

March 25, 2009

A special meeting of the Board of Commissioners of Whidbey Island Public Hospital District was called to order at 1:00 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, Chief of Staff, Bruce Waterman, M.D., Dr. Robert Burnett, Dr. Lee Roof, Dr. Mark Borden, Dr. Gabe Barrio, Dr. Doug Langrock, Bert Speir, Laura Blankenship, Teresa (Garrison) Fulton, Carolyn Pape, Michele Renninger, Debbi Williams, Trish Rose, and Randy White also attended.

President Case asked if there were any points of order to discuss, of which there were none.

Resolution #295 Line of Credit

Joe Vessey, CFO, requested that this resolution be tabled until the next regular Board meeting. Mr. Vessey will send the resolution to Board members prior to the meeting for review. Mr. Vessey stated that the hospital has had this line of credit with Whidbey Island Bank for a number of years, and that currently language regarding how collateral is structured is being reviewed by the bank and their attorneys. Mr. Vessey expects this to be completed by the April Board meeting.

Discussion of Position 1 CEO Selection Committee

President Case announced that Ursula Roosen-Runge, who was originally selected to serve on the CEO Selection Committee, is unable to attend meetings during the day, which is problematic for this process. A replacement will need to be appointed from the south end. Suggestions were Marti Anamosa or Kathy McLaughlin. President Case will contact them to see if one would be interested in serving on this committee.

Board members expressed interest in meeting with the Selection Committee early next week if possible. Commissioner Wallin will have to be on the phone for the meeting. It was decided that the Board would meet at 5:00 p.m. on Monday, March 30th and then meet with the Selection Committee after that.

President Case talked about the process he understands the Selection Committee will use:

1) The Selection Committee will narrow the field of candidates down to 8 or 10 possibilities, based on resumes presented by Korn-Ferry for consideration. These candidates will be interviewed more closely by Mark Collins who will put these candidates through the "assessment protocol" employed by Korn-Ferry, and the Selection Committee will use this information to narrow the field to three candidates. 2) These three candidates will be brought to Whidbey for face to face interviews with members of the hospital staff, medical staff, Board members, and the Selection Committee. 3) Based on all of this input, the Selection Committee will ultimately recommend one candidate to the Board for selection. The exact manner in which step 2 will be effected will be more formalized by a protocol questionnaire provided by Mark Collins.

Commissioner Wallin stressed that a unanimous vote is needed by the Board. Commissioner Cammermeyer stated that the Selection Committee must also be unanimous. President Case reported that Mark Collins felt the Selection Committee was a good cross section of experience and backgrounds. Laura Blankenship reiterated that the Selection Committee needs to be charged with gathering input, and bringing one candidate to the Board for selection. Commissioner Zaveruha feels it is very important that the Board have input on the candidates and be able to ask the candidates questions, and that the Board should not be excluded from this process. The Board needs a good view of the candidate, with key issues discussed, and buy in of the candidate before a decision can be made. The audience questioned if the Board was clear on the process, and the Board stated they agree on the process. The Board felt they needed guidance from Mark Collins to discuss criteria. The question was asked if Tom Tomasino should recuse from these discussions. Mr. Tomasino stated that he would be happy to recuse. Mr. Tomasino stressed the importance that the Board discuss, decide on and provide criteria to the Selection Committee. Other comments/observations on this included:

- Please stop focusing on the past and move forward to the future
- The Board feels strongly about meeting with the Selection Committee
- The Board must remember what the charge of the Board is

- A meeting for the Board will be set up with the Selection Committee next week on Monday, March 30, 2009 at 5:00 p.m. The Selection Committee may be asked to attend following the initial work session of the Board.
- Questions for the Board regarding criteria need to be formulated ahead of any meeting with the Selection Committee
- The Board must use critical thinking
- If the Board can articulate knowledge, skills and abilities they want in a new CEO, the committee will know what to look for
- The Board represents a broad range of expertise that will contribute to this process

Discussion on Agenda Topics

The Board does not feel they get the Board agenda timely enough, and will now formulate Board agenda items at the end of every meeting for the next meeting, which will be sent out well ahead of the meeting. Points of contact for Board agenda items are President Case and Tom Tomasino.

