

March 12, 2007

The regular meeting of the Board of Commissioners of Whidbey Island Public Hospital District was called to order at 6:07 p.m. by Board President, Roger Case, M.D. Present were Commissioner Case, Commissioner Zaveruha, Commissioner Schoenknecht, Commissioner Saugen, and Commissioner Miller. Chief Executive Officer, Scott Rhine, Chief Operating Officer, Tom Tomasino, Chief of Staff, Dr. Chris Bibby, Dale Roundy, Esq., Dr. Mark Borden, Trish Rose, Carolyn Pape, John Bitting, Paul Boring (WNT), and Mary Pierzchala were also present.

President Case asked if there were any points of order to discuss, of which there were none.

Minute Approval

Minutes from the February 12, 2007 regular Board meeting, and the February 23, 2007 special Board meeting were approved as presented in a motion by Commissioner Saugen, seconded by Commissioner Miller. Motion carried.

Educational Presentation – Overview of Advisory Board Educational Meeting, Seattle, Washington, February 26-27, 2007. “The Hospital of the Future” Summary by Scott Rhine -

Mr. Rhine noted that this was a timely meeting, with four booklets reviewed and a large amount of data presented about trends that have been studied nationally, mostly in larger hospitals, but there were some ideas helpful to smaller hospitals as well. The Board and John Bitting requested copies of these materials. (See Board Attachments)

Medical Staff Report

Dr. Chris Bibby, Chief of Staff presented the following medical staff appointments and reappointments for approval:

Robert D. Wagner, M.D. – Active Staff Reappointment

James D. Livermore, M.D. - Active Staff Reappointment

Commissioner Saugen made a motion, seconded by Commissioner Miller to approve the Active Staff Reappointments as presented. Motion carried.

Zrinko G. Petrak, M.D. – Affiliate Active Staff Reappointment

Commissioner Saugen made a motion, seconded by Commissioner Miller to approve the Affiliate Active Staff Reappointment as presented. Motion carried.

Michael D. Sible, M.D. – Courtesy Staff Appointment

Peter YZ Jiang, M.D. - Courtesy Staff Appointment

Alfonso V. Masangkay - Courtesy Staff Appointment

David A. Atkins, M.D. - Courtesy Staff Appointment

E. Scott Casselman, M.D. - Courtesy Staff Appointment

Arthur A. Castagno, M.D. - Courtesy Staff Appointment

Elizabeth J. Hayes, M.D. - Courtesy Staff Appointment

John R. Overbeck, M.D. - Courtesy Staff Appointment

Jeffrey D. Robinson, M.D. - Courtesy Staff Appointment

Commissioner Saugen made a motion, seconded by Commissioner Miller to approve the Courtesy Staff Appointments as presented. Motion carried.

Helene W. Lhamon, M.D. – Active Staff Appointment

Mahesh S. Mulumudi, M.D. - Active Staff Appointment

David G. Westman, M.D. - Active Staff Appointment

Robert B. Osnis, M.D. - Active Staff Appointment

Commissioner Saugen made a motion, seconded by Commissioner Miller to approve the Active Staff Appointments as presented. Motion carried.

Dr. Bibby announced Dr. Barrio would be the new Chief of Medicine, replacing Dr. Andy Glass who will be leaving soon.

Dr. Bibby also talked about the continuing discussions regarding outpatient physician laboratory services, with additional discussion on this at the March medical staff meeting. The medical staff recommended that hospital administration evaluate the feasibility of adding electronic interface capability with laboratory testing and physician office systems. Dr. John Hoyt, Northwest Pathology leader at Whidbey General Hospital, will meet with Administration this week to discuss alternatives for

providing greater and more competitive physician outreach services. Administration is preparing an analysis report for the medical staff meeting in April.

Quality and Patient Safety

This was deferred to the next meeting. Arlene Johnson, Director of Quality, will present the hospital's annual report and quality story.

Individual Items: (Discussion and/or Action)

A. Building and Planning Committee Recommendation for Master Planning and Programming Contract – Mr. Rhine reported that with the help of the Ritter organization, the Building and Planning Committee sent requests for proposals to interested regional and national planning architectural firms. Twenty-nine companies inquired and eight companies ultimately submitted proposals. The initial proposals were scored by committee members using a scale of 1-70 points. Three companies were selected through this phase of the project. These included Clark Kjos Architects, Mahlum Architects and Kurt Salmon Associates/Heery HLM Design. On March 1, 2007 these three companies were interviewed by the Building and Planning Committee and an additional thirty scoring points were possible, based upon the interview. After considerable discussion, the Building and Planning Committee is recommending that the firm of Kurt Salmon and Associates (KSA) be chosen to do the programming and master planning. KSA is planning on completing the project in 5.5 months utilizing approximately 958 hours of consultant staff time. Their total cost is projected at \$179,578. Most of the consultation time will be spent in the planning area (as opposed to the engineering disciplines such as structural, mechanical, and electrical). The other two proposals came in at \$317,785 and \$82,385 respectively based upon varying hours and average hourly rates. The Building and Planning Committee felt this proposal was especially good as it focused on data based planning, organizational financial capacity, and future flexibility, and not the design of the building. (This would come later.) Mr. Rhine noted the interviews really made the difference in the selection. Mr. Rhine also noted that \$150,000 is budgeted for this process. After review and discussion, Commissioner Miller made a motion, seconded by Commissioner Schoenknecht to approve KSA/Heery-HLM Design for the master planning and programming contract. Motion carried. Compliments to Ritter Construction for their work on this.

