

July 19, 2018

The regular meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Maughan on July 19th at 12 noon in the Cypress Room of Island Hospital.

Those present were Commissioners Chip Bogosian, MD; Paul Maughan, PhD; Lynne Lang, PhD and Jan Iversen. Also present were Vince Oliver, CEO; Elise Cutter, CFO; Bob Prins, MD, Chief Medical Officer; Jason Hogge, MD, Chief of Staff; Denise Jones, RN CPCE; Carolyn Pape, CHRO and Liz Martin, Executive Secretary.

Not present: Commissioner Warren Tessler

Public Comments:

There were no public comments.

CONSENT AGENDA:

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

BOARD QUALITY & PATIENT SAFETY REPORT

Medical Staff Meeting Summaries: Dr. Hogge reported:

ED Committee-It was reported that the DNV progress report was sent to DNV. The informatics analysts are currently making necessary corrections within the ED module in order to enhance the system.

OB/PEDS- There was discussion of the epidural kits for L & D. It was recommended that glucose gel be used for pre-term or hypoglycemic babies rather than artificial milk. The recommendation was accepted and protocols for administering glucose gel are being developed. It was agreed that the Hepatitis B vaccination should be administered to newborns within 24 hours of birth. There was discussion of follow up phone calls for L & D patients after discharge

FINANCE UPDATE:

Elise Cutter reported on the June 2018 financial statements with the Committee and highlighted the following as significant items:

Financial Statement Review: Elise Cutter reported on the June 2018 financial statements with the Committee and highlighted the following as significant items:

- ◆ **Balance Sheet** – The hospital collected \$20.5 million in cash in June (including \$14.8 million of bond proceeds)and paid out \$7.8 million which resulted in day’s cash on hand of 163(106 excluding the bond funds) up from 113 at the end of May. The current ratio increased to 1.5 from 1.43 in May.
- ◆ **Net Revenue** – Net revenue for June 2018 was \$6.8 million with an actual collection rate of 38.7% which was lower than the budgeted 40.2% and lower than prior year of 40.4%. Inpatient volumes were down significantly along with lower clinic volumes. The two combined created a large variance to budget.

- ◆ *Operating expenses* – Total year to date operating expenses are 2.1% below budget and .3% less than the prior year. Categories of significant overage are professional and physician fees and purchased services. The total number of FTE's for 2018 is 557 which is under the budget of 565 and 1 more than 2017. The Hospital recorded a net operating loss year to date of \$3,211,000 versus the budgeted operating loss of \$234,000. The excess loss year to date is \$719,000 or -1.6% of net revenue versus budgeted excess gain of \$1,681,000 or 3.4% of net revenue.

Elise remarked on her recent meetings with managers to review department financials.

Administration Update:

CMO: Dr. Prins discussed the Accountable Communities of Health and remarked on an upcoming regional meeting in early August. Dr. Prins reviewed the IH MIPS scores and commended IH staff for their efforts to improve scores.

CHRO: No report

CPCE: Denise shared a patient letter with the Commissioners.

CEO: Vince provided an update on recruitment efforts for primary care, internist, OB/GYN, urology and neurologist providers and remarked on the strong candidate pool for the wound care position. Vince shared that TeamHealth will begin to oversee the Island Hospital Hospitalist program on August 1st. Vince reported on progress with governmental relations remarking on a recent discussion with the Navy regarding the ERSA Agreement, Senator Cantwell's involvement with MDA reimbursement and cost reports for CMS; and noted that The Rural Hospital Demonstration Program is a budgetary item and that Island Hospital will need to wait until November to see if this program will be expanded.

Strategic Update:

Commissioner Bogosian provided a recap of a recent Strategy Committee Meeting remarking on the ongoing service line analysis being conducted. Commissioner Bogosian suggested that Island Hospital Leadership Retreat become a two (2) day session to allow for expanded discussions regarding service line analysis. It was decided that the Annual Leadership Conference include a session on Friday, October 5th between 4pm and 6pm to set the framework for the discussion on Saturday, October 6th.

NEW BUSINESS:

Island Hospital Foundation: Jeannette Papadakis reported on the recent Donor Wall unveiling event, an upcoming Legacy Society Luncheon which will recognize the IHF 40th Anniversary and remarked on the IHF Board Retreat scheduled for September.

Commissioners Calendar:

The Board approved the August Board Calendar as presented.

Organizational Goals:

Senior Leadership Team reviewed Q1 and Q 2 results Organizational Quality Goals with the Commissioners. It was noted that the presentation will be sent out to the Commissioners.

Action Items to be completed:

- Send out Q1 and Q2 Organizational Quality Goal results to Commissioners.
- Notify attendees that the Annual Leadership Conference has been extended to include a two (2) hour Friday session.

ADJOURNMENT:

There being no further business, Commissioner Maughan called for the meeting to be adjourned at 1:32pm.

Paul Maughan, PhD, President/Commissioner

Warren Tessler Secretary/Commissioner

Jan Iversen, Commissioner

Chip Bogosian, MD., Commissioner

Lynne Lang, PhD, Commissioner