

## **Board Minutes**

### **April 9, 2007**

The regular meeting of the Board of Commissioners of Whidbey Island Public Hospital District was called to order at 6:03 p.m. by Board President, Roger Case, M.D. Present were Commissioner Case, Commissioner Zaveruha, Commissioner Schoenknecht, and Commissioner Saugen. Chief Executive Officer, Scott Rhine, Chief Operating Officer, Tom Tomasino, Chief Financial Officer, Doug Bishop, Chief of Staff, Dr. Chris Bibby, Dale Roundy, Esq., Judy Moore, John Bitting, Arlene Johnson, Dr. Lee Roof, Paul Boring (WNT), and Mary Pierzchala were also present.

President Case asked if there were any points of order to discuss. A correction was noted to the agenda, the Board Retreat date was listed on the agenda as May 19, 2007 and should be May 18, 2007.

### **Minute Approval**

Minutes from the March 12, 2007 regular Board meeting were approved with an added addendum to clarify Commissioner Zaveruha's opposition to a motion on the approval of Board Committee Roles and Responsibility policy (F. under Individual Items on March 12, 2007 agenda).

### **Public Questions or Comments**

Mary Pierzchala talked about grant money that is available for people interested in the medical profession and wondered if there was an age limit (for the summer intern program) as the advertisement did not specify. Mr. Rhine stated that this was designed for high school students, and that the advertisement would be changed to be more specific.

### **Educational Presentation – Whidbey General Hospital's Quality Story Presented by Arlene Johnson**

Arlene talked about the quality story and the annual report and how the hospital is working to create a culture that focuses on quality and safety. Arlene thanked Dr. Lee Roof, medical director of quality, who has been instrumental in process improvements. The quality story is about our staff. Arlene thanked Trish Rose who helped put the story together. The graphic artist who worked on it felt it was a fascinating read about the coordination and teamwork it takes every day to deliver quality and safe care to our patients. Arlene noted that successes include having a community member (Susan Johnson) on the Quality Committee, engaging staff in quality activities, recognizing reporting and taking action on risk events, maintaining commitment to work on areas where improvement is needed, and continuing to collect data that is converted into meaningful information. Staff are communicating and supporting a safe culture. The Infection Control Committee has been reactivated, the Practice Council of Nursing is going strong, and the quality program is benefiting from the medical staff restructure. Arlene noted that physician champions make a difference. Many of the hospital's quality trends are stable, and data that is being collected is getting more analysis and use. Specific challenges for 2007 include continuing work on the hospital's "safe or no harm" culture, studying readmits post discharge through phone follow-up,

and more attention to the concept of “poor quality”. The quality theme for 2007 is “Stay the course”. Dr. Roof stated that there are many issues, with little time and resources. We must focus on what works best for our hospital, prioritize these issues and hope to see data improve. Commissioner Schoenknecht stated that she has seen significant growth in the hospital’s quality program. President Case thanked Dr. Roof and Arlene for their hard work and commitment to the quality program.

The most recent Qualis report showing our performance with the Appropriate Care Measures (ACM) for Medicare and the Hospital Quality Alliance has been published. This data is reported as all or none compliance. Mr. Rhine reported that our scores look somewhat better than the last report, but there continues to be work to do. Dr. Roof reviewed several of these items with the medical staff and medical staff leadership recently. We are one of nine critical access hospitals recently reporting data for all three diagnoses (heart failure, pneumonia and myocardial infarction). This report will be shared with staff and available online. Mr. Rhine noted appreciation for Arlene’s hard work and the work of staff and committees.

Mr. Rhine reported that we have recently received a report and analysis of our professional liability claims history over the past ten years. According to Parker, Smith and Feek, Whidbey General Hospital’s insurance broker, our data compares very favorably to other peer hospitals. We are in the process of getting quotes from CNA, Washington Casualty and AIG Lexington. Our policy expires July 31, 2007. We expect fairly stable premium rates due to our low claim experience.

### **Medical Staff Report**

Dr. Chris Bibby, Chief of Staff presented the following medical staff appointments and reappointments for approval:

Tracy Nimmerrichter-Burgess, M.D. – Active Staff Reappointment  
John H. Oakland, M.D. - Active Staff Reappointment

Commissioner Saugen made a motion, seconded by Commissioner Schoenknecht to approve the Active Staff Reappointments as presented. Motion carried.

