Board Minutes

February 23, 2007 - Special Meeting

A special meeting of the Board of Commissioners of Whidbey Island Public Hospital District was called to order at 8:33 a.m. by Board President, Roger Case, M.D. at Whidbey Island Bank Operations Center conference room at 321 SE Pioneer Way in Oak Harbor. Present were Commissioner Case, Commissioner Saugen, Commissioner Schoenknecht, Commissioner Miller and Commissioner Zaveruha. Also present were Chief Executive Officer, Scott Rhine, Chief Operating Officer, Tom Tomasino, Director of Quality Improvement and Risk Management, Arlene Johnson, Director of Surgical Services, Katie Carr, and Med/Surg Nurse Manager, Patsy Kolesar-Hynson.

Welcome

Commissioner Case welcomed Jeff Mero, Executive Director of the Association of Washington Public Hospital Districts (AWPHD). Mr. Mero facilitated the retreat.

What Do We Want to Accomplish Today?

Mr. Rhine stated that he appreciated everyone dedicating a day to hospital matters as we look to the future and decide on key issues. Mr. Rhine proceeded to review the agenda, and encouraged everyone's participation in the discussions, asking that people ask questions and share comments with the group. He invited Jeff Mero to provide an overview of rural hospitals in the state of Washington and especially the Critical Access Hospitals.

Jeff Mero talked about the changes he has seen over the years in rural hospitals and the increasing role of the commissioners. He encouraged the Board to discuss items thoroughly and from different perspectives. After the discussion and deliberation a decision must be made and the Board must speak with one voice. Commissioners hoped that the group would want to compare past performance, and compare ourselves to other hospitals in different benchmarking areas. They were interested in knowing how other hospitals were facing increasing charity care and bad debts and how we were doing in comparison. Mr. Mero stated that thirty-nine hospitals in the state are critical access, and by and large critical access hospitals are seeing improvements in margins. He did also mention that Critical Access by definition (cost + 1%) was not to be considered a huge money generator in most cases. He shared an example of a small eastern Washington hospital and the impact of Critical Access designation as it relates to a high cost "outlier". It does protect rural hospitals from significant downside losses when small hospitals care for high cost and complex patients. He also passed out some handouts that showed actual hospital net income or loss results. Those present were surprised by the large income shown for 2005 by another rural hospital which is similar in size to Whidbey General. There was some discussion as to what the differences might be.

Quality Planning and Results – Are we Measuring Up?

Mr. Mero stated that an enormous amount of time and effort is spent going through patient charts for reporting. Everyone wants something different, which creates confusion. The difficulty comes to get both internal and external consensus on what we should be reporting on. Mr. Mero noted that AWPHD and the Rural Hospital Quality Network (RHQN) are anxious to be an advocate for

hospitals and work with them to build a model for quality reporting. Hospitals must change the way systems have worked in the past, and ensure proper and comprehensive documentation. AWPHD encourages decisions on where the hospital wants to focus, and be in agreement internally on those decisions. The hospital must be clear on opportunities for improvement, gain internal support and need patience and commitment from every part of the team.

Arlene Johnson, Director of Quality Review, gave an overview of the hospital's strategic plan for quality. Some system changes put in place include follow up phone calls to patients, discharge surveys included with the discharge orders, Care Management included in daily multi-disciplinary rounds, individual "report cards" for some of the features of the core measures, the addition of a check box on the face sheet for ordering the pneumonia vaccine, and work towards instituting central line bundles. Mr. Mero suggested that the hospital work at how to create payoffs, reward hospital performance and have relevant indicators for rural hospitals.

Mr. Rhine asked if there were questions on performances or changes for the dashboard report. Suggestions for the dash-board report included putting the prior quarter for comparison, and including bad debt. Tom Tomasino noted that definitions are included with each dashboard report.

Strategic Planning

Mr. Rhine stated that the hospital needs to update the long range plan. He posed the following questions to think about:

What services are needed by the community?

