

medical services. Commissioner Wallin made a motion, seconded by Commissioner Case, to approve Resolution #321 as presented. Motion carried.

Board Items

A. Committee Reports

President Tarrant reported that Commissioner Wallin will present a report on the Building Committee and Commissioner Case will present a report on the Compliance Committee at the next Board Meeting.

Staff and Status Reports from Administration

A. Administrator's Report

1. Carolyn Pape reported that using the results from the Employee Satisfaction Survey the Administration Team has identified the areas where we would like to see improvement this year and they have begun work on that. She reported that at the last LDI a tool was developed to help managers identify employees as high, middle, or low performers. This tool will help create uniformity between departments so that all employees are evaluated the same way. She reported that we are beginning our third month of the Monthly Meeting Model (MMM). During this monthly meeting Managers and Coordinators meet individually with their Senior Leader to review the status of their LEM goals and action plans. These meetings will give consistency and accountability to the way Senior Leaders meet with Managers. The senior leadership team is also held to this standard as they meet with Tom Tomasino to discuss the same things. She also reported that negotiations are underway with WSNA for a new agreement. The hospital is represented by herself, Linda Gipson and an attorney. She noted that we have great respect for our nurses and the union and we want to reach a contract that is productive and fair to both parties. Once an agreement has been reached it will need approval by both the union members and the Board.
2. Hank Hanigan reported that some progress has been made on the Hospice Certificate of Need. The Department of Health has drafted a decision and that decision has now gone to the next level in the review process. We have not been told nor have we been able to find out through our consultant what that decision is. Mr. Hanigan reported that the first of six medication dispensing units is now on-site. It is programmed, stocked and functioning and we are in the process of training employees. This unit will be placed in the Emergency Department by the first week of April and then the rest of the units will be rolled out in various locations around the hospital.
3. Linda Gipson reported that the Nursing Strategic Plan that she presented at the Leadership Retreat is progressing on schedule. Currently her most important task is searching for great leadership for both the Emergency Department and Surgical Services. The Staffing Council meetings which are required by the law will kick off by the end of this month. These meetings are used to evaluate our staffing model and are a forum for nurses to bring their concerns about staffing. Both management and staff nurses are represented equally on the Staffing Council. Dr. Gipson reported that volumes have increased over the past several weeks but we are doing a good job managing those volumes and working collaboratively between the Emergency Department and Med/Surg. She reported that some of the other things that are happening in nursing include a new DME contract which has gone to Counsel for review, a new Value Analysis Team that will kick off towards the end of the month, ED charges have been reviewed and revised, and teams are being formed for the Meditech kick-off.
4. Tom Tomasino reported that for the past three years we have been focused on providing high quality care and an exceptional patient experience always and we have seen three straight years of improved employee satisfaction and improved patient satisfaction. However, last month we dropped the ball and our patient satisfaction scores dropped five percentage points which in turn dropped our percentile score by 20 points. This drop had nothing to do with quality but with our interaction with our patients. We

can't make excuses, we have to continue to be consistent and always provide high quality care and an exceptional patient experience. Mr. Tomasino reported that our CFO, Joe Vessey, will be leaving our organization for a new challenge. During his four years at Whidbey General he has accomplished many things including the financing and purchase of Whidbey General North, a reduction of Accounts Receivable days to the lowest in the state, increased cash on hand from 20 days to 50 days, helped resolve the PCA issue, secured financing for capital purchases, and led the selection of the EMR. He has done a tremendous amount for this organization. Mr. Tomasino thanked Mr. Vessey for the work he has done. Dr. Barrio noted that Joe Vessey has the absolute respect of the Medical Staff for everything he has done. Mr. Vessey stated that it has been a pleasure working with the Medical Staff, Administration and Board. All the Commissioners thanked Mr. Vessey for the work he has done and his dedication and service to the hospital.

