



October 14, 2013

The regular meeting of the Board of Commissioners of the Whidbey Island Public Hospital District was called to order at 5:02 p.m. by Board President, Anne Tarrant. Present were President Tarrant; Commissioner Wallin; Commissioner Gardner ; Commissioner Cammermeyer; Commissioner Fey; 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 of Staff, Gabe Barrio, MD; Attorney, Dale Roundy; and several other hospital staff.

**Points of Order**

President Tarrant noted the board will move into executive session after General Public comments this evening for about 15 minutes.

**Minute Approval**

President Tarrant called for a motion to approve the minutes of the September 9, 2013 regular Board Meeting. Commissioner Cammermeyer made a motion, seconded by Commissioner Gardner to approve minutes. Motion carried.

**Education**

A) 20 Questions Every Board Member should be able to answer

President Tarrant reported they are embarking on the educational topic, “20 Questions Every Board Member Should Be Able to Answer”. Commissioner Gardner answered the first question: “What is the Fiduciary responsibility of the governing board?” Commissioner Gardner stated trust and confidence on our board is the first step we achieve. Commissioner Gardner stated trust and confidence in our board decisions is the first step we try to achieve. We need to worry about the actual as well as the perception. We are very open and try to be transparent and happy to explain when needed. Most boards are created from a business or financial background. Our first responsibility is for the board to be educated. The board attends the WSHA educational seminars and conferences. We benefit greatly from these meetings and we have a responsibility to the public to get educated. We assume the business financial decisions and help to guide the Chief Executive Officer. We monitor reports, attend committee meetings. The financial aspects are all part of the fiduciary responsibility and avoiding illegal activity. Making the decision to solve problems and use creative structure. We have to disclose any conflicts of interest due to integrity and correctness. The duty of obedience is we commissioners need to be faithful to the principal, the duty of oversight. We ask questions, because we are accountable. We adopt practical risk strategies. Commissioner Cammermeyer stated the difference between a public and a private governing board is the responsibility the board has to the community. Private boards are responsible to the shareholders. Commissioner Gardner stated we are responsible for making the policy decisions and rely on the administration to implement them. A point that we make is we make concurrent sessions so we can share with each other. President Tarrant thanked Commissioner Gardner for her answers. President Tarrant will report on question #2 at the next board meeting.

**Public Questions or Comments on Agenda Items**

Larry Eaton stated he admires the board and all the work they do for our community. Larry Eaton stated he has a few questions and concerns about being informed on agenda items before the meetings occur. Larry Eaton recommended to get out more information by televising the meetings and then posting the meetings online and to include any actions that were taken. Larry Eaton stated his question to the board is are you going to give thought to providing the draft minutes to the public before they are approved. President Tarrant reported the policy of the draft minutes is to be approved first and then posted to the public. President Tarrant stated they will discuss Mr. Eaton’s recommendation at the next Leadership Retreat.

**Quality and Patient Safety**

1) Teresa Fulton, CQO reported our practice management group has met and completed our governance charter. We are researching a name for the charter and have created a provider evaluating tool; based on four metrics. This will upgrade our Patient safety net. Teresa Fulton,





- o Belinda Hawkins, Nursing Administration, 30 years
- o Daniella Sibon, Nutrition & Food Service, 30 years

Commissioner Gardner stated this is impressive. This is an average of 11 years per employee and Whidbey General Hospital was voted the best place to work. Commissioner Fey stated the island is a military based income area and this is even greater to have employees stay this length of time, very impressive.

B. Capital Requests

1) Hank Hanigan, COO reported we would like to move forward with the sale of two properties and we are asking for approval to hold a public hearing. President Tarrant noted if this house was deeded to the hospital foundation the legalities would be fewer and easier to liquidate. Commissioner Gardner made a motion, seconded by Commissioner Fey, motion carried.

2) Hank Hanigan, COO reported the OR Governance committee has been asking for a new C-ARM for quite sometime. The current C-ARM is 15 years old and we did buy this used 3 years ago. In 2012 we used the C-Arm over 300 times in the operating rooms. Judy Hadam, Interim DI manager has researched three companies and found the Ziehm model the one to move forward with. We are recommending the Ziehm model to purchase for no more than \$140,000. This includes a new C-ARM with features including less radiation, faster procedure time, and image quality is higher. It is upgradeable if we need to in the future for vascular surgery. We are asking for approval to bring to the board. Tom Tomasino, CEO stated we would like approval to purchase when our cash flow is sustainable. Commissioner Gardner made a motion, seconded by Commissioner Cammermeyer to purchase the Zeam model C-ARM for no more than \$150,000, motion carried.

