

February 14, 2011

The regular meeting of the Board of Commissioners of the Whidbey Island Public Hospital District was called to order at 6:05 p.m. by Board President, Anne Tarrant. Present were President Tarrant, Commissioner Wallin, Commissioner Cammermeyer, Commissioner Case, and Commissioner Zaveruha. Chief Executive Officer, Tom Tomasino; Chief Financial Officer, Joe Vessey; Chief Operating Officer, Hank Hanigan; Chief Human Resources Officer, Carolyn Pape; Chief Nursing Officer, John Bitting; Dale Roundy, Esq., and many hospital and medical staff, as well as community members were present. Reporters Nathan Whalen from the Whidbey News Times and Sue Ellen White from the Whidbey Examiner also attended. Jim Riney of Riney Productions was present to electronically record the meeting.

Points of Order

President Tarrant announced that there would not be a Quality Update as Teresa Fulton was not able to attend this evening. She also announced that Dr. Langrock had not yet arrived so the Medical Staff Report would be postponed until later in the evening.

Minute Approval

President Tarrant called for a motion to approve the minutes from the January 10, 2011 Regular Board Meeting, the January 12, 2011 Special Board Meeting, and the January 28, 2011 Special Board Meeting. Commissioner Zaveruha made a motion, seconded by Commissioner Cammermeyer, to approve the minutes as presented. Motion carried.

Public Questions or Comments

There were none.

Education

A. Whidbey Family Birthplace

Manager, Trish Nilsen, presented the Whidbey Family Birthplace. The birthplace is a Level I facility that serves low risk families; high risk patients are referred to UWMC, Providence, Everett, Swedish or Children's Hospital depending upon the situation. Moms stay in the same room for labor, delivery and recovery and their visitors and family are welcome. The department is staffed by 21 nurses most of whom have at least 20 years of experience in this specialty area and who regularly advance their education through a variety of offerings. Whidbey Family Birthplace offers 24/7 anesthesia for labor, free phone and/or in-person follow-up visits after delivery, lactation support, childbirth education, three free wellness visits at the Life Center after delivery and newborn hearing screenings. Ms. Nilsen also noted that they have state of the art equipment due to the generous support from the Whidbey General Hospital Foundation. The birthplace averages 200 babies and 600 outpatient visits per year.

Individual Items

A. Administrative Update

1. Tom Tomasino highlighted the fourth quarter STARS from the Administrator's Report: Diana Brinkley, Patient Access; Dr. Peter Jiang, Medical Ambulatory Care; Jamie Keilwitz, Life Center for Essential Wellness; Shaulana Lujan, Diagnostic Imaging. He also recognized Katherine Riddle for her work with Tobacco Cessation. He received a letter, as did the Commissioners, from John Rivera at the Coupeville School District recognizing Katherine for the tremendous job she does with the school district providing tobacco education to the students. Mr. Tomasino reported that he would be attending the WSHA Rural Hospital Committee meeting on Thursday and that they will be looking at the strategic direction of WSHA for the next year and will also be updating the Rural Hospital Strategic Plan. He asked the Commissioners to let him know if they had any items they wanted him to bring up at the meeting. Mr. Tomasino reported that Senior Services of Island County is looking for an additional Board Member to sit on their Board and if any of the Commissioners are interested let him know.
2. Joe Vessey reported that the first payroll using the new ADP system has been processed and despite a few bumps that needed to be ironed out it was a success overall. The second payroll

is being processed this week. He reported that they are now working with the unions to develop a methodology to sample and calculate the overtime payment issue that needs to be resolved. Tom Tomasino commended Cheri Christensen and Donna Stimpson for their supreme effort on Friday when it was discovered that direct deposit pay did not go through for a small group of employees. Cheri and Donna cut manual checks for those employees and had them hand delivered. Joe Vessey reported that the process of determining a new vendor for our Information System continues. The Selection Committee reviewed the proposals from seven vendors and narrowed the field to four that would be a good fit for the hospital. Those four vendors will be on-site the first two weeks of March for two days each for staff and manager demonstrations. The Selection Committee will use the information gathered to help determine the best vendor for the organization. There was discussion about the importance of this software interfacing with software from physician offices.

3. Hank Hanigan reported that a few months ago the Foundation generously supplied funds to help with upgrading Whidbey General South. The exterior has been painted and painting in the interior is about 80% complete. The awning fascia and the roof are being replaced and new furniture for the waiting room should be in place by the end of the week. Mr. Hanigan reported that the ATS switch replacement began today and careful planning has been done to minimize disruptions. Mr. Hanigan reported that the process continues for obtaining a Certificate of Need for Hospice. We submitted answers to the Department of Health's questions on February 5th; those answers are now being reviewed and we anticipate that in 30 days a date for a public hearing will be set. Mr. Hanigan reported that he was challenged by Tom Tomasino to find a way to help satisfy a need for coffee in the lobby area of the hospital for patients and visitors after hours. A team, led by Lori Taylor from Food and Nutrition, came up with a self-service coffee, tea, and hot chocolate service. The costs for this are minimal and the feedback from patients and visitors has been positive.

