

January 25, 2018

The regular meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Maughan on January 25th at 11:45am in the Fidalgo Room of Island Hospital.

Those present were Commissioners Lynne Lang, PhD; Paul Maughan, PhD; Chip Bogosian, MD; Jan Iversen and Warren Tessler. Also present were Vince Oliver, CEO; Elise Cutter, CFO; Robert Prins, MD, CMO; Denise Jones, RN, CPCE; Carolyn Pape, CHRO; Jason Hogge, MD, Chief of Staff and Kim Graf, Executive Assistant.

Public Comments:

No public comments were made.

Oath of Office:

Commissioner Iversen took the Oath of Office for her service as Skagit County Hospital District No. 2 Commissioner-Position 1.

Election of Officers:

The slate of officers for the 2018 Island Hospital Board of Commissioners was presented.

Commissioner Maughan-President
Commissioner Tessler-Secretary

After review, Commissioner Iversen made a motion to approve the slate as presented. Commissioner Lang seconded the motion. There were no nominations from the floor. Commissioners, Maughan, Tessler, Lang, Bogosian and Iversen all voted aye and the motion carried.

CONSENT AGENDA:

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

BOARD QUALITY & PATIENT SAFETY REPORT

Medical Staff Meeting Summaries: Dr. Hogge reported:

Emergency Department: There was discussion of IH following the Harborview spine trauma protocols regarding c-spine trauma management.

It was discussed that resources regarding SANE cases be provided to providers in order to better the patient experience during these difficult cases.

OB/Peds Committee: There was discussion on induction cases with in the L & D Department.

Board Quality & Management Review:

Anita McCoy, RN reported on the recent DNV recertification site visit conducted last week. The official DNV Report is expected the first week in February. Anita will provide a detailed explanation of the findings at the February Board Meeting.

FINANCE UPDATE:

Elise remarked that due to WaFed administrative delays, the Line of Credit Resolution 2018-2060 will be postponed and added to the February Working Board Agenda for ACTION.

Elise Cutter reported on the December and Year to Date 2017 finances with the Commissioners and highlighted the following as significant items:

- ◆ *Patient Volumes* – Inpatient admissions for December 2017 were 241 against a budget of 266 and 248 in 2016. The average daily census for December 2017 was 23 patients compared to 26 budgeted and 26 for 2016. Emergency Room visits for December 2017 were 4.2% less than budgeted and 2.9% less than 2016. The total number of outpatient visits year to date is 5.6% less than budget and .1% less than in 2016, physician clinic visits were 18.1% below budget and 2.5% less than in 2016. Year to date rural health clinic visits were 3.2% below budget and 3.2% less than in 2016.
- ◆ *Balance Sheet* – The hospital collected \$8.7 million in cash and paid out \$8.8 million which resulted in day's cash on hand of 118.1 down from 118.3 at the end of November. The days in Accounts Receivable at the end of December was 35.9 up from 35 in November, still below the target of 40 days. Elise noted the significant change in the current ratio from 3.07 in November to 1.76 in December. The decrease was due to the reclass of the NMTC balloon payment to current liabilities. This payment is due in August 2018 and as a result needed to be reclassified to a current liability. Later in the meeting Elise discussed the refinancing plans for this debt.
- ◆ *Net Revenue* – Net revenue for December 2017 was \$8 million with an actual collection rate of 43.3% which was higher than the budgeted 41% and more than prior year of 42% due to interim settlements for the rural health clinics. We had 32 deliveries in December 2017 compared to 33 in 2016. Year to date Bad Debt is \$5,000 below budget for 2017 and year to date Financial Assistance is \$232,000 above 2016.
- ◆ *Operating expenses* – Total year to date operating expenses are 4.3% below budget and 1.2% less than the prior year. The total number of FTE's for 2017 is 568 which is under the budget of 586 and 5 more than 2016. The Hospital recorded a net operating loss year to date of \$338,000 versus the budgeted operating income of \$768,000. The excess income year to date is \$2.5 million or 2.6% of net revenue versus budgeted excess gain of \$2.5 million or 2.5% of net revenue.

Administration Update:

CMO: Dr. Prins remarked on the ongoing AHRQ/John Hopkins training that Island Hospital Medical Staff are participating in. These webinars are designed to educate physicians on the appropriate use of antibiotics.

CHRO: Carolyn Pape reviewed the policy and proper use of employee badges. There was a review of the IH Employee Picture Identification Badge Policy.

- EPIBs serve as proximity access cards, allowing employees entry to secured areas for performance of job functions. Use of badges unrelated to job function, for example to gain access to an area while off duty and/or for personal reasons, is prohibited.
- EPIB's are to be worn and used only by the person pictured on the badge.

In order to address the ongoing badge misuse, a training plan was presented which requires that **All Island Hospital Employees be retrained on the Policy** by January 31st, 2018.

