

December 16, 2020

The Regular Board Meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Tessler at 12:00 pm on December 16th via WebEx.

Due to the ongoing COVID 19 Pandemic the Regular Board Meeting was conducted via WebEx.

Those present were Commissioners Warren Tessler; Jan Iversen, Lynne Lang, PhD, Paul Maughan, PhD and Chip Bogosian, MD. Also present were Charles Hall, MSN, CEO; Elise Cutter, COO; Dr. Rob Rieger, COS, Carol Northup, RN CNO, Carolyn Pape, CHRO, Kim Graf, Executive Assistant and Questen Inghram Anacortes American.

Public Comment:

Mr. Roger Jewett remarked on a recent personal patient experience.

Action Items Completed:

- Confirmed electronic signatures were acceptable for minutes during COVID 19 pandemic.
- 2021 Budget discussion was conducted with Anacortes American.

CONSENT AGENDA:

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

BOARD QUALITY & PATIENT SAFETY REPORT

Medical Staff Meeting Summaries:

Dr. Rieger provided brief updates on the following Medical Staff Committees:

- QA Committee Meeting
- Credentials Committee Meeting
- ED Committee

Credentials:

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

Quality Management Oversight Committee:

There was review and discussion of the recommendations and action plans for the following:

- Alcohol Withdrawal Monitoring
- Sedation Monitoring
- Falls
- Restraints
- Stroke Data
- Contracted Services Evaluation
- Service Excellence

Financial Update:

Financial Statement Review: Elise Cutter reported on the November 2020 financial statements with the Commissioners and highlighted the following as significant items:

Financial Statement Review: Elise Cutter reported on the November 2020 financial statements with the Committee and highlighted the following as significant items:

- ◆ Balance Sheet– The hospital collected \$8.1 million in cash in November and paid out \$8.1 million. This resulted in day's cash on hand of 262.5 (235.7 in operating cash funds) down from October of 263.7. The current ratio increased to 1.74 from 1.70 in October.
- ◆ Net Revenue– Net revenue for November 2020 was \$8.3 million with an actual collection rate of 40.7% which is below the budgeted 41.6% due to the higher percentage of outpatient to total revenue. Outpatient gross revenue as a percentage of total revenues increased to 83% of the total gross revenue. Hospital net revenue was **above** budget .7% and Primary Care and Specialty Clinics net revenue was below budget by 13.8%. For the month of November the Hospital **met** its financial pillar goal of an operating margin of net revenue to meet or exceed 1%, with an actual operating margin of 1.5%.
- ◆ Operating expenses– Total operating expenses for November are 1.8% below budget and 3.7% above the prior year. Wages, Salaries and benefits were 8.5% below budget and .1% above prior year. Supplies are 12.4% above budget primarily in Lab and Surgery and below prior year by 1.2%. Professional and physician fees are 13.3% below budget and .2% above prior year. Purchased services are 5.2% below budget and 4.5% above prior year due to contract labor and other contracted services. Drug expense is 21.6% above budget and 106.5% above prior year related to oncology and flu vaccines. The total number of FTE's for 2020 is 498 which is under the budget of 579 and 35 less than 2019. The Hospital recorded a net operating income for November of \$123,000 versus the budgeted operating income of \$142,000. The excess gain for November is \$518,000 or 6.2% of net revenue versus budgeted excess gain of \$522,000 or 6.2% of net revenue.
- ◆ are 20.2% below budget and 31% below prior year. Purchased services are 12.5% above budget and 7.9% above prior year due to contract labor and other contracted services. Drug expense is 37.6% above budget and 24.1% above prior year related to oncology and flu vaccines. The total number of FTE's for 2020 is 494 which is under the budget of 579 and 38 less than 2019. The Hospital recorded a net operating income for October of \$86,000 versus the budgeted operating income of \$188,000. The excess gain for October is \$461,000 or 5.4% of net revenue versus budgeted excess gain of \$570,000 or 6.4% of net revenue.

Administration Update:

Employee Recognition:

Employee of the Month October: Seth Fitzgerald, CNA Emergency Department.

Farewells:

Charles recognized Jeannette Papadakis for her leadership and commitment to the Hospital, our community and Foundation during her time as Executive Director. During the five (5) years Jeannette served as Executive Director she raised over \$7.9 million dollars for Hospital programs, grants and equipment. Jeannette will be retiring next week and will be greatly missed.

Charles recognized Shirley Vacanti for her service as a member on the Island Hospital Foundation Board. Shirley has served on the Board since 2016, has been active on various committees, served as Vice President and is currently the President. Shirley's leadership and clinical experience has been greatly appreciated and she will be missed.

CEO:

Charles provided a high level overview of Island Hospital accomplishments in 2020 as well as thanked all Island Hospital staff for their commitment to Island Hospital and the community that we serve. Highlighted were the following:

- Introduction Quality Events Committee
- Implemented 24 Hour Report
- Implemented Administrator –On-Call
- Implemented Daily Leadership Huddle
- Ongoing COVID Response
- Provider Recruitment
- New Services: Island Urology, Telemedicine, Tele-ICU, Orcas Clinic
- Expansion of Services: Primary Care, Gastroenterology, Surgical Services, Behavioral Health

Charles briefly remarked on State, regional and county COVID Metrics.

COVID Vaccine Update: Elise Cutter provided an update on COVID vaccinations highlighting the following: Communication with Skagit County Public Health on distribution, internal vaccine workgroup to plan for vaccines within clinics; Proposed Interim Phase 1 Sequence (1a, 1b, 1c), COVID Vaccine Four Phase Rollout Plan and next steps for Island Hospital with COVID vaccine distribution.

New Business:

IHF: Jeannette Papadakis shared recent grateful patients and donor greetings, provided an update on year to date donations which are over \$2.2 million, provided updates on the Holiday Appeal, 2020 Employee Giving Campaign and Giving Tuesday campaigns, Remarkd on the recent Foundation Board Retreat and Strategic Plan and shared details of the ongoing Executive Director Transition Plan with Janie Crane. Jeannette thanked Shirley Vacanti for her leadership as the President for the Island Hospital Foundation Board and welcomed James Tangaro will be serve as Board President in 2021.

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

Executive Session:

Commissioner Tessler announced that we will be holding an Executive Session to discuss:

1. Review the of performance of public employee pursuant to RCW42.30.110 (1) (G).

We expect the session to take fifteen (15) minutes in length. At the end of the Executive Session ACTION will NOT be taken and therefore we will reconvene.

The Board reconvened at 2:15 pm.

Action Item:

- No action item

ADJOURNMENT:

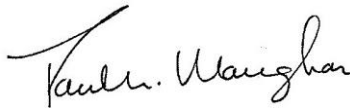
There being no further business, Commissioner Tessler called for the meeting to be adjourned at 2:18pm.



Warren Tessler President/Commissioner



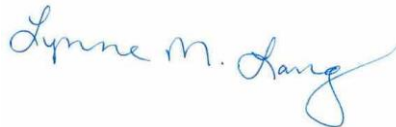
Jan Iversen Secretary/Commissioner



Paul Maughan, PhD Commissioner



Chip Bogosian, MD., Commissioner



Lynne Lang, PhD, Commissioner