4. Carolyn Pape presented the Employee Satisfaction Survey. The survey includes a comparison of the top box scores (strongly agree category) for 2009 and 2010. She presented some highlights from the survey pointing out specific areas of increase in the top box scores. Ms. Pape announced that the hospital has been nominated for employer of the year by the Oak Harbor Chamber of Commerce.

5. John Bitting reported that our I.V. pumps have been recalled by Baxter and the FDA but we have an agreement in place with Baxter for replacement pumps. They will exchange our 18 triple channel pumps and 38 single channel pumps for 92 single channel pumps that are smaller, stackable and more efficient. There will be no cost to the hospital since the exchange is a result of a recall. Our epidural and PCA pumps have also been recalled and we are working with the manufacturer for replacements that will use the same tubing. Mr. Bitting reported that we are undergoing a beautification project in the Med/Surg rooms. We worked with the auxiliary to have all the televisions changed from boxes to flat screens and now are working with the Foundation to make other changes including painting the walls, the over bed tables, window covering, bed spreads, and curtains between the beds.

B. Resolution #311 Ballot Proposition

Tom Tomasino presented a resolution which would place a proposition on the May 17, 2011 ballot to improve the health care facilities of the District, issue up to \$50,000,000 in general obligation bonds and levy annual property taxes to pay and retire the bonds. Mr. Tomasino stated that we have talked about this for a very long time but it is now time to move forward and address this long standing need of the hospital. Commissioner Cammermeyer made a motion, seconded by Commissioner Wallin, to adopt Resolution #311 as presented. After some discussion about the importance of going forward for both privacy and patient safety reasons, the motion carried.

C. Resolution #312 MRI

Hank Hanigan presented a proposal to upgrade the existing MRI. He stated that the hospital's MRI unit is 11 years old and is considerably older than MRI units in the surrounding area. The benefits to upgrading our MRI include the ability to do additional exams that we can't do today increasing annual volume by 20%, to perform studies in 25% less time, to improve image quality, to reduce electricity consumption and to reduce down time. Mr. Hanigan stated that

the cost of upgrading the unit will be just short of 1.3 million dollars but implementation of the upgrade will bring a net increase of \$450,000 annually because of the increased studies we will be able to do. Mr. Hanigan stated that a portable temporary unit will be brought in during the time the old unit is being upgraded. Joe Vessey reported that he has negotiated a lease with Philips Medical Capital to finance the purchase of the upgraded MRI unit. Commissioner Wallin reported that the Finance Committee discussed the purchase and recommends that the Board approve it. Commissioner Wallin made a motion, seconded by Commissioner Case, to approve the purchase of the MRI upgrade and to adopt Resolution #312 allowing the CEO to negotiate, approve, execute and deliver to Philips a contract for the lease of the MRI. Motion carried.

D. Capital Requests

Joe Vessey reported that the large prevac sterilizer which sterilizes 95% of surgical devices was identified in the 2011 Capital Budget as needing replacement due to increasing service calls and down time. \$130,000 was budgeted for this unit and the final quote is \$120,067.66. Commissioner Wallin reported that the Finance Committee discussed this request at length and recommends that the Board approve it. Commissioner Zaveruha made a motion, seconded by Commissioner Case, to purchase the new sterilization equipment as presented. Motion carried.

E. Whidbey Orthopedic Services Budget

Joe Vessey presented the annual budget for practice management for the Whidbey Orthopedic Surgeons office. Last year they requested \$811,000 and this year they are requesting \$744,570. The decrease is a result of the district taking over the lease payment for the office space. Taking that adjustment into consideration the requested amount is actually an increase of \$21,288. ECG has performed an evaluation and the cost is well within the fair market value. Commissioner Wallin noted that the Finance Committee discussed this at length and recommends that the Board approve it. Commissioner Wallin made a motion, seconded by Commissioner Zaveruha, to approve the agreement with Whidbey Orthopedic Surgeons as presented. Motion carried.

F. Executive Severance Policy

Tom Tomasino presented a revision to the Executive Severance Policy which adds the Chief Quality Officer to the policy. Commissioner Cammermeyer made a motion, seconded by Commissioner Case to approve the Executive Severance Policy as revised. Motion carried.

Board Items

There were none.

Staff and Status Reports from Administration

A. Administrator's Report

Tom Tomasino reported that both Dr. Busso and Dr. Brucker Busso have been on-site for interviews and they will now be brought back to work in the hospital for a three day period so that we can see how they work with nurses and physicians.

B. Financial Report

Joe Vessey reported that as of December 31, 2010 cash was at 13.3 million which compares favorably to 2009 when cash was at 13.4 million especially considering that long term debt has decreased from 11 million to 8.4 million. Gross charges were under budget 2.3% or \$317,815 and operating expenses were over budget by 3.4 % or \$215,525. The bottom line was a loss of \$56,361 on a budget of \$222, 101. Year-to-date the excess revenue over expense was 1.3 million on a budget of 2.5 million which was an operating margin of 1.3%. Tom Tomasino stated that it is important to note that not only did we stop the surgery volume slide but that there was a significant volume increase in outpatient surgeries in 2010. We also saw increases in our inpatient volumes and in newborns which tells us that people are returning to the institution.

