

January 29, 2020

The regular meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Tessler on January 29th at 12noon in the Cypress Room of Island Hospital.

Those present were Commissioners Warren Tessler; Lynne Lang, PhD; Paul Maughan, PhD; Chip Bogosian, MD and Jan Iversen. Also present were Charles Hall, CEO; Elise Cutter, CFO; Robert Prins, MD CMO; Denise Jones, RN, CPCE; Ann Raish, Interim COO, Carolyn Pape, CHRO; Robert Rieger, MD, COS and Kim Graf, Executive Assistant.

Action Items Completed:

- Updated CHNA with cardiac service clarification
- Rescheduled January Finance Committee Meeting
- Strategic Timeline Update

Public Comments:

No public comments were made.

CONSENT AGENDA:

After review and discussion, Commissioner Maughan made a motion to approve the Consent Agenda. Commissioner Bogosian 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 reported:

ED Committee:

- Utilization Review
- Glasgow Coma Score
- Rural Trauma Team Update

P&T Committee:

- Antimicrobial Stewardship
- Adverse Drug Reactions

QA Committee:

- Audits
- Morbidity Obesity Coding

Reviewed the December Medical Staff Report which included the following Medical Staff Committee reports:

- Infection Control Committee
 - Infection Surveillance
 - Occupational Health
 - Facility Updates
- OB/Peds Committee
- Credentials

Credentials:

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

Quality Management Oversight Committee:

Anita reported on the following items and recommendations:

- Medication Errors
- Adverse Events and Deaths
- DOH Audits
- Readmissions
- Patient Flow
- Falls
- Survey Reports noting that the ISO re-certification is pending.

Anita provided an update on the Corona Virus sharing that Island Hospital is participating in daily updates and webinars which are being conducted by the Washington State Department of Health. Island Hospital continues to follow the direction of the Washington State Department of Health to screen patients.

Charles recognized Anita for her efforts with standardizing the Quality dashboards. The dashboards will track the various measures Island Hospital is required to report to CMS. Charles noted that at the February Working Board Meeting there will be an Executive Session to discuss Quality in more detail.

FINANCE UPDATE:

Financial Statement Review: Elise Cutter reported on the Unaudited End of Year Financials for 2019 financial statements with the Committee and highlighted the following as significant items:

- ◆ *Balance Sheet* – The hospital collected \$9.6 million in cash in December and paid out \$9.6 million. This resulted in day's cash on hand of 145.7 (140.7

excluding the remaining bond funds) down from November 146. The current ratio increased to 2.82 from 2.76 in November.

- ◆ Net Revenue – Net revenue for December 2019 was \$8.6 million with an actual collection rate of 41% which is below the budgeted 41.3%. Hospital and Pro Fee revenue were below budget 6.7% and Primary Care and Specialty Clinics net revenue fell below budget 16.4%.
- ◆ Operating expenses – Total year to date operating expenses are 2.3% below budget and 1% above the prior year. YTD supplies are 3.4% above budget and under prior year by 6%. Professional and physician fees are 13.1% above budget and 12.5% above prior year. The total number of FTE's for 2019 is 534 which is under the budget of 558 and 17 less than 2018. The Hospital recorded net operating income for the year of \$210,000 versus the budgeted operating loss of \$1,152,000. The excess gain year to date is \$4,836,000 or 4.9% of net revenue versus budgeted excess gain of \$2,950,000 or 3.5% of net revenue.

Elise presented the updated 2020 Budget and highlighted the following:

- Governing Objectives for Revenue, Expenses and Capital.
- Reviewed the Inpatient Assumptions for Volumes, Revenue and Contribution Margin
- Ancillary Services lines increased growth, revenue and contribution margins
- Clinical Service Line increased growth, revenue and contribution margins
- Facility Support Service
- 2020 Capital
- 2020 Cash Flow
- Benchmarks
- Budget Adherence

After discussion, Commissioner Maughan made the recommendation that the updated 2020 be accepted.

