

July 28, 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 July 28th 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; Carol Northup, RN CNO; Dr. Rob Carter, COS, , Julie Norton Stewart, CFO, and Kim Graf, Executive Assistant.

Not Present: Charles Hall, MSN,

Public Comment:

No Public Comments were made

Action Items Completed:

- Mission, Vision & Values Retreat Information shared with Commissioners

CONSENT AGENDA:

After review and Commissioner Lang made a motion to approve the Consent Agenda as presented. 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:

- Clinical Ethics Committee
- Quality Assurance Committee

Credentials:

After review Commissioner Maughan made a motion to approve the Credentials List as presented. Commissioner Bogosian seconded the motion. Commissioners Bogosian, Iversen, Tessler, Lang and Maughan all voted aye and the motion carried.

Financial Update:

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

- ◆ ***Balance Sheet*** – The hospital collected \$9.7 million in cash in June and paid out \$8.2 million. This resulted in day's cash on hand of 251.4 (226.3 in operating cash funds) up from May of 248.7. The current ratio increased to 2.21 from 2.15 in May. Repayment of the Medicare Advance Funding in June was \$206,000.
- ◆ ***Net Revenue*** – Net revenue for June 2021 was \$9.4 million with an actual collection rate of 37.5% which is below the budgeted 41.8%. Outpatient gross revenue as a percentage of total revenues increased to 82% of the total gross revenue. Hospital net revenue was above budget .7% and Primary Care and Specialty Clinics net revenue was below budget by .9%. For the month of June the Hospital meet its financial pillar goal of an operating margin of net revenue to meet or exceed 1%, with an actual operating margin of 5.8%.
- ◆ ***Operating expenses*** – Total operating expenses for 2021 are 7.7% below budget and 15.8% above 2019. Wages, Salaries and benefits were 9.5% below budget. Supplies are 16.7% below budget. Professional and physician fees are 6% below budget. Purchased services are 4.9% above budget. Drug expense is 3.6% above budget. The total number of FTE's for 2021 is 532 which is under the budget of 594 and 44 less than 2020. The Hospital recorded net operating income for 2021 of \$883,000 versus the budgeted operating income of \$403,000. The excess margin for 2021 is \$3,196,000 or 6.2% of net revenue versus budgeted excess margin of \$2,669,000 or 4.8% of net revenue.

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

New Business:

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

- Recognized grateful patient remarks sent to the Island Hospital Foundation.
- Grant from Shell Puget Sound Refinery for SANE Training
- Stock donation from an Island Hospital Foundation Donor
- Island Hospital Foundation communication plan to donors and a recent IHF newsletter
- Upcoming IHF events: Island Hospital Golf Classic

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

- Marketing Initiatives for the Globus Spine Robot, Tele-ICU, Orcas Clinic Updates to the Orcas Community, July Email Newsletter,
- Community Events: Orcas Back-To-School Health Fair, Anacortes Arts Festival, Let's All Meet on the Street, Anacortes Ready to Learn Fair
- New Community Relations Staff Members: Christy Fischer, Graphic Designer
- Brand Strategy Logo Update

August Board Calendar: August Board Calendar was approved with the addition of the board strategy meetings with Tom Martin.

Action Item:

1. Laura to send updated logo slide for review
2. Update August Board Calendar to include the Strategic Planning Meetings scheduled with Tom Martin.

ADJOURNMENT:

There being no further business, Commissioner Iversen called for the meeting to be adjourned at 1:05pm.

Jan Iversen, President/Commissioner

Chip Bogosian, MD Secretary/Commissioner

Paul Maughan, PhD Commissioner

Warren Tessler Commissioner

Lynne Lang, PhD, Commissioner