



November 14, 2013

A special Leadership meeting of the Board of Commissioners of Whidbey Island Public Hospital District was called to order at 8:16 a.m. by Board President Anne Tarrant at the Best Western Hotel in Oak Harbor, Washington. Present were Board President Tarrant, Commissioner Wallin; Commissioner Fey; Commissioner Gardner; Commissioner Cammermeyer; Chief Executive Officer, Tom Tomasino; Chief Financial Officer, Terry Litke; Chief Operating Officer, Hank Hanigan; Chief Quality Officer, Teresa Fulton; Chief Nursing Officer, Linda Gipson; Chief of Staff, Dr. Gabe Barrio; Chief of Staff Elect: Dr. Robert Hawkins, Dr. Doug Langrock; Chief of Surgery, Dr. Michael Picco; Chief of Peer Review, Dr. Steve Hunnel; Chief of Credentials, Dr. Robert Wagner; Emergency Department Medical Director, Dr. Brendan Hansen; Dr. Robert Burnett, Medical Staff; Dr. Christopher Bibby, Medical Staff and Public Relations Coordinator, Trish Rose; Dr. Lee Roof, Medical Director; Tom York, Medical Staff; Dale Roundy, Attorney.

Welcome Call to Order

President Tarrant called the retreat to order at 8:16 a.m.

Agenda Review/Goals for Retreat

President Tarrant stated the purpose to gather at this retreat is to start 2014 in a positive manner as a team. We celebrate the passing of the bond and now we need to work as a team. We share a common goal to make the hospital a wonderful place for well being and we need to work together. President Tarrant thanked everyone for their time today and reiterated the underlying theme is working as a team. We are about Service, Patients and Peers. We have standards to abide by; which include respect, teamwork. We are one team, one purpose, caring for you. President Tarrant stated we have had behind the scenes discussions in Medical staff and you can not improve on issues if you do not know there are issues. We need to be aware of issues and so does our CEO, in order to solve them; if we engage as a team these issues will soon be corrected. Your board is here to help and guide the administration, but there are mechanisms and rules. If more than two board members are gathered it is considered an open public meeting. If you need something brought to the board, go through the Chief of Staff and he can bring your concern to the board. Thank you for being here and we are here to share ideas and move forward as a team.

Separately Together (communication)

Tom Tomasino, CEO reported we have talked about moving forward for the last five years. Tom Tomasino, CEO stated he has asked before if you want to be leaders. At the last leadership retreat the question was asked if we can move forward together as a team. You can not hold standards to only one, it has to be the team and we need to be focused. We are directors of a healthcare system; to the community and we are responsible to them. We need to be consistent and support one another to move forward. Commissioner Gardner stated she has been here since ground broke for WGH and she has a keen interest and the community called her to be on the board. Commissioner Gardner stated she has listened to a lot of people discuss how the last five years the hospital has shown teamwork and togetherness. Tom Tomasino, CEO stated communication is important and the lack of communication results in wrong information being perceived. We need to work together. Dr. Robert Burnett stated we do have miscommunication and we need to communicate more; physicians and administration. Dr. Robert Burnett stated he has met with Tom Tomasino, CEO every



month for years. We need to follow procedure and discuss issues and solve them together.

Dr. Robert Wagner reported the Meditech implementation and the financial problems caused by the implementation should bring us together as a team and get the issues solved together. Communication from staff needs to be positive and strong communication to move forward, accepting criticisms and moving forward with good structure. President Tarrant and other members agreed the MEC needs to be more involved and communicate to administration. Dr. Brenden Hansen stated the MEC will take these questions into consideration and the MEC will have better direction as a medical staff.

Dr. Paul Zaveruha arrived 9:47 am.

Chief of Staff, Dr. Gabe Barrio stated he will bring back needs to incorporate to the MEC; such as a communication tree to the next MEC meeting on December 3rd at 7:00 am.

Adjourn to Break at 10:43 am

Reconvene at 11:00 am

Round Table

Dr. Nicholas Perera proposed a Chief of Staff report every month and in the first edition would be the communication tree of who to report to. This will help with communication.

Dr. Robert Wagner agreed that a monthly letter is a great idea and introducing new managers at the Medical Executive meeting would be a great idea.

Dr. Douglas Langrock shared that having new manager information on the website would be good for physicians to put a face to as well.

Commissioner Cammermeyer and Trish Rose agreed more information out to the public and community is a great way to improve communication.

Linda Gipson, CNO joined the meeting at 11:42 am.

Tom Tomasino, CEO stated we need to work together to get information out to the community and work as a team. President Tarrant reported Tom Tomasino, CEO deeply cares about the Healthcare here on Whidbey Island and the communication to our community is key. Dr. Christopher Bibby agreed that we need a strong CEO right now and Tom Tomasino is the right person for this job and he looks to the future as being positive.

Strategic Assessment

a) Branding – Trish Rose reported we are the primary healthcare system on the island and now we need to become something else for our community. We need a strong brand name. With a few simple steps, the members discussed the following:

- Focus on what sets us apart and makes us unique, our location, etc.
- An image, what image reflects that, feelings and the perception.

Trish Rose stated we are not just a general hospital anymore we are more, we have more to offer with our clinics and specialties. Linda Gipson, CNO stated we have a fully integrated healthcare organization and we need this to be a focus of the brand name. Open discussion regarding branding and name.

