

April 13, 2009

The regular meeting of the Board of Commissioners of Whidbey Island Public Hospital District was called to order at 6:01 p.m. by Board President, Roger Case, M.D. Present were President Case, Commissioner Zaveruha, Commissioner Wallin, Commissioner Tarrant and Commissioner Cammermeyer. Interim Chief Executive Officer, Tom Tomasino, Chief Financial Officer, Joe Vessey, Interim Chief Nurse Executive, John Bitting, Dale Roundy, Esq., Chief of Staff, Bruce Waterman, M.D., and many hospital and medical staff, as well as community members were present. Reporter Sue Ellen White from the Whidbey Examiner also attended. Mr. Jim Riney of Riney Productions was present to electronically record the meeting. President Case asked if there were any points of order to discuss. Commissioner Zaveruha stated that he would recuse on the vote to ratify the WSNA contract, due to a family member being part of that contract as a nurse here at the hospital.

Minute Approval

Commissioner Tarrant proposed a revision to the March 9, 2009 minutes on page 7 in the 3rd paragraph that had a misspelling. Commissioner Tarrant made a motion, seconded by Commissioner Wallin to approve the March 4, March 9 (with proposed revision), March 17, March 25, and March 30, 2009 Board minutes as presented. Motion carried.

Public Questions or Comments

There were none.

Education

Judy Moore reviewed a packet of information she had provided to the Board regarding Initiative 1000. The hospital does not mandate that any physician provider participate in the Washington State Death with Dignity Act", nor encourage any provider to do so. It is the individual provider's decision to participate. The hospital allows its community-based providers to participate in the "Washington State Death with Dignity Act" if they so choose. This means providers may: 1) perform the duties of an attending physician 2) perform the duties of a consulting physician 3) prescribe life-ending medication in the community setting 4) provide counseling in connection with the provision of life-ending medication. Ms. Moore emphasized that the hospital's role is to provide information and education on this initiative, and step back beyond that. The state of Oregon has had this law for ten years, and exploration of their experience has been looked at by Washington to help form the guidelines for the WAC (Washington Administrative Code). Ms. Moore stated that once the organization's policy is in place, there still is a lot of work to do. Departments like Home Health & Hospice, EMS, and the Emergency Department have department policies in place. Commissioner Zaveruha stated that he has been talking with the state's Department of Health regarding family wishes superseding the POLST form in place, creating a huge dilemma. With no further discussion, and a recommendation from the Quality Improvement Committee to approve the "Death with Dignity Act – Providers May Choose to Participate" policy, Commissioner Cammermeyer made a motion to approve the policy as presented, seconded by Commissioner Tarrant. Motion carried.

Quality and Patient Safety Report

Tom Tomasino indicated that quality would be discussed under the dashboard report.

Medical Staff Report

Dr. Bruce Waterman, Chief of Staff, presented the following appointments and reappointments for approval:

- Robert D. Wagner, M.D. – Active Staff Reappointment
- Jerald G. Sanders, M.D. – Active Staff Reappointment
- Linda R. Brown, M.D. – Courtesy Staff Reappointment

Nicholas S. Muff, M.D. - Courtesy Staff Reappointment
Jerome R. Waldbaum, M.D. - Courtesy Staff Reappointment
Kara L. Carlson, M.D. - Courtesy Staff Reappointment
Martha C. Moe, M.D. – Active Staff Appointment
Nicholas M. Perera, M.D. – Active Staff Appointment
Deborah D. Bibby, PA-C – Allied Health Professional

Commissioner Wallin made a motion, seconded by Commissioner Cammermeyer to approve the medical staff appointments and reappointments as presented. Motion carried.

Dr. Waterman reported that Nancy Shaffer, DO resigned effective 2/14/2009.

The core privilege for CRNA for OB anesthesia was presented for approval with revisions under reappointment requirement and core obstetrical anesthesia privileges. Commissioner Wallin made a motion, seconded by Commissioner Cammermeyer to approve as revised and presented. Motion carried.

Medical staff bylaw changes under Article XII: article 12 was presented for approval as revised, allowing full protection of all peer review activities done by all medical staff committees and departments. Commissioner Tarrant made a motion, seconded by Commissioner Cammermeyer to approve these revisions as presented. Motion carried.

Rules and Regulations, Medical Records Section O were presented as revised with deletions recommended to tighten up who can accept verbal orders. Commissioner Tarrant made a motion, seconded by Commissioner Cammermeyer to approve as revised and presented. Motion carried.

Commissioner Cammermeyer had questions about the Trauma Committee membership, which Commissioner Zaveruha was able to answer as the chair of that committee. The Trauma Committee is part of the State system.