Which services are we able to provide and to provide well?

What is the path from here to there?

How do we achieve our vision to be the hospital of choice?

How do we identify where we can excel?

How do we ensure a financially viable future?

As we look to the future, we need to consider demographics, services and payment trends.

Should we be working with others to provide some services?

Should we also be adding a mission statement with our vision?

Mr. Rhine asked if the Board of Commissioners wanted to use a consultant to help develop the long range plan, and consensus was that we should develop our own long range plan and not use a consultant at this time. He passed out copies of several long range plans that he obtained from the Internet from other neighboring hospitals. Commissioners especially liked the format of the Stevens Hospital plan and others liked the simple summary areas projected by Island Hospital. The following steps were agreed upon:

1. At the Hospital Board Retreat that will be held in April or May, the Board and leadership
should articulate a mission statement.
2. The CEO will propose a process for obtaining community and hospital
staff input.
3. It will also be suggested that the Medical Staff include some discussion
and try to obtain some input at the May 12th annual retreat.

4. It was agreed that this will be timely with the formulation of the facility master plan that should be completed by late summer or early fall.
5. It was agreed to target completion date of August 31st for the Long Range Strategic Plan.

The group also discussed possible ideas for community input including getting input from service organizations, CHAB, setting up community focus groups, put a survey in the next PULSE that people could send in and develop a website questionnaire. Another idea included forming "business" advisory groups that would include legal, finance, construction, government policy makers, employees and payors. Some felt it is also important to talk with people who are not satisfied with the hospital and find out why. Questionnaires could also be sent to EMS patients that choose to leave the island for their hospital and medical care. The BRFSS survey, done by the County, will have data in May that will be helpful to the hospital. It was emphasized that internal input from medical staff, managers and staff is also essential. Continuing efforts to communicate with hospital staff and medical staff need to be made. It is important to recognize that significant changes are being made in healthcae and both hospitals and physicians need to be able to adapt rapidly to these changes. It was pointed out that some find it hard to accept the changing relationships between some physicians and the hospital. Dr. Case adjourned the session until after lunch.

Role of Board Committees

Members of the Board, Mr. Mero and Mr. Rhine continued following lunch and discussed first the role of board committees. The real question was what authority did a board committee have in making decisions. It was agreed upon that the committees did not have authority to make a decision for the entire board and that the committees exist to enhance the effectiveness and efficiency of full governing boards**. I**t was agreed that board committees do this by:

1. Performing "detail work" for the board.
2. Requesting work be done by the CEO and/or others on behalf of the full board.

When significant decisions need to be made, the CEO and the board committees should recognize the importance of having the full board involved in the decision. A draft policy statement was reviewed and it was suggested that this come back to the Board at its next meeting for any further consideration and approval. (See attached draft policy)

Organizational Succession Planning

The Board discussed the need for succession planning in management, board and medical staff leadership positions. This will become increasingly difficult as physicians specialize further in outpatient medicine. It will also be impacted as the complexity of healthcare governance and healthcare management increases and the challenges of scarce human and financial resources become more apparent. Mr. Rhine indicated that the recent management reorganization was implemented in part to address the need for succession planning and the development of younger hospital staff. He indicated that he feels the hospital has a number of very capable individuals and he feels that it is important to provide opportunities for learning and obtaining experience. The commissioners also

voiced the need for involving potentially more community individuals in health care matters. In this way, those that might be interested in future board roles could gain experience and increased knowledge also. Mr. Rhine indicated that in reviewing the literature it was emphasized that succession planning was not just a search for a replacement, but an organizational assessment process that identified needs and resources and helped prepare for smooth transitions. It also includes expectations of the future leaders and methods to assist future leaders in making necessary changes and feeling a part of the organization. It was agreed upon that this topic would be discussed further at a future board meeting and a process identified to assist in effective organizational succession planning.

Adjournment

There being no further business, the meeting was adjourned at 3:35 p.m