

January 21, 2009

A special meeting of the Board of Commissioners of Whidbey Island Public Hospital District was called to order at 8:20 a.m. by Board President Roger Case, M.D. at the Best Western hotel in Oak Harbor Washington. Present were Commissioner Case, Commissioner Wallin, Commissioner Zaveruha, Commissioner Cammermeyer, Commissioner Tarrant, Interim Chief Executive Officer, Tom Tomasino, Chief Financial Officer, Joe Vessey, Chief of Staff, Dr. Bruce Waterman, Dr. Chris Bibby (Chief of Staff Past), Dr. Robert Burnett (Chief of Surgery), Dr. Lee Roof (Medical Director of Quality), Dr. Mark Borden (Chief of Peer Review), Dr. Gabe Barrio (Chief of Medicine) and Dr. Doug Langrock (Chief of Credentials). Also in attendance were members of the Admin Team (Carolyn Pape (Human Resources Director), Teresa Garrison (Quality and Patient Safety Director), Debbi Williams (Outpatient Clinical Services Director) and Michele Renninger (Assistant Director of Outpatient Clinical Services), Patsy Kolesar-Hynson (Med/Surg Manager), and facilitator, Jeff Mero (Executive Director of the Association of Washington Public Hospital Districts). Mary Pierzchala (community member) and Sue Ellen White (reporter for the Whidbey Examiner) joined the meeting later in the day.

**Welcome and Introductions:**

Tom Tomasino welcomed everyone to the meeting, and stated that the purpose for the meeting was to find common ground between Administration, the Board and the medical staff to be able to come together and move forward as leaders at the hospital. Mr. Tomasino stated that this has come to a critical point, and that he feels a great sense of urgency about the hospital and the responsibility the hospital has to the community.

**Agenda Review/Goals for Treat**

Facilitator, Jeff Mero, stated that he supports this group and the people they serve. He asked the question "how do we find a balance?" Mr. Mero stated that he was dedicated to help find an outcome desired and a clear sense of how to move forward together. Mr. Mero thanked the commissioners for running for public office and serving on the Board, and also thanked the medical staff for their amazing commitment to their careers.

The agenda was reviewed. Additions suggested included: 1) spell out common ground/vision 2) get clarification of issues of contention 3) root cause analysis with historical perspective, as well as shifting tides and how they translate into daily work.

**Orientation to Public Hospital District Leadership Structures**

Mr. Mero presented a general discussion on this, stating that more information could be found in the statues and regulations (Revised Code of Washington RCW) and Washington Administrative Code (WAC), the District's documents – bylaws, resolutions, and policies and procedures, or consulting with the District's legal counsel.

Topics covered included:

- \* District purposes and powers
- \* Board fiduciary duties
- \* Board statutory duties
  - Required forms of Board action
  - Budget process
- \* Board liabilities
- \* Conflicts of interest
  - Contractual Code of Ethics
  - Other statutory prohibitions
  - Consequences of violations
  - District policies
- \* Open Public Meeting Act (OPMA)

Mr. Mero recommended three books, suggesting that reading something together and then discussing was a good exercise. The three books recommended were: 1) Epidemic of Care by George C. Halvorson and George J. Isham 2) Sick by Jonathan Cohn 3) Social Transformation of American Medicine by Paul Starr.

Mr. Mero noted that what we are trying to do here is shaped by things that are away from here, that huge changes are happening, and that it takes a sense of faith and a painful process to see needed changes. He stated that in 2007, the leading cause for bankruptcy was from medical costs. Ideas from what other hospitals are doing to work in partnership with their communities included forming community advisory groups, and/or have a regular meeting set up for anyone who wants to attend to meet with the CEO and Board chair on a continuing basis, and provide follow up to questions that get asked. Other models discussed were the VA Hospital (the book "The Best Care Anywhere" by Phillip Longman was noted as a good resource), and Everett Clinic who have reaped the power of unification by working under the Six Sigma methods. Other points made included:

- Develop call program for high risk patients
- Stay abreast and survive better
- Look at building a consortium
- Small communities face greater challenges – hard to change people who have been here a long time – coming together will be difficult here
- Electronic medical record (EMR) systems are cost prohibitive and have connectivity issues
- We must be willing to take direction from outside
- We can't wait for the perfect products (i.e. computers, software, equipment) – we will make mistakes along the way and learn from them
- Develop a model clinic within the hospital that the hospitalists could refer to – a multi-model to include an acute phase and a recovery phase
- It was noted that we have all of these things in place, and we have improvements to make, but we don't communicate. We also need more focus on prevention.
- The hospital has excellent discharge planning, and 100% follow up phone calls with patients, with any issues addressed early
- Connectivity is needed, reimbursement issues fixed, and to think out of the box on solutions
- Think about a clinic model for complicated cases as outpatients for multi-disciplinary care
- Noted as an excellent overview. It is a climate of "survival of the fittest". There have been multiple attempts at change here that have not worked. Should a PHO be revisited? We don't have the luxury to be too daring in a small community. Paradigms must be changed. A personal opinion stated as being that the physicians and the hospital are not separate entities, they are linked by dollars and services, and each has different needs. While McKesson programs are expensive, they do address the needs. We have a huge advantage as an island – we don't experience the competition other places have.
- Agree that software solutions could help, but due to the fact that we are all in the "same boat" we must cooperate on a fundamental level, set what we think the future of healthcare will be and get community buy in. We must not always think of the immediate need, but of the greater need.
- There was agreement with former statements, and also must look at the tactical details that accompany strategic decisions. Decisions should be weighed in a collaborative approach.
- When physicians refer to the hospital, and speak positively about the hospital, it creates a partnership.
- How can we work better together? There are changes and opportunities that can make a great impact on healthcare here.
- Past decisions can be readdressed.

The meeting went to break at 10:17 a.m.

Called back together at 10:36 a.m., the group adjusted the agenda to focus on discussion on finding common ground and ways to work better together.

There was discussion on how the Board measures their performance, with concerns voiced about

how the Board can have in-depth discussions with the open public meeting act restrictions?

Other ideas included:

- Sunshine Laws make it difficult to be open and transparent at times, and hampers thoughtful analysis.
- Form work groups around issues, or go out to the community to get their ideas/opinions and bring to the Board meetings.
- The overall plan for the hospital needs to be known. A strategic planning session in a public meeting is needed.
- Others felt that consolidating physician practices could be a solution, to reduce and share overhead costs.
- Roundtable work sessions are needed.
- The Board does not have to make hasty decisions on items brought to them – they need to get information and answers from Administration and the community and come back with their answer after some thought and research.
- The strategic plan is needed to be successfully transparent.
- Should more meetings be held? Should executive sessions be scheduled?
- The hospital cannot be everything to everybody right now, and cannot cave in to pressures. The hospital's tax support is 1% or \$800,000 (M&O money).
- It is clear that a strategic vision is needed, fed by many voices, and broadly available
- The "civil war" needs to be resolved. What is our path? What are our relationships going to be? We need to get to the basic issues.
- We must partner in the strategic plan, and not be suspicious of each other's motives. We need to work together and put aside our differences.
- There was a suggestion to use the new Whidbey General South healthcare services project as a model, and support this as a solution to access to care on South Whidbey.
- There is no trust. These groups are divided. There is frustration with communication. The Board has difficulty talking to each other. It is felt that the Board is putting band aids on a huge problem.
- We have to be able to agree and disagree and still talk to each other. This is what honest communication is. We need meetings like this to talk about the issues, find answers together, and when we leave the room, to support the decisions made.
- It was noted that it is the Board's job to communicate complicated issues.
- Complexity is not the issue, legal counsel advises the Board not to discuss.
- We need to stop looking at the past and look to the future. Everybody is entitled to an opinion.
- These are all the very reasons for this meeting today. We need to find a way to move forward. This group needs to meet on a regular basis, and get "the train back on the track".
- It was stated that the Board deserves our support, and that we need to move away from personalities.
- Leaders must be held to higher standards, and must hold each other accountable – how do we do that? It is critically important, and our message must be consistent, positive and spoken with "one voice".
- We can learn from the history here, it can help us to avoid making the same mistakes. We need to keep talking about transparency.