Discussion on Board Communication

The Board feels like the open public meetings act rules make it difficult for the Board to communicate properly. President Case stated that the Board needs to have discussions in the open. Some Board members feel that they are not getting enough information on agenda items, and not getting things timely. They feel they need more preparation, background information and understanding of what the agenda items mean. It was also decided that education would be presented at the beginning of the Board meetings. Mr. Tomasino stated that Administration is working on trying to correct these things, and that efficiency in these areas is being worked on, which is why Administration is recommending changes for sending out the agenda earlier.

Other things noted:

- Contentious meetings are not productive
- Sometimes need to have difficult discussions
- Should be operating as a team
- The Board and CEO need to have a good relationship
- Board/CEO must have a mutual purpose to be a better organization
- Having better Board meetings will help us to move forward as a team
- It is hard to know "how" to discuss things at times
- Commissioner Cammermeyer was thanked for joining the Board, noting that her added candor was "refreshing"
- Mr. Tomasino stated that the CEO's job is to get information to the Board, but that time is needed to get that information gathered and disseminated.
- How should the Board be functioning? How should information be shared? Are needs being met? What are the needs?
- The Board needs to be open and honest in their communication. They must listen and hear, and acknowledge what they are hearing. When decisions are reached, they must be supported by all Board members.
- What is the purpose of the Board? That answer is Governance.
- The Board agenda is driven by the needs of the hospital – Administration briefs the Board on hospital issues. The Board should not be running the meeting – focused attention is needed on specific ways the Board can help
- The paradigm needs to be changed.
- Administration relies on the Board to tell them what they are hearing from the communities they represent
- We all need to change the way we have been doing business.
- A community member stated that she wants reports from committees on the Board agendas – specifically Finance, Building and Quality. While this point was well taken, it was noted that some committees deal with confidential information that cannot be reported on. Another view was that it was not prudent to report on minutia but to focus and report on the resolution of issues and items being worked on.
- Great frustration was stated from the audience – thought we were here today to continue discussions from the Leaders Conference. Reiterated that: 1) Board agenda items for the next

meeting would be discussed at the end of each meeting 2) education will be held at the beginning of each Board meeting 3) information based on the agenda will be sent to the Board earlier. That said, it was asked if the meeting could move forward from this discussion?

Strategic Planning – Five Questions

President Case stated that the five main questions for strategic planning are:

What is our mission?

Who are our customers?

What do our customers value?

How do we measure outcomes?

What is our plan – how are we going to accomplish this?

Mr. Tomasino stated that the hospital's strategic plan is directly tied to the mission statement, and that the mission statement needs to be reexamined periodically – do we need to change the mission statement – is the current one what we want? Mr. Tomasino personally feels it needs to be changed. Dr. Langrock stated that the mission statement does not have the word physician anywhere in it. He feels the hospital is becoming less “physician friendly”, and that when interviewing for a new CEO there needs to be a commitment from the Board and Administration to support physicians. Various communication issues with physicians were discussed, with Commissioner Zaveruha noting that there has been a slow quiet process going on with hidden changes where Administration is using the Harty Springer model to rule physicians, which he feels is an unacceptable model of leadership. He further stated that physicians, Administration and the Board need to be a team, and that where the hospital is now is not survivable in a small community like ours. Commissioner Zaveruha feels that Harty Springer programs are being used as a mechanism to attack the autonomy of physicians. Commissioner Zaveruha stated that the current nature of these partnerships is “insidious and complex with multiple facets”.