James D. Martin, M.D. – Courtesy Staff Reappointment  
Friedrich C. Loura, M.D. - Courtesy Staff Reappointment  
R. Marc Owings, M.D. - Courtesy Staff Reappointment  
Maria Chong, M.D. - Courtesy Staff Reappointment  
Virginia Eschbach, M.D. - Courtesy Staff Reappointment  
Ben H. Harmon, M.D. - Courtesy Staff Reappointment  
William M. Marks, M.D. - Courtesy Staff Reappointment  
Donald R. Peters, M.D. - Courtesy Staff Reappointment

Commissioner Saugen made a motion, seconded by Commissioner Schoenknecht to approve the Courtesy Staff Reappointments as presented. Motion carried.

William J. Drury, M.D. - Active Staff Appointment  
Commissioner Saugen made a motion, seconded by Commissioner Schoenknecht to approve the

Active Staff Appointment as presented. Motion carried.

Dr. Bibby reported that an action plan for corrective action from the Department of Health survey has been done. Policies and procedures are being policed and there is a good process in place for peer review.

With more physicians choosing to practice solely in the office setting, hospital privileging for outpatient physicians is becoming more challenging. The question of how does one monitor the quality of care and physician competency when hospital staff making privileging recommendations is not in place to observe a practitioner is raised. Dr. Waite and the Credentials Committee is working on this credentialing issue at the present time. Dr. Bibby noted that the medical staff wanted to be careful in recommending privileges for physicians they couldn't observe. Commissioner Saugen noted that our hospital seems to tackle problems sooner than other hospitals. Commissioner Zaveruha stated that this is a thorny issue with previous paradigms, and hard to determine what to monitor with no black and white set of guidelines.

#### **Individual Items: (Discussion and/or Action)**

**A. Laboratory Outpatient Services** – Mr. Rhine reported that Tom Tomasino is working on a proposal to acquire an updated, inpatient and outpatient laboratory system enabling us to compete with the larger reference laboratories. If we can acquire this equipment, we feel strongly that Whidbey Community Physicians will accept a hospital proposal to provide outpatient laboratory work. Mr. Rhine thanked Tom Tomasino and Alice Smith for their research on this, and noted that Administration is not yet ready to bring the different options to the Board at this time, but will bring a written analysis when research is completed.

**B. Strategic Planning Update** – Mr. Rhine reported on the strategic planning process, stating that we must first revisit the hospital's mission. The scope, timeframe and direction should be covered. It is important to have input from hospital and medical staff and from members of the community. This input should be part of any board discussion. Dr. Zaveruha and Dr. Bibby explained that it would be difficult to have the entire medical staff be interested and participative in a long discussion on the hospital's mission statement. At the same time all agreed there was need to involve the medical staff. Mr. Rhine indicated that senior management would draft some alternatives and then get input from staff, managers and the Medical Executive Committee at respective meetings later in the month. These alternatives and recommendations would then be presented to the Board in May for further discussion and finalization.

During this phase we will also look at critical organizational issues that may affect the success of the organization over the next 5-10 years. This part of the process will be done prior to establishing strategic objectives and actions. Mr. Rhine also shared that this process (the longer range planning process) was complementary and necessary to our shorter range, 100 day planning cycles. (See attached proposed strategic planning process.)

**C. Capital Lease Addendum for Mammography Resolution #274** – Doug Bishop, CFO, presented Resolution #274 for approval for acquisition of mammography equipment for Whidbey General South as an addendum to the capital lease that the hospital has with Citicorp Leasing, Inc. in the amount of \$296,000 plus tax at 4.4% for six years. After discussion, and a note that the lease needs a referenced attachment, Commissioner Saugen made a motion, seconded by Commissioner Schoenknecht to approve Resolution #274 as presented. Motion carried.