Mr. Mero acknowledged that there are deep roots on some of these issues that have gone on for a very long time. He recognized the challenges for Commissioner Zaveruha, who has to balance many roles. He recommended starting new and agree to move forward, build toward a future that is different from the past, and to create a purpose and a vision that provides common ground. We need to think about how we treat each other, the behaviors we expect from each other, and the right to depend on each other. This was identified as the "biggest knot to untie".

Other observations included:

- Let the past be the past and move forward

- Commissioner Cammermeyer wants to hear Board information from the Board chair, not other commissioners
- Do we want to be a good hospital or a great hospital? We need to set our goals high, and end the “civil war”. We never seem to come to a consensus.
- It is not THE decision made, it is HOW the decision is made.
- The rift goes farther back – there has been a difference of opinion between the medical staff leaders and administration on what approach to use to provide good care, which is underlying all that has happened.
- There are multiplicities of issues that are intertwined. The basic issue is the new model of care. We are missing the big picture.

Mr. Mero asked how can we build productive relationships? This is a very hot topic across the entire state.

At 12:15 there was a break for lunch. Sue Ellen White, reporter for the Whidbey Examiner, joined the meeting at this time.

At 12:38, the meeting resumed, discussing current issues. Tom Tomasino, Interim CEO, recused himself from the discussion of CEO selection, and left the room.

President Case talked about reasons the former CEO was gone, and attributes of the interim CEO, to include honor, courage and commitment to the vision and the community. President Case stated that Mr. Tomasino is “doing a great job”. He asked that consideration be given to having Tom Tomasino remain as the CEO for a period of time, or to commence a search for a new CEO. President Case also noted that there are “sticky” problems in the current environment for a new CEO to undertake, the island culture would have to be understood, and that hospital staff familiarity should be considered. Mr. Tomasino is familiar with the medical staff, and has recently met with most of the physicians on the island. President Case stated that Mr. Tomasino reaches out and listens, and that he has promise. Mr. Tomasino is recognized by community leaders. President Case stated that he thinks there will be problems recruiting a new CEO.

Other ideas on this included:

- The Admin Team has appreciated Mr. Tomasino’s leadership and his commitment to move forward in spite of the challenges – they don’t want to lose momentum by having someone new come in right now.
- It would be less difficult to recruit a Chief Operating Officer to assist the CEO and CFO.
- The Admin Team is functioning well right now, the meetings are open, candid, effective and united. At the end of the meetings, decisions are supported.
- Mr. Tomasino is decisive, patient and the “ranks” want unity in the leadership, and feel they have that with Mr. Tomasino in the CEO role.
- Our community deserves the best and we have that in Mr. Tomasino.
- Mr. Tomasino recently attended all of the nursing staff meetings, and was honest and transparent. He knows how to hold management and staff accountable.
- Mr. Tomasino is a great partner to work with, he is accessible, has important one on one meetings, supports the departments, and is willing to listen and learn.
- Mr. Tomasino has been very supportive, accessible, and thoughtful, has the ability to “ground” people (keep reality in sight), has good and exciting energy, has been very successful in a short period of time, and has built trust.
- It will be hard to find a new CEO in the current turbulent situation, Mr. Tomasino has done a very good job, has integrity and honesty.
- If someone is here doing a good job, he should be kept in that role.
- It was expressed by some of the medical staff that they want to hear what the rest of the medical staff thinks about keeping Mr. Tomasino in the CEO role.
- Commissioner Wallin feels more input is needed, and that Mr. Tomasino should remain as the interim CEO until the compliance issues are decided.
- President Case asked if this could be decided in the February Board meeting?
- Mr. Tomasino’s feedback is needed.

