

January 7, 2008

A special 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. Present were Commissioner Case, Commissioner Schoenknecht, Commissioner Miller, and Commissioner Wallin. Chief Executive Officer, Scott Rhine, Chief Financial Officer, Doug Bishop, Chief Operating Officer, Tom Tomasino, Chief Nurse Executive, Jacque Scott, Chief of Staff, Dr. Bibby, Dale Roundy, Esq., Teresa Garrison, Dr. Langrock, Dr. Sanders, Dr. Knaack, Mary Pierzchala, Pat Lamont, Debbi Williams and Trish Rose were also present.

President Case asked if there were any points of order to discuss. A capital purchase request will be discussed under the Quality/Patient Safety section, and Commissioner Miller requested to read a letter under the Board Items section.

#### **Oaths of Office**

Mary Awe, Notary Public for the State of Washington, administered the oath of office to newly elected commissioner, Ron Wallin and re-elected commissioner Roger Case, M.D.

#### **Election of Board Officers for 2008-2009**

Commissioner Miller made a motion, seconded by Commissioner Schoenknecht to nominate Roger Case, M.D. for President of the Board of Commissioners for 2008-2009 (two year terms in accordance with District bylaws). Motion carried

Commissioner Schoenknecht made a motion, seconded by Commissioner Wallin to nominate Kristy Miller for Secretary of the Board of Commissioners for 2008-2009. Motion carried.

#### **Minute Approval**

Minutes from the December 10, 2007 regular Board meeting were approved as presented.

#### **Public Questions or Comments**

There were none.

#### **Introductions**

Mr. Rhine introduced Debbi Williams, newly appointed Director of Outpatient Clinical Services.

#### **Medical Staff Report**

Dr. Chris Bibby, Chief of Staff, had no report from the medical staff for tonight's meeting since the medical staff did not meet in December.

#### **Quality and Patient Safety**

Mr. Rhine reported that there is an increasing need to care for extremely overweight patients. Jacque Scott, CNE noted that the Safe Lift Committee is looking at equipment that can be purchased to ensure patient and staff safety when moving bariatric patients. In the last three months we have had two patients over five hundred pounds, and one patient that was four hundred pounds. Our current equipment lifts up to four hundred twenty pounds. The staff did a good job caring for these patients. There is a team analyzing what equipment is needed, and the Quality Committee is also looking at this issue. Transfer agreements are being put in place with area hospitals that are able to handle patients of this size. Mr. Rhine will send a letter to the medical staff about this. The hospital is requesting to purchase a specialty bariatric bed that weighs the patient in bed, and has air dynamics so that the patient does not have to be turned. A new bed like this costs \$42,000 and Jacque was able to find a demo bed for \$31,000 that would come with the same warranty as a new bed. The goal is to have two of these beds, one this year to be put in CCU and one next year to be put in Med/Surg. Jacque noted that this is an urgent request. After discussion and questions, Commissioner Schoenknecht made a motion, seconded by Commissioner Miller to authorize the purchase of a specialty bariatric bed at the cost of approximately \$36,000 including tax and shipping. Motion carried.

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

A. Approval of Budget for WGH Primary Care Associates Corporation – Scott Rhine

Mr. Rhine stated that this new corporation is being created as a method to stabilize family practice in the community, allowing recruitment and retention to be ongoing, and assist with overhead costs, which should decline over time. Whidbey Community Physicians has an existing lease until May 2009, and there was discussion about re-negotiating that lease before February 1, 2008. It is very

important to keep the island's primary care base strong as this provides primary access to health care and positively impacts other health care services. If this works well, we may want to create another corporation in the future for surgeons. A tentative budget was reviewed, with more concrete numbers anticipated as this goes forward. Drs. Sanders and Bibby noted that there continues to be details to work out, and there are still a lot of unanswered questions, however it is a team effort with the hospital to stabilize primary care and specifically, Whidbey Community Physicians, the largest primary care practice on Whidbey Island. After discussion, Commissioner Wallin made a motion, seconded by Commissioner Miller to approve the tentative budget for WGH Primary Care Associates as presented. Motion carried. It was noted that Administration has already talked with the media (Whidbey news Times) about this, and information on it was in the PULSE. Mr. Rhine stated that the hospital will not assume any of Whidbey Community Physicians' past debt.

B. Recruitment for Medical Oncologist/Agreement with Oncology Group – Scott Rhine

Mr. Rhine reported that Western Washington Medical Group in Everett has been coming here for fifteen years or more, with three oncologists providing care to our patients. One of the oncologists, Dr. Paul Knoll, is very ill and may not be able to return to work. Dr. Coughenour and Dr. Jiang have been trying to work longer days to cover for Dr. Knoll, but can't continue to do so much longer. Mr. Rhine, John Bitting and Renee Yanke met with Western Washington Medical Group and shared that Whidbey General Hospital would like to continue to have them provide medical oncology services for our patients. They in turn feel they need additional financial support in order to continue here at Whidbey. Their reasoning is that they do better if they remain in Everett working out of their own offices and also benefit from the ancillary revenue and chemotherapy drug revenue that they can charge for at their office, which they do not benefit from at Whidbey General. For these reasons, it is being proposed that we pay them a minimum daily guarantee based upon fifteen patient visits per day or a greater daily amount if they see more patients. The proposal includes that the hospital begins doing the professional billing. The estimated cost in direct physician fees is between \$50,000 and \$140,000 net of our reimbursement. The revenue that is generated through laboratory, radiology and pharmacy charges is not included in the subsidy calculation. We would also anticipate sharing some recruitment expense. After further review and discussion, Commissioner Miller made a motion, seconded by Commissioner Schoenknecht to approve subsidizing Western Washington Medical Group for oncology services provided at Whidbey General Hospital in the amount of \$50,000-\$140,000 based on production in a three year agreement, to share some recruitment expense, and do the billing. Motion carried. Mr. Rhine noted that Administration is working with ECG on this.

