

May 23, 2024

The Regular Board Meeting of the Board of Commissioners for Island Health was called to order by Commissioner Bogosian at 7:30am on May 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 (virtual), 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, Jon Scallan, Director of Quality Management, Kim Graf, Executive Business Manager and Courtney Nolasco, Administrative Specialist.

Public Comment:

No public comments were made.

2023 Audit Report:

Eric Volk and Wes Thew, a representative from WipFli, provided the 2023 audit report to the board. Commissioner Tessler made a motion to approve the 2023 Audit Report. Commissioner Maughan seconded the motion. Commissioners Lang, Bogosian, Iversen, Tessler and Maughan all voted aye and the motion carried.

Julie commended the Director of Finance, Megan Wood on her work with the audit.

Consent Agenda:

After review and discussion, Commissioner Iversen 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

Board Quality & Management Review

Jon Scallan provided a brief report on RLDatrix on Inpatient Falls Action Items and the positive increase of patient recommendations. Tammy commented on the emergency department volume and the correlation of seasons.

Elise remarked on marketing techniques to update the community on the renovations to Island Health Emergency Department.

Medical Staff Report:

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

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

Credentials:

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

Financial Update:

Julie Stewart reported on the April 2024 financial statements with the Commissioners highlighting the following as significant items:

- ◆ Sustainability Goals – YTD Net Operating Margin of (\$4.2M) is below target to exceed 2024 goal of \$3K gain. YTD Increase of adjusted patient days over 2023 of 7% is above the 2024 goal of 5%. Total days cash on hand of 163 is above 2024 goal of 150 days.
- ◆ Balance Sheet – The hospital collected \$10.8M in cash and paid out \$9.1M. With an increase in operating expense per day, operating day's cash on hand decreased to 117 during the month of April. The current ratio decreased to 4.4 from 5 in March.
- ◆ Net Revenue – Net revenue for April was \$9.4M with an actual collection rate of 38%, which is slightly below the budgeted 40%. Outpatient gross revenue as a percentage of total revenue decreased to 79.5% from 79.6% in March. Hospital net revenues were below budget 7.1%. Primary Care and Specialty Clinic net revenue was below budget by 12.6%. For the month of April, the operating margin was (12.9%) with a total excess margin of (6.6%).
- ◆ Operating expenses – Total operating expenses for 2024 are 3.1% below budget. Wages, Salaries and benefits were 2.7% below budget. Supplies were 2.2% above budget. Professional and physician fees were 8.7% above budget. Purchased services were 7.8% below budget. Drug expense was 21.1% below budget. The total number of FTE for 2024 is 561, which is below budget of 567. The Hospital recorded net operating loss for 2024 of (\$4.2M) versus the budgeted gain of \$3K. The excess margin for 2024 is (\$1.6M) or (4.5%) of net revenue versus budgeted excess margin of \$1.8M or 4.4% of net revenue.

Administration Update:

Elise presented a revision to the 2024 Organizational Goals to report the Employee Engagement and Medical Staff engagement biannually. The 2024 Organization Goals will measure Employee Engagement.

Commissioner Maughan made a motion to approve the revision to the 2024 Organizational Goals. Commissioner Iversen seconded the motion. Commissioners Lang, Bogosian, Iversen, Tessler and Maughan all voted aye and the motion carried.

New Business:

Elise provided updates on the following:

1. Chief Information Officer recruitment efforts.
2. Upcoming trip to Washington DC with several other Public Hospital Districts to advocate for healthcare funding and reimbursement.

Commissioner Maughan provided a Strategy Committee update reporting as follow up to our education session in March, the Strategy Committee has distilled three (3) areas of focus for long term strategic planning over the next eight (8) to ten (10) years.

1. **Demographic Segmentation:** Embrace each segment of our service area population and create healthcare solutions that meet the needs of each segment along their healthcare journey.
 - a. Identify demographic segmentation within our District
 - b. Offer solutions for each demographic segmentation to remove barriers and create equitable access to care.
 - c. Community outreach and communication to strengthen and develop relationships and support for the District.
2. **Organizational focus on Outpatient Services:** While maintaining exceptional care with our inpatient services, how do we reshape outpatient service to meet the need for quick, consumer focus outpatient services.
 - a. Reshape Primary Care Model
 - b. Forward facing ambulatory services
 - c. Streamline operations to focus on convenience, ease and accessibility
 - d. High tech/high touch
3. **Strategic Partnerships:** Look at all types of partnerships knowing as a rural healthcare system we cannot be everything to everyone. Island Health must look to be the portal to ensure seamless transition to higher level of care for patients and then have them return to Island Health.
 - a. Tertiary referrals
 - b. Clinical information sharing
 - c. Additional service lines

After discussion Commissioner Lang made a motion to adopt the three recommended strategic focus areas as presented. Commissioner Iversen seconded the motion. Commissioners Lang, Bogosian, Iversen, Tessler and Maughan all voted aye and the motion carried.

June Board Calendar

The June Board Calendar was approved as presented.

ADJOURNMENT:

There being no further business, Commissioner Bogosian called for the meeting to be adjourned at 9:04am.

Chip Bogosian, MD President/Commissioner

Jan Iversen, Commissioner

Lynne Lang, PhD, Secretary/Commissioner

Warren Tessler, Commissioner

Paul Maughan, PhD Commissioner