- Mr. Tomasino is a good listener, keeps people on task, is optimistic, brings stability, is sincere and a hard worker.
- We need to move forward. How can we continue to operate under the current conditions? There are a lot of people who feel professionally vulnerable. We need this question answered. The search for a new CEO is going to be tougher than we think.
- The new Board members need to get to know Mr. Tomasino better.
- Mr. Tomasino is the right person.
- President Case stated that the Board needs input from the medical staff and then will make a decision on this.
- There will be challenges recruiting a new CEO with 50% turnover in the C-suite over the last months. It will be challenging to uproot the current team. We won't be able to find someone better than Mr. Tomasino.
- This would be a difficult situation for a new person to step into.
- The Board was urged to address this at the next Board meeting, and to make a definite plan – people need to know.
- President Case indicated that the Board needs to set a direction of action.
- Solutions require change.
- The group fully supports getting input from the medical staff.
- This should not be about the person, clarity of vision is pertinent, and we need to move past personalities.

Mr. Tomasino rejoined the meeting at this point.

- The remaining executive team is faced with great challenge. Would the Board consider severance plans for the existing team, so that stability is not an issue to worry about. It would be in the Board's best interest to provide security to the remaining team.
- Should the C-suite report to the Board?
- People felt this was getting into management's role.

Mr. Tomasino stated that there is a policy requiring the CEO to come to the Board with changes, which supports open communication. The CEO should not give up hiring and firing of staff. Commissioner Wallin noted that the policy is not yet in place. Commissioner Zaveruha stated that there was not intent for the C-suite to be at risk by one person's decision, and that he agrees with having severance packages for the executive team. Mr. Tomasino stated that the CFO is an employee, not contracted. Mr. Tomasino also stated that there is uncertainty when bringing in a new CEO, and that many times that person bring his/her own team. Dr. Waterman, Chief of Staff, stated that it was important for the Board to make resolutions on these issues, and that if they changed the bylaws, it would look like they were meddling in management. It was agreed that Administration would bring a proposed severance policy for the C-suite to the next Board meeting. It was agreed that this group should meet again to discuss the strategic plan and capital budget.

#### Finance

Joe Vessey, CFO, stated that there have been challenges working through finances and the compliance issues. There are a number of Medicare referrals that remain on bill hold due to compliance. This is a total of \$3 million gross (\$1.5 million net). AR days have increased as a result of this, and cash decreased.

Mr. Vessey stated that the hospital turns a significant profit, and that other departments have to be subsidized. He asked that the Board please review this very soon.

How do we finance the Whidbey General South project? Mr. Tomasino stated that one option would be to get the economic stimulus package from the State. We were able to get this project on the governor's list, and has support from Mary Margaret Haugen. Shawn Bills from Patty Murray's office will visit the hospital tomorrow. This project is ready to roll in 90 days. A transportation study is being completed, and the building permit is needed. This site will have the potential to build a second building for future consolidation of service purposes.

Commissioner Wallin questioned if private investors can be used for financing the project, or a lease to own arrangement? He feels we need to be proactive in planning. Commissioner

Cammermeyer stated that the press needs to acknowledge that the current building for Whidbey General South is inadequate and that new space is needed.

Commissioner Zaveruha asked how far back the Medicare claims are being held? Mr. Vessey indicated that they are as far back as September 15, 2008, noting a variety of challenges being encountered. Mr. Tomasino indicated that some agreements with physicians had to be renegotiated, and that it has been a difficult and onerous process, with many individual issues to address.

#### Strategic Planning

It was identified that urgent care centers should be considered under the strategic plan. The strategic plan process with the managers was reviewed, and results were shared.

#### Review of the Day

Mr. Mero stated that there are communication challenges, and that there was a solid plea today to do something to move forward, and to try to reach a consensus on how to do that. A process needs to be developed on how to work together, with goals on how to fit together as a group. A strategic plan is needed. We need to learn how to speak with one voice, and may not always agree, but must support the decisions that are made. We need to depend on each other, have a lot to do that will take a big commitment and a lot of work. We won't always agree, but must continue to communicate. We have most of what we need, but are not using it. It is not the WAY we say yes, but HOW we say yes. We are all in this boat together – but what does the boat look like? We need to be cognoscente of the litigation climate, which needs to get fixed – we don't want our patients to feel unheard because of this litigation climate. We must pay careful attention to the strategic plan that we develop.

