80%. Hospital net revenue was above budget 2.5% and Primary Care and Specialty Clinics net revenue was above budget by 2.5%. For the month of June 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 -2.7%.
- ◆ *Operating expenses* – Total operating expenses for 2022 are 4.8% above budget and 10.3% above 2021. Wages, Salaries and benefits were 3.8% below budget. Supplies are 31.4% below budget. Professional and physician fees are 4.7% above budget. Purchased services are 49.5% above budget. Drug expense is 10% above 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 \$4,582,000 versus the budgeted operating loss of \$49. The excess margin for 2022 is \$-2,026,000 or -3.8% of net revenue versus budgeted excess margin of \$2,297,000 or 4% of net revenue.

Commissioner Tessler remarked that while the financials are improving there is a need to continue to contain expenses and generate new revenue sources. Commissioner Maughan remarked on the work being completed to reduce the use of contracted labor.

Administration Update:

Vicki White, MSN RN shared a patient experience letter from a Whidbey Island patient who commended Miranda Potter for her efforts with his care in the Diagnostic Imaging Department.

Operational Update:

Vicki White provided an update on the recruitment and retention efforts for departments throughout the organization. Vicki expanded on standardized recruitment processes, position control reviews, importance of internal training programs, recruitment efforts for nursing leadership positions, the return of students to shadow and precept at Island Health and the continuous review of traveler contract terms and needs. Vicki shared that overall position vacancy rate and RN nursing rate are declining and commended Katie Dettmer, Human Resource Recruiter, on her efforts recruitment efforts over the last few months.

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

There was an update on the Labor & Delivery Assessment currently being conducted. Ricci Ros, MSN is here with Island Health to complete the assessment which is focusing on AWHONN/ACOG evaluation and prepare recommendations.

There was discussion of supporting the growth of GI services at Island Health. There was brief discussion of the process for follow up instructions for patients who have received colonoscopies tests at Island Health.

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 recognized the new Island Hospital employees who have on boarded in July and shared that Patient Accounts passed the Basket of Goodwill onto the Clinical Coders.

Elise provided follow up on Commissioner Lang's request for L & D metrics for Whidbey Island. Elise reviewed the metrics for 2019, 2020, 2021 and 2022 noting that the volumes from Whidbey have been increasing annually. Julie reviewed the payor mix for L & D volumes.

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 reported on the Gratitude Partner Program which year to date has raised over \$965,315 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.

Community Relations & Marketing: Laura Moroney provided an update on the marketing efforts to promote new functionality with the Patient Portal. The marketing campaign is designed to increase awareness and educate the patients on website, social media, email newsletter, on campus signage, in person 1 on 1 support for the portal. There was review of the recruitment campaigns that are being posted on social media noting that there is emphasis on the nurse leader positions and the medical assistant “Work and Grow” Program. There was expanded discussion on the “Did You Know” section on the intranet which is designed to educate and keep staff informed on what is going on at Island Health. Laura presented the new billboard wrap, located on Highway 20, which promotes Island Surgeons. Laura remarked on the upcoming community events which Island Health will be participating in.

There was discussion on what the CMS 5 Star Rating means for our community and how Island Health will communicate the recognition.

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

Action Item:

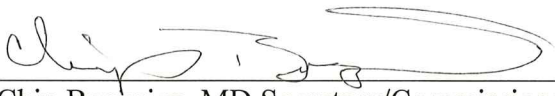
- 5 Star Rating Celebration
- Star Rating Comparison
- Community Paramedic patient metrics
- Board contributions to the Washington State hospital capacity crisis
- Letter from Commissioners to staff recognizing the 5 Star Rating

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

