

March 28, 2024

The Regular Board Meeting of the Board of Commissioners for Island Health was called to order by Commissioner Bogosian at 7:30am on March 28th 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, CMO, Rachel Mank, DO, Chief of Staff, Kim Graf, Executive Business Manager and Courtney Nolasco, Administrative Specialist.

Not present: Julie Norton Stewart, CFO, Jason Hogge, MD,

**Public Comment:**

No public comments were made.

**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**

**Board Quality & Management Review**

Commissioners Iversen & Maughan remarked on the recent Quality Management Overview meeting remarking on the patient experience update.

Jon Scallan provided updates on the following:

- DNV Update
- Press Ganey Dashboard
- QMO Reports

**Medical Staff Report:**

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

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

## **Credentials:**

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

## **Financial Update:**

Commissioner Lang commended Megan Wood on leading the recent Finance Committee Meeting.

Megan Wood reported on the February 2024 financial statements with the Commissioners highlighting the following as significant items:

- ◆ Sustainability Goals – YTD Net Operating Margin of (\$2.5M) is below target to exceed 2024 goal of \$500K gain. YTD Increase of adjusted patient days over 2023 of 10% is above the 2024 goal of 5%. Total days cash on hand of 141 is below 2024 goal of 150 days.
- ◆ Balance Sheet – The hospital collected \$8.2M in cash and paid out \$9.5M, along with an increase in operating expense per day, operating day's cash on hand decreased to 141 during the month of February. The current ratio increased to 5.3 from 5.1.
- ◆ Net Revenue – Net revenue for February was \$7.7M with an actual collection rate of 33%, which is below the budgeted 40%. Outpatient gross revenue as a percentage of total revenue decreased to 79.5% from 88.8% in January. Hospital net revenues were below budget 25.9%. Primary Care and Specialty Clinic net revenue was below budget by 14.2%. For the month of February, the operating margin was (26.6%) with a total excess margin of (18.3%).
- ◆ Operating expenses – Total operating expenses for 2024 are 5.3% below budget. Wages, Salaries and benefits were 2.8% below budget. Supplies were 3.7% below budget. Professional and physician fees were 6.4% above budget. Purchased services were 14.9% below budget. Drug expense was 30.6% below budget. The total number of FTE for 2024 is 551, which is under budget of 567. The Hospital recorded net operating loss for 2024 of (\$2.5M) versus the budgeted loss of (\$2K). The excess margin for 2024 is (\$1.2M) or (6.95%) of net revenue versus budgeted excess margin of \$907K or 4.41% of net revenue.

## **Administration Update:**

CEO: Elise provided an update on the progress with the Helipad and Emergency Service Project sharing that both the main entrance and interior of the Emergency Department are complete. Work continues on the construction of helipad and elevator shaft is well underway and is expected to be completed in early summer.

Elise remarked that beginning April 1<sup>st</sup> the main entrance for Island Health will be open Monday-Friday 6am-8pm and Saturday 7am-1pm.

Elise was pleased to share that with the passing of the Federal Budget, Island Health will be awarded \$2.5 million for improvements to our surgical services department. The funds will be

used to purchase a surgical robot. The planning for rolling out a surgical robotic program will begin once the funding is received.

Commissioner Bogosian commended the Marketing Team on the most recent edition of Heartbeats. Commissioner Iversen remarked on the positive impact the publication will have on Foundation gifts.

**New Business:**

**April Board Calendar**

The April Board Calendar was approved as presented.

In celebration of Doctors Day on March 30<sup>th</sup>, Elise recognized the Island Health Medical Staff.

Action Items:

Present PowerPoint to The Department of Health, Rural Department.

**ADJOURNMENT:**

There being no further business, Commissioner Bogosian called for the meeting to be adjourned at 8:45am.

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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