

December 10, 2012

The regular meeting of the Board of Commissioners of the Whidbey Island Public Hospital District was called to order at 5:00 p.m. by Board President, Anne Tarrant. Present were President Tarrant, Commissioner Wallin, Commissioner Case, Chief Executive Officer, Tom Tomasino; Chief Financial Officer, Terry Litke; Chief Operating Officer, Hank Hanigan; Chief Nursing Officer, Linda Gipson; Chief Quality Officer, Teresa Fulton; Chief Human Resources Officer, Dana Ashcroft; Chief of Staff, Gabe Barrio, MD; Attorney, Dale Roundy; and several hospital staff.

Points of Order

President Tarrant stated Executive Session will be held tonight and is expected to last half an hour, and then reconvene.

Minute Approval

President Tarrant called for a motion to approve the minutes of the November 12 regular Board and November 26 Special Board Meeting. Commissioner Case made a motion, seconded by Commissioner Wallin, to approve all minutes with one correction in November 12 regular board meeting minutes. Motion carried.

Public Questions or Comments on Agenda Items

There were no public questions or comments on agenda items.

Quality and Patient Safety

No report.

Medical Staff Report

A. Chief of Staff Report

Dr. Gabe Barrio reported changes to Bylaws 3.3 Basic Responsibilities of Individual Staff members, each member of the medical staff shall:

- d) Abide by applicable federal and sate regulations and laws, including the Revised code of Washington (RCWs) and the Washington Administrative Code (WACs).
- e) Report incidents of issues with quality, patient safety, disruptive provider behavior and mandatory reporting events including those stipulated by current WACs and RCWs. Reporting can be informal to the involved department or to the chief quality officer or a formal process of submitting a PSN report, to the Quality Department, Medical Executive Committee or Peer Review. Commissioner Case made a motion, seconded by Commissioner Wallin, to approve bylaw changes. Motion carried.

Dr. Gabe Barrio reported the Medical Executive Committee would like to create an Anesthesia Committee. This committee shall be a standing sub committee of the Medical Executive Committee to review and look at quality and compliance in core measures. President Tarrant stated this approval needs to come after recommendation has been read twice for board to approve. Dr. Gabe Barrio will bring back to next Board meeting.

Individual Items

A. Administrative Update

Tom Tomasino, CEO reported that we are looking into rebranding our hospital and clinics. Tom stated a community assessment is very important and we need to have a market study done before the beginning of the New Year. Tom recommends the larger sample size of 400 for a fee of \$8,000 - \$10,000 dollars with GMA Research. GMA Research has performed many healthcare surveys over the past years. A motion was made by Commission Case and



seconded by Commissioner Wallin to approve GMA services for Marketing Research not to exceed \$10,000 dollars, motion carried.

Hank Hanigan, COO introduced David Larson, new Director of Home, Health and Hospice. David Larson stated he is thrilled to be here at Whidbey General Hospital. President Tarrant welcomed David Larson.

Hank Hanigan, COO reported the CT project is through the demo in all phases. We are moving along and awaiting final approval from Department of Labor and Industry. Hank stated we should have our first scan in January 2013.

B. CNO Update

Linda Gipson, CNO reported she and the Nurse Managers continue to work on the Strategic Plan, no other report.

C. Capital Requests

Hank Hanigan, COO reported we need to replace an ambulance due to high mileage. This is a standard item request in the amount of \$160,000 dollars to purchase a new ambulance. Commissioner Case made a motion to approve and seconded by Commissioner Wallin to approve the purchase of a new ambulance not to exceed \$160,000 dollars, motion carried.

Board Items

A. Resolution 332- 2013 Board Meeting Dates/Times

President Tarrant presented Resolution #332 for approval. The Board of Commissioners will meet on the 2nd Monday of the month in 2013. The meetings will begin at 5:00 pm. Commissioner Case made a motion, seconded by Commissioner Wallin, to approve Resolution #332 as presented. Motion carried.

B. Resolution 333 - Master Equipment Finance with GE

Terry Litke, CFO reported we would like to finance the Electronic Health Record through this Master Equipment Finance agreement with GE. Terry stated we can put the Fetal Monitoring onto this, at a later date. Terry stated the monthly payment would be approximately \$6,243 for the EHR. This could possibly change to a lower rate, and this will depend on the lock in date. The agreement will be \$308,000 to be paid over 60 months at 3.2%. Commissioner Case made a motion, seconded by Commissioner Wallin, to approve Resolution #333 as presented. Motion carried.

C. Hospital Bylaw Changes

President Tarrant reported Bylaw changes were mailed to each commissioner. President Tarrant called for a motion to approve changes. Commissioner Wallin made a motion, seconded by Commissioner Case to approve Hospital Bylaw changes, motion carried.

