

February 22, 2023

The Regular Board Meeting of the Board of Commissioners for Island Health was called to order by Commissioner Bogosian at 12:00pm on February 22nd in the Cypress Room of Island Health.

A WebEx option was available for the Regular Board Meeting.

Those present were Commissioners Warren Tessler, Lynne Lang, PhD, Paul Maughan, PhD and Chip Bogosian, MD. Also present were Elise Cutter, CEO, Julie Norton Stewart, CFO, Tammy Needham, DNP, CCO, Jason Hogge, MD, CMO, Briana Alzola, Anacortes American (WebEx), and Deanna Marshall, Executive Assistant.

Not present: Rob Carter, DO COS and Jan Iversen

Public Comment:

No Public Comments were made

Action Items Completed:

CONSENT AGENDA:

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

Board Quality and Patient Safety

Medical Staff Report:

Dr. Hogge gave a brief update on the following Medicine Committees:

- Medical Staff
- Clinical Ethics
- Credentials
- P&T
- Quality Assurance

Credentials:

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

Quality Management Oversight Meeting:

Jon Scallan mentioned that the Quality management oversight meeting will be later in the day and will give an updated report on this committee at the next board meeting. Jon mentioned that Island received a visit from the DNV and wanted to give an update on the findings:

- Downgraded from 9 separate preliminary findings to 8 findings on our official report
- Vast Improvements from previous survey
- No “showstoppers” cited

Big Takeaways

- High staff engagement
- All findings from the prior year were closed due to completion of the corrective action plans in 2022.

Next Steps

- Corrective action plans submitted to DNV for review
- Working on completion of action plans
- Opportunities that were not cited but were identified during survey will be focus upon completion of CAPs

Financial Update:

Financial Statement Review: Julie Stewart reported on the January 2023 financial statements with the Committee and highlighted the following as significant items:

- Net revenue exceeded budget by 10.5%
- Expenses were under budget by 4.6% mostly due to wages & benefits
- Net Operating margin was 8.1% compared to a budget of (2.4%)
- Cash and cash equivalents decreased by \$3.9 million over the prior month
- Current Liabilities decreased \$3.3 million from the prior month
- Fund Balance increased by \$1.5 million

Commissioner Tessler commented that the financials looked very good this month and they are going in the right direction.

Administration Update:

Elise gave an operational update on the Helipad project. With the design phase completed the project is estimated to start construction this spring and to be completed by the end of the year. Elise presented pictures demonstrating the lobby areas that will improve patient flow into the hospital.

Elise also presented that there is a new committee call MWR that will be established to support moral, wellness, and recognition initiatives throughout the hospital. There is also a new recognition program rolling out in March called CARES Champions.

Tammy gave a presentation regarding nursing staffing and retention. She noted that high turnover and disproportional retirement rates are presenting a great risk to healthcare. She walked through the process that will help mitigate the staffing shortage and help build a foundation of forward thinking.

New Business:

- Commissioner Tessler stated the following regarding the CEO evaluation process.
- The review process went well. We used a review format that we obtained from the American Hospital Association. This year we also added a new component that included input from Elise's direct reports and the medical staff to incorporate multi-directional feedback, more in line with a 360 degree evaluation.
- The review looked at a wide range of CEO qualities and accountabilities, including financial leadership, medical staff relations, organizational leadership and culture, advocacy, communication, ethics and more.
- Elise received a very positive review and the Board felt Elise's performance was exemplary this year, particularly in taking over as CEO in a time that is extraordinarily challenging in healthcare.
- The Commissioners agreed to a performance incentive that represents accomplishment of the goals identified in 2022. These goals are outlined not only to maintain high quality care but to continue moving the organization to a higher level of organizational performance. Based on the organizational performance in 2022 of these goals, we have determined she is eligible for a 2.6% incentive payment. We have outlined new goals with Elise for 2023, and she will be evaluated against those next year.
- Based on Elise's performance and accomplishments, the Board agreed that an annual increase in her salary was warranted. After discussing with Elise, she declined the raise in light of the organization's financial performance and the financial challenges impacting the entire healthcare industry. We appreciate Elise's commitment to the organization, and we commend both her efforts and her integrity.

Commissioner Tessler motioned In accordance with RCW 70.44.070 to process the 2.6% earned performance incentive payment as calculated based on achievement of the 2022 organizational quality goals and Commissioner Lang seconded the motion. Commissioners Lang, Tessler, Bogosian, and Maughan all voted aye and the motion carried. There will be no increase to Elise's annual salary as she has declined the raise offered by the Board.

Island Hospital Foundation: Janie Crane provided an update on future projects and events.

Community Relations and Marketing: Laura Moroney presented information regarding the Heartbeats magazine that will be finished March 13th. She also presented data in regards to recruiting efforts and wellness campaigns including the Respiratory Campaign.


Commissioner Calendar: The February Board calendar was presented.

Action Item:

No action items.

ADJOURNMENT:

There being no further business, Commissioner Iversen called for the meeting to be adjourned at 1:36pm.


Chip Bogosian, MD President/Commissioner


Jan Iversen, Commissioner


Lynne Lang, PhD, Secretary/Commissioner


Warren Tessler, Commissioner


Paul Maughan, PhD Commissioner