

June 27, 2024

The Regular Board Meeting of the Board of Commissioners for Island Health was called to order by Commissioner Bogosian at 7:30am on June 27th 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 Manager and Courtney Nolasco, Administrative Specialist.

Not Present: Jon Scallan, Director of Quality Management

Public Comment:

No public comments were made.

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

No report from Quality Management.

Medical Staff Report:

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

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

Credentials:

After review and discussion, Commissioner Lang 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:

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

- ◆ **Sustainability Goals** – YTD Net Operating Margin of (\$4.3M) is below target to exceed 2024 goal of \$8K gain. YTD Increase of adjusted patient days over 2023 of 8% is above the 2024 goal of 5%. Total days cash on hand of 162 is above 2024 goal of 150 days.
- ◆ **Balance Sheet** – The hospital collected \$12.2M in cash and paid out \$12.3M, resulting in a slight decrease of operating day's cash on hand to 116 during the month of May. The current ratio increased to 5.1 from 4.4 in April.
- ◆ **Net Revenue** – Net revenue for May was \$10.3M with an actual collection rate of 40%, on target with budgeted 40%. Outpatient gross revenue as a percentage of total revenue increased to 79.7% from 79.5% in April. Hospital net revenues were below budget 0.1%. Primary Care and Specialty Clinic net revenue was below budget by 9.2%. For the month of May, the operating margin was (1.2%) with a total excess margin of 5%.
- ◆ **Operating expenses** – Total operating expenses for 2024 are 2.7% below budget. Wages, Salaries and benefits were 3.8% below budget. Supplies were 0.8% above budget. Professional and physician fees were 26.4% above budget. Purchased services were 6.1% below budget. Drug expense was 21.4% below budget. The total number of FTE for May was 548, which is below budget of 576. The Hospital recorded net operating loss for 2024 of (\$4.3M) versus the budgeted gain of \$8K. The excess margin for 2024 is (\$1.1M) or (2.33%) of net revenue versus budgeted excess margin of \$2.3M or 4.4% of net revenue.

Administration Update:

Dr. Hogge reported on the 2024 Breast Cancer Organizational Quality Goal, highlighting the following:

- Breast Cancer in the US
- Breast Cancer Types
- Breast Cancer Screening
- Breast Cancer Treatment, Surgical Treatment, and Adjuvant Therapy

Elise presented to the board a Helipad & Emergency Services Project Update, highlighting the following:

- Completed ED Waiting Area Remodel and Securing the ED
- Completed Main Registration and Completed Central Waiting
- Completed Elevator Shaft
- Day & Night Testing of the new helipad will be conducted on July 1st
- Ribbon Cutting Ceremony for the Helipad & Emergency Project on July 17th

Elise informed the board about the ongoing preparations for parking lot renovations, with a focus on the addition of more handicap spaces and an extra 25 parking spaces. This project is expected to conclude in August and aims to enhance parking facilities for both employees and patients.

New Business:

Commissioner Maughan made a motion to approve the revision to the Board Calendar, establishing quarterly special board meetings to report on the organizational goals and strategic initiatives. Commissioner Lang seconded the motion. Commissioners Lang, Bogosian, Iversen, Tessler and Maughan all voted aye and the motion carried.

Commissioner Maughan made a motion to approve the draft of Regular Board Meeting Agenda. Commissioner Iversen seconded the motion. Commissioners Lang, Bogosian, Iversen, Tessler and Maughan all voted aye and the motion carried.

It was noted that due to this action item, a revision to the Island Hospital By Laws is now needed. Kim will work with Strategy Committee and OMW on the necessary By Law revisions.

July Board Calendar

The July Board Calendar was approved as presented.

Action Items:

- review of the credentialing process
- amend the Island Health By-Laws.

ADJOURNMENT:

There being no further business, Commissioner Bogosian called for the meeting to be adjourned at 8:53am.

Chip Bogosian, MD President/Commissioner

Jan Iversen, Commissioner

Lynne Lang, PhD, Secretary/Commissioner

Warren Tessler, Commissioner

Paul Maughan, PhD Commissioner