

October 26, 2023

The Regular Board Meeting of the Board of Commissioners for Island Health was called to order by Commissioner Bogosian at 7:30am on October 23rd 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 (WebEx) and Chip Bogosian, MD. Also present were Elise Cutter, CEO, Julie Norton Stewart, CFO, Tammy Needham, DNP CCO, Jason Hogge, MD, CMO, Rachel Mank, DO, Chief of Staff, and Kim Graf, Executive Business Partner.

Public Comment:

No public comments were made.

Action Items Completed:

1. Letter of Appreciation Janie Crane
2. Add Residency Program to Credentials List

Consent Agenda:

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

Board Quality & Patient Safety

Medical Staff Report:

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

- ED Committee
- Credentials Committee
- Clinical Ethics Committee
- Department of Medicine
- OB/Peds Committee

Credentials:

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

Financial Update:

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

- ◆ **Sustainability Goals** – YTD Net Operating Margin of (\$3.208M) is below target to exceed 2023 goal of (\$2M) loss. YTD Increase of adjusted patient days over 2022 of (3.2%) is below the 2023 goal of 5%. Total days cash on hand of 154 is exceeding 2023 goal of 150 days.
- ◆ **Balance Sheet** – The hospital collected \$8.7M in cash and paid out \$7.6M during the month of September. An increase in sources of cash resulted in an increase of operating day's cash on hand to 126, from 124 in August. The current ratio decreased to 3.4 from 3.7 in August.
- ◆ **Net Revenue** – Net revenue for September was \$8.1M with an actual collection rate of 37.3%, which is below the budgeted 40.2%. Outpatient gross revenue as a percentage of total revenue decreased to 78.8% from 80.6% in August. Hospital net revenues were below budget 10.7%. Primary Care and Specialty Clinic net revenue was below budget by 3.3%. For the month of September, the operating margin was (15.1%) with a total excess margin of (7.6%).
- ◆ **Operating expenses** – Total operating expenses for 2023 are on par at 1.3% below budget and 0.4% above 2022. Wages, Salaries and benefits were 4.8% below budget. Supplies were 5.7% below budget. Professional and physician fees were 9.3% above budget. Purchased services were 37.4% above budget. Drug expense was 23% below budget. The total number of FTE for 2023 is 530, which is under budget of 567. The Hospital recorded net operating loss for 2023 of (\$3.209M) versus the budgeted operating loss of (\$1.636M). The excess margin for 2023 is \$2.343M or 2.7% of net revenue versus budgeted excess margin of \$2.121M or 2.4% of net revenue.

Administration Update:

CCO Update:

Tammy Needham, DNP provided an update on the Kaizen Project within Surgical Services Department remarking on the process and progress that has been made. The purpose of the Kaizen is to add value to work processes and potentially identify cost savings within the Department.

CMO Update:

Dr. Hogge provided an update on the onboarding of Island Health's new physicians:

Dr. Sarah VanGaasbeek-Family Practice
Dr. Julie Watters, OB/GYN
Dr. Jason Blair, Family Practice
Dr. Brittany Whitaker, Family Practice
Dr. Elke Neuenschwander, Family Practice
Dr. Caitlin MacCoun, Family Practice

Highlighted were the additional patient appointments that are available for our community as a result of the new physicians onboarded and a recent family practice residency career fair Island Health attended.

CEO Update:

Elise shared a CARES Champion nomination story for Compassion, provided an update on the ongoing organizational and departmental work with regards to the Press Ganey Employment Survey, was pleased to share that Marta McClintock has been selected as the next Island Health Foundation Executive Director and that Marta will begin in January 2024, provided a brief update on the Helipad & Emergency Services Project and briefly remarked on an assessment to review cardiology services.

New Business:

Marketing Update: Laura Moroney **provided updates on the following:**

- Primary Care Marketing Campaign
- Island Health Career Fair
- Google Advertising Campaign for the Career Fair and Diagnostic Imaging services
- Shared an AWPHD video on “What is a Public Hospital District”
- Veterans’ Day Ceremony November 8

WSHA Annual Meeting:

Commissioner Bogosian provided a recap of the recent AWPHD Annual Meeting remarking on the breakout sessions and presentations.

Commissioner Calendar: The November Board calendar was approved as presented with the revision of the adding the Special Finance Committee Meeting on November 7th from 10am-12noon.

There was brief discussion on the 2024 Working and Regular Board Meeting schedule. It was decided that further discussion of the schedule will be done at the Special Board Meeting on November 8th.

Action Item: None

ADJOURNMENT:

There being no further business, Commissioner Bogosian called for the meeting to be adjourned at 9:25am.

Chip Bogosian, MD President/Commissioner

Jan Iversen, Commissioner

Lynne Lang, PhD, Secretary/Commissioner

Warren Tessler, Commissioner

Paul Maughan, PhD Commissioner