Adjourn to lunch at 11:44 am

Reconvene at 12:42 pm

b) Financial - Terry Litke reported our volumes on the inpatient and surgery side remain higher than normal, while overall outpatient departments are down. We have some departments such as rehab and lab that have seen significant volume decline; those departments are moving to identify and address issues that may be affecting



physician confidence and patient access. Net operating revenues for September were favorable by \$29,000, operating expenses, on the other hand were over budget resulting in a loss of about (\$590,000). The areas of concern remain to be Employment agency, Physician fees and supplies. These line items are being addressed where we can, as the need to staff during illness and continued Meditech implementations remains. Our supply costs are being driven by increased surgical volumes and inpatient census and should be offset by the revenue generated by caring for more patients. Our cash on hand declined 2.4 days in September, at go-live it was approximately 40. Normal net Accounts Receivable is less than 38 days, but Meditech billing delays have it up to 65.3 days. These factors have negatively impacted our cash flow issue and are very much contributing to a year to date loss of \$4,504,908. Tom Tomasino, CEO stated with the new system it took awhile to get financial reports and we are going through them line by line. We are focusing on capturing the revenue. We are making significant improvements. Our inpatient volume is currently very high. Teresa Fulton, CQO reported we are being driven by Healthcare reform and if we do not meet meaningful use we will be penalized. In March we should be able to meet meaningful use.

c) Bond/Building – Terry Litke, CFO reported we are working with Piper Jaffrey who will get pricing for the bond and then this will go to initial investors. Terry Litke, CFO reported our financial statements for the last few years are being rated by Moody's for our bond rate. Next week they will decide on the final rating. After the final offering statement, they will estimate the bond and by December 16 they will be sold and then it would come to our bank. We want this set before the end of the year so we can get this on the 2014 property tax and it may be slightly less than we projected. 5.28% now and it may come down to 5.25. Tom Tomasino, CEO stated the Building committee is being led by Commissioner Wallin; the next meeting will be on November 18. If any physicians would like to join please contact Commissioner Wallin or Tom Tomasino, CEO. Commissioner Wallin stated it will be about 6 months before we get everything going. Terry Litke, CFO reported we are hoping that the contractors will be able to propose savings. Commissioner Wallin stated we would like to have the design build. We do not pay over what we state. Keith Mack reported he will keep the public informed on each step to our new wing. Tom Tomasino, CEO stated we will have updates and President Tarrant stated we will be very transparent. Commissioner Wallin stated we have a green team member on the Building Committee to help keep cost down.

d) Do our services meet community needs – Tom Tomasino, CEO asked the leadership group if they think we need to add any services. Commissioner Gardner is pleased with the new Hospice services. Linda Gipson, CNO stated part of the certification process for Hospice Care is to follow through with eight patients to receive certification. The financial integrity is complex and we will have the accreditation soon. The palliative care admissions last month were two patients and we need more in order for Medicare to cover. We hope to present to the medical staff meeting in December. Tom Tomasino, CEO thanked Hank Hanigan, COO for his hard work in the beginning and we have recently split Home Health from Hospice. This is a separate Hospice program that conforms to the Medicare policy. Linda Gipson, CNO reported our island county community health assessment is we do a fair amount of outreach, but we only have one educator. The mental health issues are tremendous and chronic pain is also another need on the island. We need to look at these services in the future. There are no mental health beds in the county. Linda Gipson, CNO stated heart disease is another area we need to be focused on.



Dr. Robert Burnett left at 1:15 pm

Linda Gipson, CNO stated our new hospitalist group is Sound Physicians. Tom Tomasino, CEO stated we are focusing on the outpatient services, but we have to stay a critical access facility and that is the fine line we can not afford to have a bed taken away. Dr. Steve Hunnel stated a lot of women would like to know that their healthcare will be all in one place; this is something we need to publicize. Linda Gipson, CNO stated endovascular is another service we need to look at. Commissioner Wallin stated that podiatry is another service that we need to look at. Commissioner Cammermeyer stated radiation therapy for cancer patients is a service needed and renal disease is another service that we need. President Tarrant thanked everyone for their service need recommendations and adjourned for a ten minute break 10:43 am.

e) Navy - Tom Tomasino, CEO reported they have met with the Navy about moving forward and the meeting subject was ED triaging and procedures. Any agreements would have to go through the board and also the federal government.

President Tarrant adjourned for lunch at 11:44 am

President Tarrant called the meeting back to order at 12:48 pm.

Challenges and Opportunities in 2014

Tom Tomasino, CEO stated we have accomplished a lot over the past five years and asked the leadership group to review the strategic plan and please send any changes or additions to Tom Tomasino, CEO or President Tarrant. Commissioner Gardner stated she recommends an early February Leadership Retreat meeting and the leadership group agreed. Date and time will be sent out in a later email.

Tom presented the Vision Statement and asked leadership group to look at the highlighted words in the statement. President Tarrant stated we have come along way and we need to keep the vision statement in mind.

Discussions for Next Meeting

President Tarrant stated they will review any changes or additions at the next Leadership meeting.

Closing Remarks

President Tarrant thanked all attendees for their time today.

Adjournment

There being no further business, President Tarrant called for a motion to adjourn. Commissioner Gardner made a motion, seconded by Commissioner Fey, to adjourn the Leadership meeting at 2:32 pm. Motion carried.