

August 25 2021

The Regular Board Meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Iversen at 12:00 pm on August 25th in Cypress Conference Room. Due to the ongoing COVID 19 Pandemic the Regular Board Meeting was conducted via WebEx.

Those present were Commissioners Warren Tessler, Jan Iversen, Paul Maughan, PhD, Lynne Lang, PhD and Chip Bogosian, MD. Also present were CEO Elise Cutter, COO; Dr. Rob Carter, COS; Julie Norton Stewart, CFO, and Vickie Brannon, Executive Assistant.

Not Present: Carol Northup, RN CNO

Public Comment:

No Public Comments were made

Action Items Completed:

- Updated logo slide sent to Commissioners
- August Board Calendar updated to include Strategic Planning Meetings

CONSENT AGENDA:

After review and Commissioner Bogosian made a motion to approve the Consent Agenda with the noted change to the July Working Board minutes for Commissioner Iversen to adjourn the meeting. Commissioner Maughan seconded the motion. Commissioners Bogosian, Iversen, Tessler, Lang and Maughan all voted aye and the motion carried.

BOARD QUALITY & PATIENT SAFETY REPORT

Medical Staff Meeting Summaries:

Dr. Carter provided an update on the following medical staff committee meetings:

- P & T Committee
- Anesthesia Committee

Board Quality & Management Review

Anita McCoy provided updates:

- Alcohol Withdrawal Monitoring
- Sedation Documentation Monitoring
- Restraint Documentation Monitoring
- Pain Intensity Documentation
- PACU Medication Transfer Audits
- Intravenous Access Audits
- Epidural Monitoring

Financial Update:

Financial Statement Review: Julie Norton Stewart reported on the July 2021 financial statements with the Commissioners and highlighted the following as significant items:

- ◆ *Balance Sheet* – The hospital collected \$8.4 million in cash in July and paid out \$9.7 million. This resulted in day's cash on hand of 243.6 (217.96 in operating cash funds) down from June of 251.4. The current ratio increased to 2.26 from 2.21 in June. Repayment of the Medicare Advance Funding in July was \$619,000.
- ◆ *Net Revenue* – Net revenue for July 2021 was \$8.9 million with an actual collection rate of 38.2% which is below the budgeted 41.8%. Outpatient gross revenue as a percentage of total revenues remained at 82% of the total gross revenue. Hospital net revenue was below budget 2.3% and Primary Care and Specialty Clinics net revenue was below budget by 19.5%. For the month of July the Hospital did not meet its financial pillar goal of an operating margin of net revenue to meet or exceed 1%, with an actual operating margin of -3.4%.
- ◆ *Operating expenses* – Total operating expenses for 2021 are 6.8% below budget and 12.4% above 2019. Wages, Salaries and benefits were 8.5% below budget. Supplies are 16.5% below budget. Professional and physician fees are 7.9% below budget. Purchased services are 7.8% above budget. Drug expense is 5.7% above budget. The total number of FTE's for 2021 is 536 which is under the budget of 594. The Hospital recorded net operating income for 2021 of \$582,000 versus the budgeted operating income of \$499,000. The excess margin for 2021 is \$3,245,000 or 5.4% of net revenue versus budgeted excess margin of \$3,143,000 or 4.8% of net revenue.

There was discussion of the Medicare reimbursement rate for rural health clinics.

Administration Update:

CEO Update: Charles reported on the following:

- New Employees for July
- Back-to-School Health Fair for Orcas and Anacortes
- Washington State COVID Update
 - Skagit County Metrics
 - Regional Hospital Metrics
 - Island Hospital Metrics
 - COVID-19 Vaccination Metrics
 - Health System Metrics
 - Services Preparation Metrics
 - Elise Reported on the Unvaccinated Process for Employees

New Business:

IHF: Janie Crane, Foundation Director, provided updates on the following:

- Reported on Island Hospital Golf Classic
- Year to Date Funds Raised

Community Relations & Marketing: Laura Moroney, Director Marketing and Community Relations, provided an update on the following:

- Reported on Island Hospital Brand Rollout Key Milestones
- Recapped Mission, Vision, and Values Meeting

September Board Calendar: September Board Calendar was approved as presented.

Action Item:

- Elise to follow up with HR Employee Assistance.
- Anita to implement Medical Staff Committee report action plan follow up for Medical Staff Committee reports.

ADJOURNMENT:

There being no further business, Commissioner Iversen called for the meeting to be adjourned at 1:45pm.

Jan Iversen, President/Commissioner

Chip Bogosian, MD Secretary/Commissioner

Paul Maughan, PhD Commissioner

Warren Tessler Commissioner

Lynne Lang, PhD, Commissioner