Next steps will include more meetings for this group, develop an active education plan, a strategic plan, and focus on issues not personalities, which will be a key shift in getting things done.

Thoughts from the group about the day:

- This has been a needed dialogue, we have been at odds, with tough decisions before us. We are heading down the right path, are better listeners and are learning not to make rash decisions. We need to keep going in this direction.
- This meeting has been helpful to get a better understanding. Role differentiation has been clarified. Know better what responsibilities ought to be. Board members need to focus on what the community is looking for, and must bridge the understanding of the community.
- We have great challenges ahead and must work together to ensure success. Today has reinvented a jumping off point.
- There has been a boundary differentiation established. We need to focus on community needs, and take care of our 700 employees. We are one and need to be an active team. Today has brought better understanding.
- Today was optimistic. It is not about the history – history weighs down the process.
- There is a huge rift in the medical staff. Some medical staff think that the current MEC is not representing the medical staff properly. There are many differences in the medical staff's working relationships with each other. We may need help with this from outside, although there have been attempts at this that have not been successful.
- There are generational differences in the medical staff. The shift to a hospitalist program has been a big change. Not sure this can be addressed without outside assistance.
- Commissioner Tarrant stated that it was a great time to join the Board, and that today was a great introduction to the hospital and that she appreciates the time today, and is energized by the discussion.
- This has been a good start, there is a lot more work to do. There needs to be more interaction, and threats from the past must be identified. We must learn how to communicate better, work together and trust each other.
- Commissioner Zaveruha stated "Amen heretofore – the past is over – we need to concentrate on the future".

- This has been an amazing start. Teams are built from good communication. We must force the issues. Today was “masterfully facilitated”. We need more role delineation, which is fundamental and helps clarity.
- Great start. Am hopeful. Looks forward to the next meeting and working on the strategic plan. Feels positive about today.
- Feels positive, we have more work to do. Wants the medical staff to understand that the relationships they have with hospital staff affects retention more than they know. Wants the Board to be proud of the hospital.
- We must trust each other to move forward and rely on each other. We must work hard on this, and ALL be stewards of a trusting environment.
- Mary Pierzchala, community member, noted that this is “her hospital” and that she has been coming here for ten years. Things seem to be “going down the drain”. Why are physicians sending people off island for their medical care? She wants to see her own doctor when she is in the hospital – her insurance would not pay for the hospitalist’s care. She has built a relationship with her physician over many years, and her loyalty and trust are to her physician. Patients need to go prepared to appointments with their physician, which Ms. Pierzchala stated she wants to teach a class on for the general public. She asked what the hospital was doing to retain physicians?

Mr. Mero stated that this group will be brought back together, and asked that if there are people who should be in the meeting that were not here today to please let Tom Tomasino know. In the next meeting the following will be discussed: 1) role and responsibility definitions 2) communication across groups 3) strategic plan process.

Mr. Tomasino stated that he appreciated everyone taking time to be here today, and that today was a “beginning”. This was a crucial meeting. Mr. Tomasino stated that regarding the medical staff that success is built on relationships, and that there is a break down when they stop communicating. Meetings have been held, issues were discussed, and communication stopped. The medical staff must commit to change this, and must make an extra effort to establish relationships with their colleagues. The future will be difficult if these things are not done. Physicians must start talking to one another and support one another, and reestablish relationships.

President Case noted that the complexities of healthcare drive people to “silos” to get through the day, promoting isolation from each other. We must get to know each other better to work together better. President Case felt encouraged by the group discussion today, and is looking forward to regular meetings like this to get to know and trust each other more.

Mr. Mero indicated that he is happy to come back to facilitate future meetings if that was the desire of the group.

Commissioner Zaveruha made a motion to adjourn, seconded by Commissioner Cammermeyer.

There being no further business, the meeting was adjourned at 3:40 p.m.