

November 30, 2023

The Regular Board Meeting of the Board of Commissioners for Island Health was called to order by Commissioner Bogosian at 7:30am on November 30th 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, Kim Graf, Executive Business Partner and Caleb Sprouse, Anacortes American.

Not Present: Tammy Needham, DNP CCO

Public Comment:

No public comments were made.

Introductions:

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

- Brittany Whitaker, DO Family Medicine 24th Street Clinic
- Elke Neuenschwander MD Family Medicine with Obstetrics M Avenue Clinic
- Caitlin MacCoun, MD Family Medicine with Obstetrics M Avenue Clinic

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 Iversen 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:

- Quality Assurance
- Credentials
- Department of Surgery
- OB/Peds
- Department of Medicine

Credentials:

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

Board Quality & Management Review:

Commissioner Maughan briefly remarked on the recent Board Quality & Management Review Meeting highlighting the recent DOH approval of the Fire/Safety Plan presented and policies and procedures for patient safety.

Jon Scallan, Director Quality Improvement, provided updates on the following:

- DOH Fire Marshall Site Visit
- Illicit drug use
- After hours visitor badging
- Falls Committee
- Recruitment & Retention
- Patient Experience Program

Financial Update:

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

- ◆ Sustainability Goals – YTD Net Operating Margin of (\$3.864M) is below target to exceed 2023 goal of (\$2M) loss. YTD Increase of adjusted patient days over 2022 of (5.1%) is below the 2023 goal of 5%. Total days cash on hand of 156 is exceeding 2023 goal of 150 days.
- ◆ Balance Sheet – The hospital collected \$9.5M in cash and paid out \$8.7M during the month of October. An increase in sources of cash along with an increase in operating expenses per day resulted in operating day's cash on hand to remain at 126, the same as September. The current ratio decreased to 3.3 from 3.4 in September.
- ◆ Net Revenue – Net revenue for October was \$9.1M with an actual collection rate of 37.9%, which is below the budgeted 40.1%. Outpatient gross revenue as a percentage of total revenue decreased to 74.5% from 78.8% in September. Hospital net revenues were below budget 16%. Primary Care and Specialty Clinic net revenue was above budget by 13%. For the month of October, the operating margin was (7.2%) with a total excess margin of (0.5%).
- ◆ Operating expenses – Total operating expenses for 2023 are on par at 1.8% below budget and 0.3% above 2022. Wages, Salaries and benefits were 4.6% below budget. Supplies were 5% below budget. Professional and physician fees were 12.9% above budget. Purchased services were 33.1% above budget. Drug expense was 27.3% below budget. The total number of FTE for 2023 is 537, which is under budget of 567. The Hospital recorded net operating loss for 2023 of (\$3.864M) versus the budgeted operating loss of (\$1.785M). The excess margin for 2023 is \$2.296M or 2.4% of net revenue versus budgeted excess margin of \$2.389M or 2.4% of net revenue.

Commissioner Tessler remarked on the organization wide accomplishments made and ongoing work being completed to achieve a positive operating margin.

Administration Update:

CMO Update:

Dr. Hogge provided an update on ongoing provider recruitment efforts, Tele Neonatal Trial sponsored through the Mayo Clinic that Island Health will be participating in 2024, Medical Staff Peer Review Process and the Annual Provider Review process.

CEO Update:

Elise shared a Patient Experience story, CARES Champion nomination for Compassion and remarked on upcoming holiday events for staff that are being sponsored by the MWR Committee

New Business:

Resolution 2023-2165 2024 Board Meeting Schedule

After review, Commissioner Iversen made a motion to approve the 2024 Board Meeting Schedule as presented. Commissioner Maughan seconded the motion. Commissioners Bogosian, Lang, Iversen, Tessler and Maughan all voted aye and the motion carried.

December Board Calendar

The December Board Calendar was approved as presented with the addition of Commissioner Lang attending the December Ethics Committee Meeting.

Action Item: None Reported

ADJOURNMENT:

There being no further business, Commissioner Bogosian called for the meeting to be adjourned at 9:02am.

Chip Bogosian, MD President/Commissioner

Jan Iversen, Commissioner

Lynne Lang, PhD, Secretary/Commissioner

Warren Tessler, Commissioner

Paul Maughan, PhD Commissioner