

September 28, 2023

The Regular Board Meeting of the Board of Commissioners for Island Health was called to order by Commissioner Bogosian at 7:30am on September 27th in the Cypress Room of Island Health.

A WebEx option was available for the Regular Board Meeting.

Those present were Commissioners Lynne Lang, PhD, Jan Iversen, Paul Maughan, PhD, Warren Tessler and Chip Bogosian, MD. Also present were Elise Cutter, CEO, Julie Norton Stewart, CFO, Jason Hogge, MD, CMO, Rachel Mank, DO, Chief of Staff, and Kim Graf, Executive Business Partner.

Not present: Tammy Needham, DNP CCO

Public Comment:

No public comments were made.

Action Items Completed: None Reported

Introductions:

Dr. Hogge was pleased to introduce three new physicians who have joined the Island Health Medical Staff.

- Sarah Van Gaasbeek, MD Family Medicine with Obstetrics M Avenue Clinic
- Julie Watters, DO OB/GYN 24th Street Clinic
- Eric Secrist, MD Orthopedic Surgeon, Proliance.

The physicians expanded on their personal and professional backgrounds. All in attendance welcomed the physicians to Island Health.

Consent Agenda:

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

Board Quality & Patient Safety

Quality Management Oversight Meeting:

Jon Scallon, Director Quality & Risk Management, reported updated on the following topics:

- DOH Survey
- Quality Plan
- Grievances
- Patient Satisfaction
- Patient Safety

- Employee Engagement

Medical Staff Report:

Dr. Mank provided update on the following Medical Staff Committees:

- Surgery Committee
- Infection Control Committee
- Department of Medicine
- OB/Peds Committee
- Credentials and Bylaws

Credentials:

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

Financial Update:

Julie Stewart reported on the August 2023 financial statements with the Commissioners highlighting the following as significant items:

- ◆ Sustainability Goals – YTD Net Operating Margin of \$(1.986M) is below target to exceed 2023 goal of \$(2M) loss. YTD Increase of adjusted patient days over 2022 of (1.6%) is below the 2023 goal of 5%. Total days cash on hand of 152 is exceeding 2023 goal of 150 days.
- ◆ Balance Sheet – The hospital collected \$10.7M in cash and paid out \$8.4M during the month of August. An increase in sources of cash and a decrease of operating expense per day resulted in an increase of operating day's cash on hand to 124, from 114 in July. The current ratio increased to 3.7 from 3.6 in July.
- ◆ Net Revenue – Net revenue for August was \$9M with an actual collection rate of 38%, which is slightly below the budgeted 40.1%. Outpatient gross revenue as a percentage of total revenue increased to 80.6% from 78.9% in July. Hospital net revenues were below budget 16.2%. Primary Care and Specialty Clinic net revenue was below budget by 1.2%. For the month of August, the operating margin was (2.3%) with a total excess margin of 4.7%.
- ◆ Operating expenses – Total operating expenses for 2023 are on par at .9% below budget and 1.7% above 2022. Wages, Salaries and benefits were 5.1% below budget. Supplies were 5.7% below budget. Professional and physician fees were 7.1% above budget. Purchased services were 40.1% above budget. Drug expense was 18.1% below budget. The total number of FTE for 2023 is 531, which is under budget of 567. The Hospital recorded net operating loss for 2023 of \$(1.986M) versus the budgeted operating loss of \$(1.423M). The excess margin for 2023 is \$2.958M or 3.8% of net revenue versus budgeted excess margin of \$1.917M or 2.4% of net revenue.

Administration Update:

Elise Cutter provided a recap of her visit to Washington, DC with WSHA remarking there were over 30 hospital leaders advocating on behalf of rural hospitals for the state of Washington. Highlighted were the following:

- Growing the rural workforce
- Investing in rural infrastructure
- Site neutrality payment changes
- 340b transparency

Elise remarked on the discussions with PeaceHealth to bring medical oncologist to Island Health, provided an update on the Helipad Emergency Services project and shared an employee satisfaction letter received and patient experience letters from the Emergency Department and Walk In Clinic.

Dr. Hogge reported on ongoing physician recruitment efforts remarking on upcoming onboarding, site visits and Lunch & Learn Sessions.

New Business:

Island Hospital Foundation: Janie Crane, Foundation Director, provided updates on IHF Legacy Circle gifts, the Dollar-For-Dollar Emergency Services Campaign, The Murdock Foundation Grant application and was pleased to share that year to date the Foundation has exceeded over a million dollars in funds.

Elise commended Janie on her leadership and fundraising efforts with the Island Health Foundation during her time as Executive Director. Janie will be missed and all in attendance wish her the best with her future endeavors.

Marketing Update: Barb LeDuc shared Island Health recruitment campaign videos which will launch in October.

Commissioner Calendar: The October Board calendar was approved as presented.

Executive Session:

Commissioner Bogosian called for an Executive Session to review the performance of a public employee. RCW 42.30.110(1)(g). The session is expected to ten (10) minutes in length. At the end of the Executive Session we do not expect action to be taken and therefore will not reconvene.

The Commissioners went into Executive Session at 9:00am.

Action Item:

- Add residency program to credentials list
- Thank you to Janie Crane from Commissioners

ADJOURNMENT:

There being no further business, Commissioner Bogosian called for the meeting to be adjourned at 9:15am.

Chip Bogosian, MD President/Commissioner

Jan Iversen, Commissioner

Lynne Lang, PhD, Secretary/Commissioner

Warren Tessler, Commissioner

Paul Maughan, PhD Commissioner