

January 25, 2024

The Regular Board Meeting of the Board of Commissioners for Island Health was called to order by Commissioner Bogosian at 7:30am on January 25<sup>th</sup> 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 Manager.

Virtual: Commissioner Lynne Lang, PhD

Not Present: Tammy Needham, DNP CCO

**Public Comment:**

No public comments were made.

**Honoring Dyani Wetcher:**

Elise Cutter and Commissioner Bogosian recognized and honored Dyani Wetcher for her forty years of service to Island Health. All present passed their respects to the Wetcher family.

**Consent Agenda:**

After review and discussion, Commissioner Maughan made a motion to approve the Consent Agenda with the noted change that Commissioner attended the Ethics Committee Meeting in November. Commissioner Lang seconded the motion. Commissioners Lang, Bogosian, Iversen, Tessler and Maughan all voted aye and the motion carried.

**Board Quality & Patient Safety**

**Board Quality & Management Review**

Commissioners Maughan & Iversen provided an overview of the January Quality Management Oversight Committee Meeting highlighting the following:

- Quality Management Oversight Charter
- Evaluation of 2023 performance
- Review and approve 2024 targets for key performance indicators

## **Medical Staff Report:**

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

- Credentials & Bylaws
- Surgery Committee
- Department of Medicine Committee
- OB/Peds Committee
- Anesthesia Committee
- Quality Assurance Committee

## **Credentials:**

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

## **Financial Update:**

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

◆ Sustainability Goals – YTD Net Operating Margin of (\$6.361M) was below target to exceed 2023 goal of (\$2M) loss. YTD Increase of adjusted patient days over 2022 of (12.4%) was below the 2023 goal of 5%. Total days cash on hand of 156 exceeded 2023 goal of 150 days. ◆ Balance Sheet – The hospital collected \$6.7M in cash and paid out \$9M, resulting in a decrease of operating day's cash on hand to 121.8 during the month of December. The current ratio increased to 3.1 from 3.0. ◆ Net Revenue – Net revenue for December was \$8.3M with an actual collection rate of 38.7%, which is below the budgeted 40.2%. Outpatient gross revenue as a percentage of total revenue increased to 79.1% from 77.6% in November. Hospital net revenues were below budget 18.5%. Primary Care and Specialty Clinic net revenue was below budget by 1.4%. For the month of December, the operating margin was (24.1%) with a total excess margin of (10.8%). ◆ Operating expenses – Total operating expenses for 2023 are on par at 1.6% below budget and 1.1% below 2022. Wages, Salaries and benefits were 3.7% below budget. Supplies were 3.5% below budget. Professional and physician fees were 29.1% above budget. Purchased services were 21.8% above budget. Drug expense was 34.9% below budget. The total number of FTE for 2023 was 533, which was under budget of 567. The Hospital recorded net operating loss for 2023 of (\$6.361M) versus the budgeted operating loss of (\$2.181M). The excess margin for 2023 is \$1.526M or 1.4% of net revenue versus budgeted excess margin of \$2.828M or 2.4% of net revenue.

### **Administration Update:**

**CMO:** Dr. Hogge provided an overview on the 2023 physician and APP recruitment and onboarding efforts and remarked on the 2024 recruitment efforts which will focus on: Pediatrics, General Surgery, Urology, OB/GYN, Family Medicine, Internal Medicine, LCMSW, Pulmonology and Gastroenterology.

**CEO:** Elise provided an update on the ongoing Washington State legislative session remarking on the WSHA healthcare focused focus areas for this short session:

- Complex Discharges
- Medicaid Coverage for Public Hospital Districts
- Medicaid physician payment
- Low volumes obstetrical unit sustainability
- SB 5948/HB2066
- Utilization of EMS within hospital Emergency Departments

Elise provided an update on ongoing efforts to bring a medical oncology to Island Health remarking that Island Health is optimistic with the progress.

### **New Business:**

Laura Moroney remarked on the 2023 Marketing & Communications efforts highlighting the following:

- Heartbeats
- New Provider Promotion
- Digital Marketing
- Recruitment
- Island Insider
- Health Education
- Pastoral Care
- Volunteer Services

Laura provided an outlook for 2024 work share the focus will be on Heartbeats, Primary Care Promotion, Internal Communications, In-house video capabilities, onboarding new chaplains, expanding volunteer services and the addition of new health education classes.

Elise was pleased to introduce Marta McClintock Island Health Foundation's new Executive Director. Marta expanded on her professional background and was pleased to share with the Commissioners that Island Health Foundation received over \$2 million dollars in 2023 donations. Marta briefly remarked on the 2024 Gala of Hope in April.

## **February Board Calendar**

The February 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 fifteen (15) 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 8:57am.

### **ADJOURNMENT:**

There being no further business, Commissioner Bogosian called for the meeting to be adjourned at 9:14am.

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Chip Bogosian, MD President/Commissioner

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Jan Iversen, Commissioner

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Lynne Lang, PhD, Secretary/Commissioner

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Warren Tessler, Commissioner

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Paul Maughan, PhD Commissioner