Individual Items (Discussion and/or Action)

A. WSNA Contract

Carolyn Pape, Human Resources Director, reviewed a summary of the changes to the WSNA Collective Bargaining Agreement for Registered Nurses that was recently negotiated with the union. The registered nursing staff did ratify the agreement with the revisions as presented. Revisions included language (to include expansion of the definition of domestic partner), economic and wages. This is a three year agreement, ending in March 2012, and has a \$1 million impact on wages for the life of the contract. Administration approves of the revisions. After discussion, Commissioner Wallin made a motion, seconded by Commissioner Tarrant to approve the WSNA Collective Bargaining Agreement for registered nurses as presented. Motion carried with Commissioner Zaveruha abstaining from the vote.

B. PCA Report

Don Hansen, CPA and Josh Lewis, CPA from Moss Adams, LLP presented an overview of the audit report recently completed on the Primary Care Associates (PCA). They confirmed that the accounting of monies was accurate but somewhat difficult to reconstruct. They were quick to point out that the PCA was helpful, participated in discussions and corrected concerns presented. They also recognized the inherent risk in this arrangement and support restructuring the PCA and WCP relationships. The next step for PCA is working with ECG on practice management efficiencies.

C. Proposal for Board Retreat

Tom Tomasino, Interim CEO proposed to the Board that they hold a retreat for Board members only, with a facilitator for self assessment, improved communication and sharing their commitment to the Board's work. Mr. Tomasino noted that this is often done when new members are added to a board. The Board agreed to do this, and will work with Administration on a date and location for a retreat.

D. Executive Severance Policy

Carolyn Pape, Human Resources Director, reviewed the proposed Executive Severance policy with the Board for approval. The purpose of this policy is to provide support for the recruitment

and retention of executive talent for the hospital. This policy is also intended to provide a framework in the event of the termination of employment without cause of one or more of the executive officers to include: Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and Chief Nurse Executive. Commissioner Wallin made a motion, seconded by Commissioner Cammermeyer to approve this policy as presented. Motion carried.

E. Long Term Financing Brief

Joe Vessey, CFO, reported on a long term financing brief prepared by Piper Jaffray for future limited tax general obligation bonds. This is a structure put together by Piper Jaffray that could potentially close in June at a 6.7% interest rate or less for the life of the bonds, using the EMS and M&O levies as collateral. Mr. Vessey assured the Board that everything would be accounted for separately and distinct so that there would be no co-mingling of funds. This money would be used to purchase Whidbey General North, reimburse the hospital for the land purchase for South Whidbey Healthcare Services and for the EMS quarters in Bayview. There were questions from the Board about South Whidbey Healthcare Services and what will become of that project. Tom Tomasino indicated that the hospital continues to be committed to that project, and are looking at other options for financing at this time, and that the reason for purchasing Whidbey General North at this time is that there is only a small window of opportunity to do so.

Continuing the discussion on the limited tax general obligation bonds, Joe Vessey stated that this was not being presented for approval at this meeting, but for consideration in a future Board meeting. Mr. Vessey wanted the Board to have the information for consideration well ahead of the date to consider approval. The Board asked if healthcare bonds are selling. Mr. Vessey indicated that they are not selling like they were, but are better than they have been over the last few months. It was noted that Medicare sanctions are not as much of a concern with this structure due to the fact that these bonds would be secured by the EMS and M&O levies.

F. Administrative Update

Mr. Tomasino reported that there would be a special Board meeting for strategic planning on April 22, 2009 from 8:00-4:00 p.m. at Oak Hall, Room 308 at Skagit Valley College in Oak Harbor. Mr. Tomasino continues to seek a facilitator for this meeting. The Board, Medical Executive Committee members and Administration will attend.

Board Items

A. CEO Search Selection Update

President Case had no update on the Selection Committee, as there have not been any meetings since his last report. The consultant, Mark Collins from Korn-Ferry, is currently screening candidates.

Staff and Status Reports from Administration

Administrator's Report

Tom Tomasino reported that a Surgical Governance Committee will be formed to support the goals of the Surgical Services Departments to provide safe, quality healthcare for the residents of Whidbey Island. The Committee will provide a forum for discussing and providing recommendations for improvement of department issues such as scheduling, patient flow and staffing concerns. The Committee will provide oversight and support for National Patient Safety Goals, Quality Initiatives and risk management mitigation as they apply to Surgical Services. The key to success of this Committee is ensuring that stakeholders are committed to the overall needs of the surgical program and engaged in providing unbiased and balanced leadership of Whidbey General Hospital's Surgical Services. The first meeting is expected to be scheduled sometime next month. The charter of this committee was sent to the Medical Executive Committee last week, and Mr. Tomasino is waiting on comments. This committee shall be comprised of the following members:

- Chief of Surgery - Chair
- Anesthesiologist
- General Surgeon

- Orthopedic Surgeon
- Chief Nurse Executive
- Director of Surgical Services
- AS/PACU Manager
- Chief Operating Officer

Mr. Tomasino also noted that Employee Forums recently held had a total of 42 staff attend, which is a large turn out compared to past attendance. Mr. Tomasino sees this as positive interest in what is happening at the hospital, and stated that there were very good questions asked.

