

September 22 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 September 22nd 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 Charles Hall CEO; Elise Cutter, COO; Dr. Rob Carter, COS; Julie Norton Stewart, CFO; Carol Northup, CNO; and Vickie Brannon, Executive Assistant.

Not Present:

Public Comment:

No Public Comments were made.

Action Items Completed:

- Updated logo slide sent to Commissioners
- October 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 August Working Board minutes for Commissioner Iversen to adjourn the meeting. Commissioner Bogosian seconded the motion. Commissioners 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:

- Emergency Department
- Clinical Ethics Committee – Welcomed new member Sharon Watson
- Quality Assurance Committee
- Credentials Committee – Commissioner Bogosian made a motion to approve the Credentials list and Commissioner Maughan seconded. Commissioners Lang, Tessler and Iversen voted aye on the motion.
- Department of Surgery Committee
- Interim Director

Board Quality & Management Review

Anita McCoy provided updates:

- Quality Oversight Committee
- Recalls reviewed on CPAP and other devices
- Overall Hospital Rating

- Hospital Inspections
- Operative Procedures Reviewed
- Hand Hygiene Compliance Metrics

Financial Update:

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

- ◆ **Balance Sheet** – The hospital collected \$9.5 million in cash in August and paid out \$9.2 million. This resulted in day's cash on hand of 242.2 (216.4 in operating cash funds) down from July of 243.6. The current ratio increased to 2.3 from 2.21 in July. Repayment of the Medicare Advance Funding in August was \$587,000.
- ◆ **Net Revenue** – Net revenue for August 2021 was \$9.2 million with an actual collection rate of 39.5% which is below the budgeted 41.8%. Outpatient gross revenue as a percentage of total revenues decreased to 81% of the total gross revenue. Hospital net revenue was below budget 1.1% and Primary Care and Specialty Clinics net revenue was below budget by 15%. For the month of August 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 -.9%.
- ◆ **Operating expenses** – Total operating expenses for 2021 are 6.1% below budget and 13.2% above 2020. Wages, Salaries and benefits were 8.1% below budget. Supplies are 15% below budget. Professional and physician fees are 5.4% below budget. Purchased services are 8.7% above budget. Drug expense is 7.1% above budget. The total number of FTE's for 2021 is 537 which is under the budget of 594. The Hospital recorded net operating income for 2021 of \$499,000 versus the budgeted operating income of \$624,000. The excess margin for 2021 is \$3,517,000 or 5% of net revenue versus budgeted excess margin of \$3,645,000 or 4.9% of net revenue.

Administration Update:

CEO Update: Charles reported on the following:

- New Employee Amanda Lundgren, RDN, CDCES
- Washington State COVID Update
 - Skagit County Metrics Update
 - Regional Conditions Metrics
 - Island Hospital Metrics
 - Services Preparation Metrics
 - COVID-19 Vaccination Metrics Update
 - Vaccination Mandate Metrics
 - Orcas RHC Certification Metrics

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

- Recapped Island Hospital Golf Classic
- Year to Date Funds Raised
- Recapped Executive Briefings
- Board of Directors Work

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

- Reported on Island Hospital Brand Rollout Update
- Vaccination Staff Videos
- Video & Social Media Marketing Metrics

- Community Education, Health & Wellness Center Needs
- Volunteer Information

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

Action Item:

No Action items.

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