C. Approval of Employee Incentive Program for 2008 – Scott Rhine

Administration proposed that the employee incentive program be reinstated as of March 1, 2008, with a pay out for ten months if draft targets are met. Mr. Rhine indicated that the draft targets are to include a 5% operating margin, cash reserves of at least \$5 million, quality goals that require our accomplishment of the IHI patient safety standards, and overall Press Ganey satisfaction scores to be at least within the 85<sup>th</sup> percentile of West Coast hospitals. The Board endorsed this proposal and supported this conceptually. Specifics will be sent to the Board prior to the next Board meeting.

**Board Items**

A. Board Committee Appointments for 2008

President Case distributed the Board Committee appointments for 2008. There will be one standing Board member per committee, and one Board member will rotate annually.

B. Recommended Review of Hospital District Bylaws

Scott Rhine and Dale Roundy will work on review of the hospital District bylaws and bring revisions to the next Board meeting.

C. Letter from Former Commissioner Barbara Saugen

Commissioner Miller read a thank you letter from former Commissioner Barbara Saugen expressing appreciation for her years on the Board and the retirement dinner recently held in her honor.

**Staff and Status Reports from Administration**

Administrator's Report – Scott Rhine

The Western Washington Collaborative has developed a compliance program as a shared service among the participating hospitals. They are setting up a compliance seminar for commissioners on January 30<sup>th</sup> and 31<sup>st</sup> in Port Townsend. Mr. Rhine feels this would be of value to attend, and asked

that commissioners let Doug Bishop know if they are able to attend.

The Western Washington Collaborative wants to involve physicians and has \$25,000 in their budget for physician leader training. Mr. Rhine noted that the Advisory Board also has opportunities for physician leadership training. Mr. Rhine and Dr. Bibby, Chief of Staff, will also work together on inviting medical staff from other hospitals to participate in educational opportunities with our medical staff leaders.

Tom Tomasino noted that the HIT grant has been awarded, which will fund equipment that will facilitate information exchange between hospitals in the collaborative with Harborview. Tom reported that a team would be going down to SeaTac to meet with vendors.

Mr. Rhine stated that CFO candidates have been interviewed, and that no decisions have been made on a selection.

A draft of the strategic plan for 2008-2009 will be distributed at the next Board meeting.

#### Financial Report – Doug Bishop

Doug Bishop, CFO reported that operating cash is at 33 days. AR days were 52.3 at the end of November, and dropped to 47 days in December which is very good. Revenue for November was above budget by 24.6% and contractuals were above budget by 28%. Champus was more than double above budget, which Doug noted has become an ongoing trend. Operating expenses were close to budget. The bottom line for November was a positive \$769,000 with a 12% operating margin. Doug noted that there was a positive adjustment to employer benefits.

Year to date revenue is above budget by 14%, contractuals above budget by 19% and operating expenses above budget by 1.4%. The bottom line is a positive \$3.5 million with an operating margin of just over 5%. Doug stated that cost per unit is diluted with higher volumes.

Statistics for November show a higher number of newborns this year than last year. Champus days are at 265 compared to 178 at this time last year. The Emergency Department has been busier this year.

The State Auditors are here and will hold an entrance conference on January 10<sup>th</sup> at 2:00 p.m.

President Case and Commissioner Wallin will attend from the Board.

CFO joint negotiations with Regence Blue Shield have been ongoing and difficult.

#### Critical Access and Emergency Department Report

Tom Tomasino reported that we have had some additional patient diversions during December. To date there have been 35 diverts due to Critical Access, which is a relatively low number for the year. Emergency Department visits were somewhat lower in November, however still more than usual. In December there were 277 visits, where normally visits would be around 140.

Census is averaging 19.5.

#### Other

Trish Rose reported that the PULSE is out, Remembrances of the Heart is February 9<sup>th</sup> at Trinity Lutheran Church in Freeland, and that there would be two Red Dress Programs for heartwise education in February.

Trish asked Commissioner Wallin for a short biography that can be used on the web site and for other publications.

The next issue of the PULSE will include the community report. Commissioner Miller commented that Mr. Rhine's letter to the community in the last PULSE was very informative.

#### **Consent Agenda Items:**

A. Commissioner Miller made a motion, seconded by Commissioner Schoenknecht to approve the write offs as presented in the amount of \$447,382.78. Motion carried.

B. 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 Miller made a motion, seconded by Commissioner Schoenknecht to approve vouchers #110840, #110909 in the total amount of \$11,549.96. Motion carried.

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 Miller made a motion, seconded by Commissioner Schoenknecht to approve vouchers #1265 to #1302, #108886 to #110594 to

#111389, excluding #110840 and #110909 in the total amount of \$5,597,587.15. Motion carried with all commissioners present voting.

There being no further business, the meeting adjourned at 8:09 p.m.