Staff and Status Reports from Administration

A. Administrator's Report

Tom Tomasino, CEO asked for any questions regarding Administrator's report, no questions.

B. Financial Report

Terry Litke, CFO reported gross patient revenues were at \$14,282,585 which was less than budget projections by 13.6%, or \$2.2 million. Operating expenses were over budget projections by \$2,648,762, or 38.2%. Salaries and wages were favorable to the budget by \$457,148



(13.2%) and employee benefits were also favorable to budget by \$482,509 (62.2%). Purchased services were more than projected in the budget by \$3,031,381, or 503% as a result of the

inclusion of the adjustment described in paragraph 1. Professional fees were over budget by \$166,131 (178%). YTD we have a negative margin of (\$155,512), which is a negative (.71%) operating margin. The Days Cash on Hand increased from 71.2 in September to 74.3 in October primarily the result of the property taxes which we received as planned at the end of October. This may change in December as a result of the December 1st LTGO loan payment of \$1.4 million. Days of Net Revenue in Receivables increased from 36.1 in September to 38 in October. The negative margin is due to a \$2.8 million year-to-date adjustment (primarily Physician Clinic expenses) that had not been reported in the hospital financial statements, identified through the reconciliation process. Due to the legal form of some of the hospitals legacy physician arrangements, there had been a separate reporting structure. After discussion with the Hospital Board of Commissioners in Finance Committee it was felt that it will present a clearer position of the district's financial health to report these expenses on a monthly basis going forward.

C. Review of Dashboard Report

Tom Tomasino, CEO reported the dashboard shows patient satisfaction is down. Tom Tomasino stated we are looking into how to improve them and he will give a report on patient satisfaction comments at the next board meeting.

Consent Agenda

A. Approval of Monthly Write-Offs and Vouchers

Vouchers audited and certified by the auditing officer as required by RCW 42.24.080, 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 President Tarrant, to approve vouchers #162572 to #163485, and #2860 to #2871 in the total amount of \$7,433,255.41 Motion carried.

Commissioner Case made a motion, seconded by President Tarrant to approve the Capital equipment vouchers for November in the amount of \$116,693.16 therefore the vouchers are approved for payment in the amount of \$7,549,948.57. Motion carried.

B. <u>Revisions of Monthly Write-offs and Vouchers- July, August and October</u> Revised Voucher approvals were made as follows:

1) July revised vouchers audited and certified by the auditing officer as required by RCW 42.24.080, 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 President Tarrant, to approve vouchers #159337 to #160042, and #2491 to #2793 in the total amount of \$7,165,525.57. Motion carried. 2) August revised vouchers audited and certified by the auditing officer as required by RCW 42.24.080, 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 President Tarrant, to approve vouchers #160043 to #160988, and #2794 to #2842 in the total amount of \$10,197,404.16 Motion carried. 3) October revised vouchers audited and certified by the auditing officer as required by RCW 42.24.080, 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 President Tarrant, to approve vouchers #161749 to #162571, and #2855 to #2859 in the total amount of \$6,685,428.84. Motion carried. Terry Litke, CFO stated the revised vouchers are adjustments due to dollar amounts that were reported as net instead of gross.



Agenda Items for next Regular Board Session

None

General Public Comments

No general public comments.

Executive Session

Adjourned to Executive Session at 5:51 pm.

The Board met in closed Executive Session pursuant to RCW 70.44.062 to hold proceedings and deliberations of the Board, its staff and agents, concerning the granting, denial, revocation, restriction, or other consideration of the status of the clinical or staff.

Reconvened

Returned to open meeting at 6:40 pm.

Medical Staff Credentialing

Dr. Gabe Barrio, Chief of Staff, presented the following affiliate staff reappointment: Robert L. Lycksell, MD

Affiliate Staff Reappointment

Commissioner Case made a motion, seconded by Commissioner Wallin to approve the affiliate staff reappointment as presented. Motion carried.

Dr. Gabe Barrio, Chief of Staff, presented the following courtesy staff reappointments:
Thomas O. Masten, MD
Courtesy Staff Reappointment
R. Mark Owings, DO
Courtesy Staff Reappointment
Elizabeth J. Hayes, MD
Courtesy Staff Reappointment

Commissioner Case made a motion, seconded by Commissioner Wallin to approve the courtesy staff reappointments as presented. Motion carried.

Dr. Gabe Barrio, Chief of Staff, presented the following courtesy staff appointment: Eric S. Price, DO

Courtesy Staff Appointment

Commissioner Case made a motion, seconded by Commissioner Wallin to approve the courtesy staff appointment as presented. Motion carried.

Adjournment

There being no further business, President Tarrant called for a motion to adjourn. Commissioner Wallin made a motion, seconded by Commissioner Case, to adjourn the meeting at 6:44 p.m. Motion carried.