Kim will provide the Compliance Officer and HR Department notification that the Commissioners have completed the required EPIB Training.

CPCE: Denise shared that the Surgery Management Improvement Group (SMIG) was on site last week and conducted an analysis of the Surgery Department. Diane Lyda, RN from SMIG will act as the Interim Surgery Director while the search for a permanent director continues.

Denise shared a patient experience story written to Administration from an Island Hospital Volunteer.

CEO: Vince provided an update on the ongoing urology discussions with several organizations and recruitment efforts for a urologist.

Vince reported on ongoing physician recruitment efforts and upcoming site visits for an internist, family practice provider and OB/GYN. Vince noted that Dr. Billow will join the Island Hospital Medical Staff in May.

Vince remarked on a recent discussion with TeamHealth to manage the Hospitalist Program at Island Hospital.

Vince shared that Administration recently met with NPO to discuss recruitment efforts for a new oncologist and remarked that IH is exploring alternatives opportunities for Cancer Care here at Island Hospital.

Vince discussed the ongoing negotiations of a professional service agreement to perform colonoscopies here at Island Hospital and noted that Island Hospital is exploring new laboratory revenue generating opportunities.

Island Hospital is meeting with Islands Home Health every six (6) months to discuss the transition of services. Vince remarked on the upcoming mediation efforts with Canyon.

Strategy Committee:

Commissioner Bogosian reported that the Strategy Committee recently met and discussed strategic initiatives. Matt Sturm, ECG, attended the meeting in order to discuss how ECG can assist Island Hospital with their Strategic Plan initiatives for 2018. ECG has been tasked with providing an analysis of the current Island Hospital service lines. An in-depth report of the analysis will be provided at an upcoming Board Meeting.

NEW BUSINESS:

Island Hospital Foundation:

Jeannette Papadakis reported that IHF has received a Gold Star Award for transparency from Guidestar.

Jeannette shared the IHF fundraising trends from 2004-2017 and reported on a recent donation which will memorialize Colonel Richard Iversen through a Scholarship Fund for clinical training/education.

Commissioners Calendar:

The February Board Calendar was approved as presented.

Adoption and Approve 2017 Amended Bylaws:

After review and discussion, Commissioner Bogosian made a motion to accept Resolution 2017-2057 which adopts and approves the 2017 Amended Bylaws as presented. Commissioner Lang seconded the motion. Commissioners Iversen, Lang, Bogosian, Tessler, and Maughan all voted aye and the motion carried.

Appointment of Agent:

After review and discussion, Commissioner Bogosian made a motion to approve the Resolution 2017-2058 Appointment of Agent as presented. Commissioner Iversen seconded the motion. Commissioners Iversen, Lang, Bogosian, Tessler, and Maughan all voted aye and the motion carried.

2017 Organizational Goal Review & 2018 Organizational Goals:

The Administrators reviewed the Organizational Quality Goals 2017 Review & 2018 Moving Forward.

The Administrators reviewed the successes and challenges of the 2017 Quality Organizational Goals and presented the 2018 Quality Organizational Goals remarking on the opportunities and strategies to achieve the goals.

Highlighted were the five (5) pillars:

People-The focus will be on employee engagement as demonstrated by increasing our retention rate.

Patient Experience-The focus will be on increasing the overall patient experience for Inpatient, Emergency Department, Clinics and Providers as quantified by increasing the 2017 Press Ganey Survey results by 15%.

Clinical Excellence-The focus will be to reduce or maintain a Standardized Infection Ratio (SIR) of below 1 for Surgical Site Infection (SSI) and other Hospital Acquired infections. Improve Ambulatory Clinical Quality metrics as identified by Clinic 20% over 2017.

Financial-The focus will be on ensuring the contribution margin, as a percentage of net revenue, meets or exceeds 3.5 %.

Growth- The focus will be on ensuring that needed growth and capacity are being met by increasing the adjusted admissions to 10,136 or greater and increasing outpatient clinic visits by 18% and meeting all EMR established milestones according to the READY implementation.

Vince asked that the Commissioners review the 2018 Organizational Quality Goals and to be prepared to take ACTION to approve the goals at the February Working Board Meeting.

Commissioner Maughan remarked on the next steps for the Annual CEO evaluation.

Action Items:

- Review of the official DNV Report
- Commissioner Open Public Meeting Training
- Approval 2018 Organizational Quality Goals
- Resolution 2018-2060 Line of Credit
- Copy of certification of completed EPIB training for Commissioners to HR and Compliance
- ECG service line analysis report

ADJOURNMENT:

There being no further business, Commissioner Maughan called for the meeting to be adjourned at 2:05pm.

Paul Maughan, PhD, President/Commissioner

Warren Tessler Secretary/Commissioner

Jan Iversen, Commissioner

Chip Bogosian, MD., Commissioner

Lynne Lang, PhD, Commissioner