

November 14, 2011

The regular meeting of the Board of Commissioners of the Whidbey Island Public Hospital District was called to order at 6:01 p.m. by Board President, Anne Tarrant. Present were President Tarrant, Commissioner Wallin, Commissioner Case, Commissioner Zaveruha, and Commissioner Cammermeyer. Chief Executive Officer, Tom Tomasino; Chief Financial Officer, Joe Vessey; Chief Operating Officer, Hank Hanigan; Chief Human Resources Officer, Carolyn Pape; Chief Quality Officer, Teresa Fulton; Chief of Staff, Doug Langrock, MD; Attorney, Dale Roundy, and many hospital and medical staff, as well as community members were present. Jim Riney of Riney Productions was present to electronically record the meeting.

### **Points of Order**

There were none

### **Minute Approval**

President Tarrant called for a motion to approve the minutes from the October 11, 2011 regular board meeting. Commissioner Wallin made a motion, seconded by Commissioner Cammermeyer, to approve the minutes as presented. Motion carried.

### **Education**

Vera Demers, Patient Accounts Manager presented the Patient Accounts Office; a division of Patient Financial Services. Patient Accounts is made up of a highly trained staff of professionals including two Certified Patient Account Managers and three Certified Patient Account Technicians. The employees of Patient Accounts represent 144 years of combined service to Whidbey General Hospital. The staff is highly committed to the hospital and the community and has representation on the following committees: Patients First, Green Team, Innovation Team, Safety Team, Standards Team, Employee Council and Relay for Life. The office wants to make a difference to the patients and to the hospital and the following recent changes have been made to that end: billing statements are more patient friendly, Retail Lockbox is being used so that cash is in the bank sooner, and they can now take credit cards and checks over the phone. They also try to make a difference by working with patients to secure their financial health, through service recovery, by trying to resolve issues immediately, through a philosophy of "you see it, you own it, you fix it", through the Standards of Behavior, through AIDET and through rounding. They strive for timely and accurate billing of patients' accounts, 95% of which are submitted electronically. In August of 2011 they submitted 12,017 claims in the amount of \$15,241,292.25, in September they submitted 11,340 claims in the amount of \$15,096,036, and in October they submitted 11,626 claims in the amount of \$14,397,146.86. Their work involves a lot of follow up with insurance companies on incorrect payments, referrals or authorizations, denials or accounts where no payment has been received. The Patient Accounts office must be in compliance with rules and regulations for all payers so they regularly review manuals and updates from insurance payers, they inform servicing departments of changes from payers, they change practices based on the newest rules and regulations and they educate patients when they are affected through the billing process. The department is also regularly involved in audits including Medicare audits through the Recovery Audit Contractors (RACS), Medicaid through Medicaid Integrity Contractors (MICS), and Comprehensive Error Rate Testing (CERTS) and Additional Documentation Requests (ADRs). The Patient Accounts office works closely with Patient Access to ensure a successful financial outcome for our Patients after insurance has paid making payment arrangements and financial assistance. When there are insurance issues, patients are referred to SHIBA (Statewide Health Insurance Benefits Advisors). They also meet regularly with Health Information Management, Patient Access, clinical departments and physicians to ensure accuracy throughout the revenue cycle.

### **Public Questions or Comments on Agenda Items**

There were none.

### **Quality and Patient Safety**

Teresa Fulton reported that the hospital will be hosting a pediatric nursing conference on January 28<sup>th</sup> which has been made possible by a generous donation from the Foundation. This class is open to nurses employed by the hospital district including those at the hospital owned clinics and depending upon enrollment may also be opened up to school nurses and private clinic nurses. The class size is limited to 55 and they already have 25 participants signed up.

### **Medical Staff Report**

#### **A. Chief of Staff Report**

Dr. Doug Langrock, Chief of Staff, presented the following medical staff reappointments:

Regina Currier, DPM	Active Staff Reappointment
Zachary A. Phelps, MD	Active Staff Reappointment
Thomas W. Harris, DO	Active Staff Reappointment

Commissioner Case made a motion, seconded by Commissioner Cammermeyer to approve the medical staff reappointments as presented. Motion carried. Dr. Langrock presented the following medical staff appointments:

Jaroslaw J. Kotlarczyk, MD	Provisional Courtesy Staff Appointment
Jordan S. Reichman, MD	Provisional Courtesy Staff Appointment

Commissioner Case made a motion, seconded by Commissioner Cammermeyer to approve the medical staff appointments as presented. Motion carried. Dr. Langrock presented the following Allied Health Professional reappointments:

Vicki R. Werve, ARNP	Allied Health Professional
Danhua K. Wallace, ARNP	Allied Health Professional
Thomas S. York, PA-C	Allied Health Professional

Commissioner Case made a motion, seconded by Commissioner Cammermeyer to approve the Allied Health Professional reappointments as presented. Motion carried.