3) Hank Hanigan, COO reported we need to replace the MAC floor and this is on the 2014 budget. The MAC floor has been deteriorating and the floor has separated the vinyl from the cement and needs to be replaced. We have found a company that will replace the floor and guarantee their floor for 10 years. They are willing to do this for \$50,000. This is a very visible sign to patients that needs to be replaced. Commissioner Gardner made a motion, seconded by Commissioner Cammermeyer, motion carried.

C. Breast MRI request

Dr. Robert Hawkins reported that he is very happy to announce a complete breast MRI program has been ordered, which includes; a custom table, a coil and a CAD system to interpret and biopsy. Dr. Robert Hawkins thanked the Sebo family and the many others for their donations. We have support from Dr. Porter who is moving to Coupeville and he has volunteered his time in getting us where we are today. President Tarrant thanked Dr. Porter and Dr. Hawkins.

Judy Hadam, Interim Diagnostic Imaging manager reported she has been a manager for a combined total of 25 years in diagnostic departments and stated she has been through a breast MRI implementation in the past and is looking forward to helping with this implementation. President Tarrant stated the board is very appreciative to the community for all their efforts. Hank Hanigan, COO reported the foundation has done an incredible job and raised all the funds for the Breast MRI which is approximately \$280,000. We are asking to move forward to purchase the Breast MRI equipment. Commissioner Gardner made a motion, seconded by Commissioner Cammermeyer. Motion carried for purchase not to exceed \$280,000.

D. Inter-local Agreements

Hank Hanigan, COO reported we have three EMS agreements that are up for renewal: Central Whidbey Island Fire and Rescue; City of Oak Harbor; and South Whidbey Fire. President Tarrant reported the agreements were looked over by the Finance committee as well. Commissioner Gardner made a motion, seconded by Commissioner Cammermeyer to approve all three inter-local agreements. Motion carried.



## **Board Items**

President Tarrant reported the Washington State Hospital Association (WSHA) 81<sup>st</sup> annual conference will be held October 15 through October 17 in Seattle. Commissioner Wallin reported the next Building Committee will be held on November 22.

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

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

Tom Tomasino, CEO asked for any questions. No questions.

### **B. Financial Report**

Terry Litke, CFO reported the operating expenses were over budget by \$717,000, with a loss of (\$184,000), which was \$25,000 over budget. Areas over the most were supplies, driven by increases in surgeries, and physician fees as we continued to use locums hospitalists and a locums general surgeon, and employment agency fees which are scheduled to see reductions in several departments. Cash on Hand was at 5.3 days. Normal net AR is less than 40 days, but with the Meditech billing delays it is up to 68.3 days, which is causing a cash flow issue. In looking at AR aging and forecasting to the end of the year, it is likely that we may add \$500,000 or more to our current loss, but we should also be able to add cash back to our reserves. Projecting forward we should start seeing some increase in billings in September and by the end of March of next year we anticipate to have all the delayed billings caught up. Notable items for August were that salaries and wages are under budget, after deducting employment agency expenses, and our surgery volumes were the greatest in five years.

### **C. Review of Dashboard Report**

Tom Tomasino, CEO reported we are improving and we are on way to the mid-80<sup>th</sup> percentile. We have been focusing on patient satisfaction and we are achieving our goals. President Tarrant reported the trend of the numbers is going up. Tom Tomasino, CEO reported the SIM lab is very educational in reintroducing patient satisfaction to our staff. Linda Gipson, CNO reported the interaction with the SIM lab and staff is amazing and we should see an improvement in patient satisfaction scores quickly.

## **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 Cammermeyer made a motion, seconded by Commissioner Fey to approve vouchers #171710 to #172513 and #3094 to #3098 in the total amount of \$8,009,947.30. Motion carried. Commissioner Cammermeyer made a motion, seconded by Commissioner Fey to approve the Capital equipment vouchers for July in the amount of \$0.00 therefore the vouchers are approved for payment in the amount of \$8,009,947.30. Motion carried.

## **Agenda Items for next Regular Board Session**

President Tarrant stated the board needs to prepare for Question #2 in the 20 question topic.

## **General Public Comments**

Larry Eaton reported he has been listening to the presentations and capital requests. Larry Eaton asked if the Finance Committee is open to the public and Larry stated his second concern is making sure we are getting bids for equipment and taking the lowest bid.

President Tarrant reported the Finance Committee is a closed hospital meeting and we definitely watch for the lowest bid for equipment.

## **Executive Session**

President Tarrant stated they will take a short break at 6:36 pm and move into executive session when returned.

Moved into Executive session 7:12 pm.

## **Adjournment**

There being no further business, President Tarrant called for a motion to adjourn. Commissioner Gardner made a motion, seconded by Commissioner Cammermeyer to adjourn the meeting at 7:16 pm, motion carried.