Other comments on this discussion:

- Good physicians are advocates of their community
- Harty Springer programs promote good patient care, ways to deal with disruptive physician behavior, and promote quality
- The Harty Springer process is distorted and these are nation wide issues, not just Whidbey's.
- Commissioner Zaveruha is entitled to his opinion. Physicians that have been to Harty Springer conferences feel that Harty Springer philosophies support the needs of today's economy and issues, and that they are not “weaponized”. It is all an issue of perception. The Board is missing an opportunity for physician input in many instances. Small physician practices cannot afford to stay in business without the hospital's help. We are losing too many good physicians. We must find better ways to recruit and retain good physicians – create a system for the whole island.
- It is difficult to get people to work together when they each go into their own “silos” – creating a breakdown in communication.
- Must look at strengths.
- The CEO has to listen to physicians.
- Identify physician leaders and try to build consensus.
- The medical staff must work better with Administration.
- Tom Tomasino has done an excellent job of listening.
- It was acknowledged that there is not consensus within the medical staff – that 25% don't care, 25% don't listen, 25% agree, 25% disagree – it is all over the place – people are not interested.
- It was felt that the medical staff could do better with a proactive CEO, that they need to do better and that they need to use their chief of staff as their voice.
- Commissioner Zaveruha wants to see the physicians, service lines, Administration and finances meet somewhere in the middle – and not to have totalitarian control by the CEO.
- Well defined productivity is needed.

- Some physicians in the audience feel like physicians are getting support from the CEO and the hospital.
- Commissioner Zaveruha continues to feel that the current model is an amalgam of the old system and the Horthy Springer model. We must put a stop to exclusive contracting, paying medical staff, and following the Horthy Springer models, which he feels taints relationships with their philosophies.
- Changing the mission statement was tabled for this meeting.
- It was expressed that a facilitator was needed for future Leaders Conference meetings. Commissioner Cammermeyer suggested using Laura Blankenship, who has facilitated Foundation retreats. Tom Tomasino stated that an outside facilitator was needed.
- Commissioner Tarrant requested that information be sent to all Board members regarding the five questions.
- Commissioner Cammermeyer expressed frustration for the need for strategic planning, and doing something substantive rather than just always talking.
- Commissioner Tarrant noted that for a cohesive plan and overall strategic plan, that talking was a necessary part of the whole process, which is one that moves slowly.
- It was suggested that the Board dedicate one day for strategic planning. Mary Awe, Administrative Assistant, will work with the Board and Administration to set up this meeting.

Meeting Dates Moving Forward

These were not discussed.

Other

- Dr. Waterman finds all of this disheartening. He stated that we must find a way to get past personal issues and conflicts, and recognize that there is inter-dependence. There is not room for personal agendas, and that it is acceptable to disagree, that is part of life. We must work together to recruit and retain physicians and take care of our patients. This must be our unified goal. There are too many personal problems with past issues.
- Agenda items identified for the April 13 Board meeting were as follows:
 - Board Relations/Communications meeting (to be facilitated)
 - Approval of Resolution #295 for Line of Credit
 - Education on I-1000 with Dr. Jerry Sanders/Judy Moore
 - CEO Selection Update
 - Ratification of WSNA Contract – Carolyn Pape
 - Executive Severance Policy
 - Administration Update
- Carolyn Pape noted that managers want the Board aware of the hospital's daily successes. Commissioner Zaveruha stated that brief cameos at the Board meetings by various hospital departments is helpful. Commissioner Cammermeyer stated that is helpful to know where to send people when they have complaints. Teresa Garrison has been very helpful, as has Administration. President Case noted that Trish Rose is a terrific asset to this hospital.
- Laura Blankenship noted for the record that she didn't mean her remarks today to be disparaging, and did not in any way mean to impugn Dr. Waterman's integrity. She stated that there have been remarkable changes here in this hospital since Joe Vessey arrived.
- President Case stated that the current Administration has done more in the last three months than has been done in years.
- President Case thanked the physicians and everyone for attending today.

Executive Severance Policy Review

To be reviewed by Board and presented and discussed for approval at April 13 board meeting.

There being no further business the meeting adjourned at 3:30 p.m.