B. Financial Report

Joe Vessey reported that cash increased by one day between December and January. He reflected that since coming to this organization we have added eight million to cash but have only increased debt by two million; we have been able to grow cash through an economic downturn. Accounts Receivable days continue to be very good at 42. He noted that when an outside firm looked at our accounts receivable performance we were at 46 days and we were told at that time that we were one of the best in the state. He is proud of the efforts that have been made there. Our census in January was 16.5 but a lot of our outpatient volume was down. Overall volume was down 7% from the prior January. Gross patient revenues were under budget by 8% or 1.4 million and expenses were over budget by \$152,000. The bottom line was excess revenue over expense of \$94,326 on a budget of \$226,125. The operating margin was 1.14% for the month. We still have a ways to go to reach 3%.

C. Review of Dashboard Report

Tom Tomasino noted that this will be the last time that this version of the Dashboard will be published. He reported that the variation in our patient satisfaction scores is reflected in the red on the dashboard. He noted that while the volume increased in January so did the FTE per adjusted occupied bed so we need to pay close attention to that. He noted that Teresa Fulton is looking into the readmit number, pulling each individual case to see what happened. Commissioner Case noted the 911 night scramble time is quite a bit higher and asked if that was an anomaly. Tom Tomasino stated that the number seemed curious to him but that was the number submitted by Roger Meyers. Mr. Meyers has not been available in order to confirm that number.

Education

Beth Stout, Patient Financial Services Director and Sue Bottorff, Health Information Management Manager, presented ICD-10. ICD stands for the International Classification of Diseases. ICD-10 is used in industrialized countries through the world except the United States where we still use ICD-9. The deadline for the United States to comply with ICD-10 is October 1, 2013 but because the changes are so complex that deadline may be pushed back by at least three months. The benefits to ICD-10 include space to accommodate future expansion, greater coding accuracy and specificity, worldwide alignment of coding to track and respond to international threats, higher quality information for evaluating and improving quality of care, and enhanced ability to meet HIPAA electronic transaction/code set requirements. ICD-10 will require substantial changes which will affect many systems, processes and people. The scope and complexity are significant and will require significant planning, preparation, training and organization-wide support. In 2006 it was estimated that this change will cost hospitals with less than 100 beds between \$35,000 and \$150,000. ICD-10 needs to be understood by coders, patient financial services leadership, Utilization Review and Care Management, Decision Support, QR, Trauma Registry, Tumor Registry, Physician Offices, and IT Leadership. Diagnosis codes for ICD-10 have three to seven characters or digits instead of three to five which allows for 69,000 diagnoses codes instead of 14,000. Procedure codes for ICD-10 have 7 alphanumeric characters instead of 3 numeric characters which allows for 72,589 procedure

codes instead of 3000. With ICD-10 each code tells a story. For the transition to ICD-10 preparation is the key. We need to determine if our existing systems will support us and move us into ICD-10, we will need to revise our forms and create cheat sheets since it will be impossible to memorize 150,000 codes. CMS has created a tool to assist hospitals with forward and backward mapping of data so that historical data will not be lost. This tool is called General Equivalence Mappings (GEMs) and it is available on the CMS website. Under ICD-10 coders are required to code to the highest degree of specificity but if the physician documentation is not adequate then it can't be coded and as a result physicians will probably see an increase in coding queries. All areas of the hospital will be affected by ICD-10 and will need training although some will need more intensive training than others. If we don't do this right then we will have an increase in claim rejections and denials, there will be an increase in delays in processing authorizations and reimbursement claims, improper claim payments, coding backlogs, compliance issues and decisions will be made on inaccurate data. An ICD-10 Task Force has been sanctioned by the Compliance Committee.

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 Case made a motion, seconded by Commissioner Cammermeyer, to approve vouchers #155294, 155406 and 155702 in the amount of \$8,318.46. Motion carried. 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 Case made a motion, seconded by Commissioner Cammermeyer, to approve vouchers #154877 to 155704, and #2442 to #2446, excluding #155294, #155406 and #155702 in the total amount of \$6,393.197.41. Motion carried. Commissioner Case made a motion, seconded by Commissioner Cammermeyer, to approve the write-offs for February in the amount of \$544,497.09. Motion carried.

B. Approval of Surplus Sale Items

President Tarrant called for a motion to approve the sale of surplus equipment as presented. Commissioner Wallin made a motion, seconded by Commissioner Case, to approve the sale of surplus equipment as presented. Motion carried.

Agenda Items for next Regular Board Session

There were none.

General Public Comments

There were none.

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 6:17 p.m. Motion carried.