

March 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 March 9th 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 CNO, Julie Stewart, CFO, Dr. Jason Hogge, CMO, Kim Graf, Administration and Sophia Heit, Anacortes American.

No Present: Rob Carter, COS

Public Comment:

No Comments

Introduction:

Elise introduced Dr. Valerie Horn, Pediatrician, who join the care team in the Island Primary Care M Avenue Clinic Dr. Horn expanded on her personal and professional background. All welcomed Dr. Horn to the Island Health Medical Staff.

Association Washington Public Hospital Districts:

Matt Ellsworth, Executive Director Association Washington Public Hospital Districts (AWPHD), provided an overview of the services provided to members. Highlighted were the following:

- Who is Represented: Public Hospital Districts, Hospitals, Clinics, Long Term Care Facilities and EMS
- Governance and Education for Board of Commissioners with the purpose of developing highly functioning Boards. Matt expanded on the Rules of the Road training module.
- Serve as an advocate for influencing public policy for members.
- Remarked on the library of educational materials available for commissioners and executives.
- Assistance with strategic Planning and grant writing.

Matt remarked on AWPHD federal funding which is distributed to members twice a year, the future of rural hospitals, the recent Nurse Staffing Ratio Bill and upcoming AWPHD Board educational sessions.

Commissioner Iversen asked that the Commissioners shared the topics they are interested in having presented. Board educational sessions with AWPHD will be scheduled quarterly.

Matt noted that he will share the upcoming educational sessions and the education library modules that are available.

Finance Dashboard:

Julie Stewart reported on the January 2022 financial statements with the Commissioners and highlighted the following as significant items:

- ◆ *Balance Sheet* – The hospital collected \$7.4 million in cash in January and paid out \$6.7 million. This resulted in day's cash on hand of 195.6 (154.7 in operating cash funds) down from December of 198. The current ratio increased to 2.47 from 2.36 in December. Repayment of the Medicare Advance Funding in January was \$280,000.
- ◆ *Net Revenue* – Net revenue for January 2022 was \$8.7 million with an actual collection rate of 41.4%, which is over the budgeted 39.5%. 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 4.7% and Primary Care and Specialty Clinics net revenue was below budget by 19.5%. For the month of January 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 -1.2%.
- ◆ *Operating expenses* – Total operating expenses for 2022 are 6.3% below budget and 7.5% above 2021. Wages, Salaries and benefits were 1% below budget. Supplies are 30.7% below budget. Professional and physician fees are 10.9% below budget. Purchased services are at budget. Drug expense is 14.1% below budget. The total number of FTE's for 2022 is 529, which is under the budget of 594. The Hospital recorded net operating loss for 2022 of \$106,000 versus the budgeted operating income of \$8,000. The excess margin for 2022 is \$276,000 or 3.2% of net revenue versus budgeted excess margin of \$391,000 or 4.2% of net revenue.

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 sixty (60) 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:

- AWPHD to shared upcoming educational sessions and educational library

ADJOURNMENT:

There being no further business, Commissioner Iversen called for the meeting to be adjourned at 12:55pm.