C. Review of Dashboard Report

There were no additional questions on the Dashboard.

Medical Staff Report

A. Chief of Staff Report

Since Dr. Langrock, Chief of Staff, had not yet arrived Tom Tomasino presented the following reappointments for approval:

- M. Leah Oman, MD – Active Staff Reappointment
- John H. Oakland, MD – Active Staff Reappointment
- Robert D. Lycksell, MD – Affiliate Staff Reappointment
- David H. Slepian, MD – Courtesy Staff Reappointment
- Thomas O. Master, MD – Courtesy Staff Reappointment
- Alfonso V. Masangkay, MD – Courtesy Staff Reappointment
- R. Mark Owings, MD – Courtesy Staff Reappointment
- David A. Atkins, MD – Courtesy Staff Reappointment
- Maria Chong, MD – Courtesy Staff Reappointment
- Virginia Eschbach, MD – Courtesy Staff Reappointment
- Ben Harmon, MD – Courtesy Staff Reappointment
- Elizabeth J. Hayes, MD – Courtesy Staff Reappointment
- William J. Marks, MD – Courtesy Staff Reappointment
- John R. Overbeck, MD – Courtesy Staff Reappointment
- Donald R. Peters, MD – Courtesy Staff Reappointment

Commissioner Zaveruha made a motion, seconded by Commissioner Case, to approve the reappointments as presented. Motion carried. Tom Tomasino presented the following Allied Health Professional appointments for approval:

- Lynda M. Reidling, ARNP – Allied Health
- M. Renee Yanke, ARNP – Allied Health
- Stacy C. Bebee, ARNPC – Provisional Allied Health
- Kate E. Martis, PA-C – Provisional Allied Health

Commissioner Zaveruha made a motion, seconded by Commissioner Case, to approve the Allied Health Professional appointments as presented. Motion carried. Mr. Tomasino announced the following resignations from the Medical Staff:

- Jeffrey Robinson, MD – effective 02/03/2010
- Brian Burgoyne, MD – effective 05/28/2010
- David Holznagel, MD – effective 10/22/2010
- Arthur Castagno, MD – effective 12/28/2010
- Matthew Rice, MD – effective 12/31/2010
- Theodore Hegg, MD – effective 12/31/2010
- Tammam Nehme, MD – effective 01/01/2011
- Michael Cooks, MD – effective 01/05/2011
- Calvin Cogburn, ARNP – effective 03/09/2011

Mr. Tomasino presented the privilege request form for a Licensed Midwife. Commissioner Cammermeyer asked that the form be amended so that it is gender neutral. Commissioner Cammermeyer made a motion, seconded by Commissioner Case, to approve the licensed midwife privilege request form as amended. Motion carried. Mr. Tomasino presented the privilege request form for Diagnostic Radiology. Commissioner Case made a motion, seconded by Commissioner Zaveruha, to approve the Diagnostic Radiology privilege request form as presented. Motion carried. Mr. Tomasino presented a revision to the Peer Review policy which included changes to sections on Case Review, Sentinel Events and Case Actions. Commissioner Cammermeyer requested that the fourth bullet under the Case Review section be revised for grammatical clarity to read "...and/or medical errors may have contributed..." instead of "...and medical errors that may have contributed...". Commissioner Case made a motion, seconded by Commissioner Cammermeyer, to approve the Peer Review policy as amended. Motion carried.

Consent Agenda

A. Approval of Monthly Write-Offs and Vouchers

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 Cammermeyer made a motion, seconded by Commissioner Case, to approve vouchers #143554 and 143663 in the amount of \$7,968.64. 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 Cammermeyer made a motion, seconded by Commissioner Case to approve vouchers #143055 to #143905, and #2108 to #2120, excluding #143554 and 143663 in the total amount of \$5,759,167.58. Motion carried. Commissioner Cammermeyer made a motion, seconded by Commissioner Case to approve the write-offs for January in the amount of \$610,263.07. Motion carried.

B. Approval of Sale of Surplus Items

Commissioner Wallin made a motion; seconded by Commissioner Cammermeyer to approve the declaration of surplus as presented. Motion carried. Commissioner Zaveruha abstained due to a potential conflict of interest.

Agenda Items for next Regular Board Session

There were no agenda items suggested.

Executive Session to Discuss Pending Litigation-RCW 42.30.110(1)(i)

At 7:30 p.m. President Tarrant announced that the Board would go into executive session for about 40 minutes to discuss a matter authorized by RCW 42.30.110(1)(i) and that the Board would not be taking any action during or following the Executive Session. At 8:06 p.m. the Board came out of Executive Session and returned to regular session. President Tarrant called the regular meeting back to order and reported that no action had been taken during the Executive Session.

Adjournment

There being no further business, President Tarrant called for a motion to adjourn at 8:06 pm. Commissioner Cammermeyer made a motion, seconded by Commissioner Wallin to adjourn the meeting. Motion carried.