### **Individual Items**

#### **A. Administrative Update**

Tom Tomasino reported that Linda Gipson has accepted our offer to become our new CNO and will be starting on December 19<sup>th</sup>. She has over 30 years of nursing leadership experience. He reported that Home Health scored at 100% for six consecutive months on two questions on the HCAHPS: "How well did we tell you about your care and services?" and "Were you able to get help or advice when you needed it?" He reported that two of our physicians are retiring: Dr. Terry Lee and Dr. Jane Mays. Dr. Lee is retiring and moving to Hawaii. He has made significant contributions to the hospital over the years and also served as Chief of Staff. Dr. Mays is also retiring. She will be missed because she was a stable force on the medical staff and was very professional and positive in all her interactions. She also served as Chief of Staff in the past. Dr. Langrock stated that both Dr. Lee and Dr. Mays will be missed. Both have served on the MEC and as Chief of Staff and both have been very active on the medical staff. They will both be missed. The medical staff has donated leaves on the tree of life in honor of them both. Mr. Tomasino reported that two new managers have joined the staff: Jody Levit in the Lab and Kristy Wilkins in Food & Nutrition. Joe Vessey reported that he had two capital requests to bring before the Commissioner for approval. Both of these requests are on the capital budget but both are over \$100,000 so need specific board approval. The first request is for the network upgrade that is needed for the Meditech project. The upgrade had been originally budgeted for \$750,000 but the actual cost will be much lower. The total cost for the equipment and the cableing is \$417,512 and there will also be some electrical improvements needed but we don't have the quote for that yet. It is expected to be about \$20,000. Mr. Vessey asked the Commissioners to consider approving a not to exceed amount.

Commissioner Wallin made a motion, seconded by Commissioner Cammermeyer, to approve the capital purchase for the network upgrade for an amount not to exceed \$450,000. Motion carried. Joe Vessey presented a capital request for cardiac monitors for the Emergency Department. The monitors will cost \$160,700.01 and there will be an additional amount needed for installing cables but we don't know that amount yet. The total should not exceed \$175,000. The Foundation and the Auxiliary will be reimbursing the hospital for the majority

of the expense and they are anxious to move forward. The Foundation will be contributing \$119,000 and the Auxiliary will be contributing \$30,000 for a total of \$149,000 for this project. Commissioner Cammermeyer made a motion, seconded by Commissioner Case, to approve the capital purchase for the cardiac monitors for the Emergency Department for an amount not to exceed \$175,000. Motion carried.

### **Board Items**

#### **A. 2012 Board Meeting Dates/Times**

President Tarrant stated that she would like to discuss the idea of moving the date and/or the time of the Board Meetings. She noted that we are one of the only public hospital districts to meet in the evenings. There was discussion about the pros and cons of meeting at different times. There was also discussion regarding not moving the date of the meeting in October due to the Columbus Day holiday. This is not a state holiday and is not a holiday for the hospital. Moving that board meeting to Tuesday night also affects attendance at the WSHA conference each year. Commissioner Cammermeyer made a resolution, seconded by Commissioner Case, to keep the board meetings on the 2<sup>nd</sup> Monday of the month even in October on Columbus Day. Resolution carried. Commissioner Cammermeyer made a resolution, seconded by Commissioner Case, to change the time of the Board Meetings in 2012 to 5:00 pm. Resolution carried.