Commissioner Bogosian made a motion to approve the updated 2020 Budget as presented. List Commissioner Maughan seconded the motion. Commissioners Bogosian, Iversen, Lang, Tessler and Maughan all voted aye and the motion carried.

Resolution 2020-2103, Bond Extension and Closing Documents: Elise reviewed with the Committee Resolution 2020-2103 to extend the term of the Line of Credit with Washington Federal. Elise stated that the Line of Credit will be paid off by year end if not sooner depending on cash flow.

After discussion, Commissioner Bogosian made a motion to approve the Resolution 2020-2103 as presented. List Commissioner Lang seconded the motion. Commissioners Bogosian, Iversen, Lang, Tessler and Maughan all voted aye and the motion carried. Charles thanked the Leadership Team for their efforts with creating the 2020 Budget.

Administration Update:

CEO Update-

Charles provided an update on the Strategic Planning Timeline and Leadership Retreat remarking the approach for 2020 will be to learn how to develop a Strategic Plan. Moving forward, the focus will be to develop the Strategic Plan and Budget to ensure alignment of the initiatives and budget.

Charles shared that Island Hospital has engaged in dialog with the Advisory Board for consulting services. Various subscription packages are currently being reviewed to see if there is a packages that aligns with the Hospital needs and is financially acceptable.

Charles briefly remarked on an upcoming Advisory Board National Conference which will be held Seattle the end of February. Commissioner Tessler commented that he has worked with the Advisory Board in the past and is impressed with the services they provide.

Charles briefly remarked on High Reliability Organizations (HRO) noting the focus is on quality and safety.

Charles shared that the Service Excellence Committee kick off was this week. The Service Excellence Committee will focus on the Press Ganey Patient Satisfaction scores and HCAPS. The committee will review metrics which will show what is working well and areas of improvement.

Island Hospital is currently meeting with various architect firms to discuss the plans for an Outpatient Procedure Center. It is anticipated that the Outpatient Procedure Center will have several endoscopy rooms in order to meet demands of community and multi-use procedure room to be used for urology, eyes and other outpatient cases. The addition of an Outpatient Procedure Room will decompress by pulling out outpatient cases and allow more complex surgical cases to be scheduled in the surgery room.

The ICU relocation is complete and the GE monitors are installed and have gone live. There was little disruption with this move.

Charles was pleased to share that the monthly EMS breakfasts kicked off today. Local EMS are invited to attend a monthly breakfast where CME training will be provided. This is a partnership opportunity for various EMS staff to come together and train. Today, fifteen (15) EMS professionals attend the breakfast.

Employee Recognition:

Charles Hall shared that the following employees and department have been recognized in the month of October:

LRT Recognition: Shawn Mitcham, Receiving/Distribution Clerk Supply Chain

Basket of Goodwill: Passed from Medical Records to Community Relations

Employee of the Month: Brent Adkinson, Maintenance Engineer Engineering

Deployment Reunion:

Charles shared the touching surprise homecoming reunion which happen earlier in the week at Island Hospital. Jean Ruefa, Supply Chain, was elated when her daughter, Megan, surprised her here at IH having just from returned home from an month 7 deployment in Afghanistan!!

New Business:

IHF: Shirley Vacanti reported that the Winter Appeal Campaign was successful. Elise remarked that additional funding was recently received that will be put towards the new GE monitors for the Emergency Department.

There was a brief update on the 2020 Gala of Hope.

February Board Calendar:

The February Board Calendar was approved.

Action Items:

No action items to report

ADJOURNMENT:

There being no further business, Commissioner Tessler called for the meeting to be adjourned at 1:50pm.

Warren Tessler President/Commissioner

Jan Iversen Secretary/Commissioner

Paul Maughan, PhD Commissioner

Chip Bogosian, MD., Commissioner

Lynne Lang, PhD, Commissioner