**D. Selection of Architectural Firm for EMS and South Whidbey Projects** –

Tom Tomasino, Chief Operating Officer, reported that three firms were interviewed and scored for the EMS and South Whidbey projects. Based on the interview and scoring, Mahlum Architects was selected for recommendation. The next step will be to negotiate the price. Commissioner Zaveruha asked why we are closing our eyes to the price? Mr. Rhine stated that we are following our project manager's recommended process, and while it seems foreign to us as well, it is a process that has proven to work. The goal in the process was to first select the company that we felt offered the best services from a quality and customer perspective. The second step will be to negotiate price. If we are unable to arrive at a reasonable price, the district does not need to award the project. Tom Tomasino pointed out that we are comparing quality, not choosing a firm because their price is the lowest. Doug Bishop, CFO noted that the law has no bidding requirements for architectural services for a project. Commissioner Saugen stated that it was a harder choice this time, with a lot of discussion and was a good process, also noting that it was important to select a firm that could work with the south end community and culture. Commissioner Zaveruha could not believe that the committee did not look at the other bids, and wondered why this process did not include any price comparisons. Tom Tomasino restated that it was a different process, but the firm was selected on quality, not price. The hours to complete the project were a major consideration as well. After further discussion, Commissioner Zaveruha made a motion, seconded by Commissioner Saugen for Administration and Ritter Construction to enter into negotiations with Mahlum Architects as recommended by the Building Committee, and when the price and terms are acceptable to Administration, to proceed with the contract. Motion carried.

**Board Items**

**A. Board Retreat** – The next Board Retreat will be Friday, May 18, 2007 from 9:00-3:00 here at the hospital. The main discussion will be hospital finances, with possibly some time to discuss the strategic planning process.

**B. Future Board Committee Structure** - Mr. Rhine stated that currently there are four Board committees – Finance, Quality Improvement, Building and Planning and Physician Practice. He recommended that we add the word “strategic” to the Building and Planning Committee to read, “Building and Strategic Planning Committee. He also felt that we may want to consider renaming the Physician Practice Committee to “Access to Care” Committee. There is a question whether community members should be added to these committees (Finance Committee currently does have a community member on

the committee). It was suggested that we invite the CEO (soon to retire) from St. Joseph's Hospital in Bellingham to come and talk to the Board and Administration about how their Board committees are structured – the Board agreed.

C. **Board Self Evaluation** – President Case stated that there were some areas of concern on the self evaluation done by the Board at the last retreat, and that this needs to be reviewed and discussed at some point. There was some discussion about having this on the next Board Retreat agenda, however it was felt that there was not enough time on the retreat agenda to discuss. This may be a topic on a future retreat agenda.

D. **Other** – Mr. Rhine noted that at the last Northwest Hospital Council meeting it was announced that there would be a CEO/Trustee Patient Safety Summit meeting at the Doubletree SeaTac hotel on May 31, 2007. There was no discussion who would attend this summit.

The Administrator's report was emailed last Friday.

Mr. Rhine reported that there was an IRS document on good governance practices on the American Hospital Association (AHA) website.

The Board expressed concern about the low percentage of evaluations completed shown on the Dashboard report, the goal being 90% and currently at 70%. Mr. Rhine stated that work continues on getting evaluations completed in a timely manner. It was felt that the goal should continue to be set at the 90% target.

### **Consent Agenda Items:**

1. After review and discussion, Commissioner Saugen made a motion, seconded by Commissioner Schoenknecht to approve the write offs as presented in the amount of \$231,728.86. Motion carried.

2. Commissioner Zaveruha made a motion, seconded by Commissioner Schoenknecht to approve the list presented as declaration of surplus. Motion carried.

3. Vouchers audited and certified by the auditing officer as required by RCW 40.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing which has been made available to the Board. Commissioner Saugen made a motion, seconded by Commissioner Schoenknecht to approve vouchers #103364, #103426, #104077 and #104138 in the total amount of \$16,528.71. Motion carried. Commissioner Zaveruha abstained from the review, discussion, vote and written approval of these vouchers due to a potential conflict of interest.

Vouchers audited and certified by the auditing officer as required by RCW 40.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing which has been made available to the Board. Commissioner Schoenknecht made a motion, seconded by Commissioner Saugen to approve vouchers #1013 to #10312, #103137 to #104144 excluding #103364, #103426, #104077 and #104138, in the total

amount of \$5,053,018.36.

Motion carried with all commissioners voting.

At 8:38 p.m. President Case announced there would be an executive session to discuss potential litigation (RCW 42.30.110(i)) that would last approximately ten minutes.

There was no action taken during the executive session and the Board reconvened at approximately 9:00 p.m. The meeting was then adjourned