#### **B. WSHA Annual Meeting Update**

President Tarrant suggested that the Commissioners share what they learned at the WSHA conference since they all attended different sessions. Commissioner Wallin stated that he enjoyed talking to commissioners from other hospitals in between the meetings. He found that they are also dealing with the same things that our hospital is especially when it comes to small groups or individuals attacking the hospital. There were also comments about Whidbey General from other commissioners wondering how Whidbey General survives being the lowest tax supported hospital in the state. Commissioner Case stated that he enjoyed listening to the open session speaker, Gus Lee, an anesthesiologist. His session was about bringing courage to leadership in uncertain times and his presentation centered on our core values. Commissioner Zaveruha stated that his take-home from the meeting was that there is no money even though the activities that hospitals are responsible for have increased. We have seen lack of funding for mental health in the past and that is now creeping into all of healthcare. He noted that the Critical Access status is one swipe of a pen away from disappearing. He also noted that this is a decade of mergers, acquisitions and partnerships for hospitals. President Tarrant stated that there were several sessions on legislation and budget cuts and none of it was good news for both hospitals and public health. Commissioner Cammermeyer stated that we need to have a discussion with our citizens about increasing the hospital levy. We are at 9 cents per thousand and will be the lowest in the state in 2012. Commissioner Case noted that ideally it should be at 30 cents or more per thousand. Commissioner Zaveruha stated that in the past when money was tight there would be minor changes made in clinical practices but in the last 18 months there have been real consequences. People are avoiding coming in, not only those without jobs, but also those who have jobs but are afraid they might lose them if they take time off for a healthcare procedure. We are starting to see changes in people's behavior even to the point where people are using ambulances for primary care. People show up at the ambulance quarters and ask the paramedics to check on them. President Tarrant stated that it is important to keep in contact with the legislature. One person can have an impact.

### **Staff and Status Reports from Administration**

#### **A. Administrator's Report**

Tom Tomasino highlighted the STAR winners from the 3<sup>rd</sup> quarter: Line Goulet from the MAC, Megan Manker from Diagnostic Imaging, Katherine Riddle from the Life Center, and Kitty Stewart from Patient Accounts.

#### **B. Financial Report**

Joe Vessey stated that there are a number of cuts from both the state and the federal government that will affect our hospital. The state has made a proposal to do away with the Critical Access program which would mean we would go from cost reimbursement to

prospective payment for Medicaid patients. This would have a 1.2 million dollar affect on our bottom line. The federal government also has a proposal to reduce the cost reimbursement for critical access from 101% to 100% for Medicare. This would have a \$300,000 impact on our bottom line. There are also other programs that they are talking about doing away with. September was a break-even month operationally. Cash declined by seven days between August and September due to some anticipated payments that were made in September including the Meditech down payment and STARK settlement. Net days in accounts receivable continue to be very favorable at 45 days. We were recently benchmarked against other hospitals and we compared very favorably in this area. Gross Revenues were 10% under budget for September and expenses were 3.5% under budget. The bottom line was a gain of \$7,995. Year-to-date gross revenues are 8% under budget and volumes year over year are flat. Year to date we have lost \$336,154. The 2012 budget will be taken to the Finance Committee at the end of November and should be ready to be presented to the Board in December.

**C. Review of Dashboard Report**

Tom Tomasino stated that we are still struggling with consistency in our delivery of care which is reflected in our patient satisfaction scores. When we read the comments that people write we still see the occasional negative comment, although we are seeing far more positive comments that reflect a genuine concern for our patients. There was discussion regarding AIDET and the need for specific training with physicians.

**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 #151741 and 151808 in the amount of \$11,984.64. 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 #151336 to #152254, and #2376 to #2398, excluding #151741 and #151808 in the total amount of \$5,495,996.90. Motion carried. Commissioner Cammermeyer made a motion, seconded by Commissioner Case to approve the write-offs for October in the amount of \$736,481.35. Motion carried.

**B. Approval of Surplus Sale Items**

Commissioner Cammermeyer made a motion, seconded by Commissioner Wallin, to approve the surplus items for sale as presented. Motion carried.

**Agenda Items for next Regular Board Session**

The items for the next board meeting included the following: update on physician AIDET, budget presentation, resolutions for board meeting dates and times in 2012, medical staff by-laws approval, and Hospice CON update.

**General Public Comments**

Les MacCormick of Oak Harbor thanked the Board of Commissioners and the Administration for the work that they do. He stated that this is the best group to work with.

**Adjournment**

There being no further business, President Tarrant called for a motion to adjourn. Commissioner Case made a motion, seconded by Commissioner Cammermeyer, to adjourn the meeting at 7:40m. Motion carried.