There are currently 88.6% of the staff who have completed the compliance training. Mr. Vessey has scheduled two more sessions, in anticipation of getting the majority of the 75 staff who have not completed the education to attend. Mr. Tomasino thanked Mr. Vessey for a great job providing this education – there were 26 sessions of the compliance education completed. Mr. Vessey thanked the managers for doing a great job getting staff to this education. It was noted that physicians employed by the hospital have attended, and that Mr. Vessey may be able to take small portions of this training to future several medical staff meetings.

Mr. Tomasino stated that the fourth and final candidate for CNE would be interviewed this week, and a hiring decision made soon after that last interview on who the new CNE would be.

The EMS department is in the process of building and implementing the Washington Emergency Medical Services Information System (WEMSIS). This is a comprehensive pre-hospital emergency data collection, analysis and reporting system. The software, EMS Bridge, integrates information across the entire emergency medical community, whether in the ambulance, the local station, or county or state offices. With the EMS Bridge, ambulance services are also able to satisfy reporting requirements easily, without major investment and without learning complex new technology. WEMSIS is part of NEMSIS, a national data base that has the goal of national data collection of significant data from the emergency medical community for purposes of reporting, outcome trending, and education. EMS will be implementing WEMSIS in stages with the final stage projected for fall 2009, which will take EMS to a completely digital, paperless state. The EMS staff should be congratulated for their considerable efforts in moving to this new system.

Financial Report

Joe Vessey, Chief Financial Officer, reported that the contingency budget process (or 5% plan) has been submitted and reviewed. Trigger points to enact this plan are currently being developed. Work is being done to increase efficiencies and productivity. OptiLink software for nursing scheduling and acuities is in the implementation process, which is expected to be of tremendous value to the nursing department and efficiencies and productivity with the nursing staff and scheduling. This implementation will take six to nine months to complete.

Financial statements for February showed 21 days in cash, and a decrease in cash "burn", which Mr. Vessey was happy to see. AR days were at 60, with anticipation to be back in the 40 range soon. There has been an increase in charity care and self pay patients. Self pay has been moved to the front of the process, as well as charity care patients, with hope for good results. The hospital is reserved at 62%. Census average was 16 for February on a budget of 18. Outpatient volumes were on budget. \$6.3 million was written off on \$11 million in charges. Professional fees were above budget, due in part to charges for compliance work, utilities were above budget due to timing of the receipt of invoices, and overall expenses were slightly below budget. The bottom line for February was a positive \$212,000 on a budget of a positive \$305,000. Year to date the bottom line is a positive \$819,000 on a budget of a positive \$898,000.

Review of Dashboard Report

Mr. Tomasino stated that improvements need to be made on the Dashboard Report, suggesting that a line be added under the Press Ganey (patient satisfaction) ranking that states what our actual scores are. This should give a better perspective rather than the score where the hospital is compared to all Region 9 hospitals. The Board agreed with this suggestion. It was also suggested that the terminology for the harm rate for medication errors be changed or add another line to include the harm rate for medication errors. The Board also agreed with this

suggestion.

Consent Agenda Items:

A. Commissioner Tarrant made a motion; seconded by Commissioner Cammermeyer to approve the write offs for March in the amount of \$528,576.65. Motion carried unanimously.

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 Wallin made a motion, seconded by Commissioner Tarrant, to approve the voucher #123275 in the total amount of \$2,030.70. 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 Wallin made a motion, seconded by Commissioner Cammermeyer to approve vouchers #123197 to #124040, and #1619 to #1639, excluding #123275, in the total amount of \$5,782,581.47. Motion carried unanimously.

Agenda Items for Next Regular Board Meeting

Commissioner Cammermeyer asked that swing beds be put on the next Board agenda. It was noted that swing beds have been looked at; however the hospital's volatile census is a concern for using swing beds. Another consideration for not having swing beds is that we do not have problems getting patients to skilled nursing facilities.

Tom Tomasino thanked Judy Moore, Carolyn Pape, Don Hansen and Josh Lewis for their presentations at this Board meeting. Commissioner Cammermeyer conveyed appreciation for the hard work by everyone.

There being no further business the meeting adjourned at 8:20 p.m.