B. Ratification of Collective Bargaining Agreement with Professional and Technical Employees (UFCW Local 21) – Carolyn Pape, Human Resources Director, presented a summary of the proposed changes to the collective bargaining agreement between the hospital and professional and technical bargaining unit of UFCW Local 21. Administration feels the contract is fair and appreciates the efforts of both staff and management to come to a relatively quick agreement. This contract was ratified by the employees. With no further discussion or questions, Commissioner Schoenknecht made a motion, seconded by Commissioner Miller to approve the contract as presented. Motion carried.

C. Conceptual Approval of Purchase of Bayview Property Subject to Legal Review and Negotiation for South Whidbey EMS Station – Mr. Rhine reported that he and Doug Bishop and Dale Roundy held a conference call with Goosefoot and attorneys from Foster Pepper. After discussion, Commissioner Saugen made a motion, seconded by Commissioner Schoenknecht, with Commissioner Zaveruha recusing, to conceptually approve the purchase of the Bayview property subject to legal review and negotiation for the South Whidbey EMS Station. Motion carried.

D. Approval of Critical Access Hospital Responsibilities for CEO Policy – Commissioner Miller made a motion, seconded by Commissioner Schoenknecht to approve the policy "Hospital Administrator/CEO Responsibilities for Critical Access Hospital". Motion carried.

E. Follow-Up Discussion and Actions Regarding Organizational Succession Planning – This agenda item was tabled for a future meeting. The timeline for the long-range strategic plan was presented for review. Mr. Rhine noted that the 100-day goals and objectives would continue to be used. The long-range strategic plan will encompass five years and tie in with the master planning being undertaken by KSA. The medical staff component is still needed.

F. Approval of Board Committee Roles and Responsibilities Policy – There was extensive discussion regarding the proposed policy and the implications for the Board and Administration. A motion was made to change the wording in the policy to reflect the following:

Initial Wording: "Committees cannot and should not do the work of the full Board. Committees, with the exception of an Executive Committee, have no authority; hence they do not make decisions

as such. Rather, they make recommendations to the Board.”

Proposed Wording: “Committees cannot and should not do the work of the full Board. Committees, ~~with the exception of an Executive Committee~~, have no authority; hence they do not make decisions as such. ~~Rather, they~~ They may make recommendations to the full Board, or to the CEO when appropriate.”

(The discussion entailed whether or not a Board member could use undue influence in making a recommendation to the CEO.)

After discussion, four Commissioners voted to approve the amendment and then Commissioner Case made a motion to approve the policy statement “The Role and Responsibilities of Board Committees”. This was seconded by Commissioner Miller. Commissioner Zaveruha voted against approval, while the other four commissioners voted to approve the policy. Motion carried. (Commissioner Zaveruha clarified that the specific alteration of policy he voted against was the addition of the statement in the policy that allows a committee of the Board to directly make recommendations to the CEO without approval of the entire Board. Commissioner Zaveruha stated that he did not oppose the original intent of the policy that committee recommendations should be made to the full Board membership).

Staff and Status Reports by Administration

Administrator’s Report – Mr. Rhine reported that the Department of Health survey went well. This was a licensing survey only, with a Critical Access survey yet to come. The surveyors were very thorough, talking with both patients and staff. Six deficiencies were cited to include: 1) tamper resistant plugs at North Whidbey Community Clinic 2) light fixed on exit sign at South Whidbey Community Clinic 3) sprinkler heads painted over in Whidbey Family Birthplace 4) policy needed in the Emergency Department to dispense contraceptives for sexual assault cases 5) anesthesiology checklists not complete in OR charts 6) leadership needs a policy to deal with unacceptable physician behavior. Work is already underway to correct these.

Dashboard Report – There was a correction noted for the operating margin in January, 2007 on the Dashboard report – it should have been 4.8%.

Board Items

A. **Board Retreat** – The next Board Retreat will be Friday, May 18, 2007 from 9:00-3:00 to mainly discuss the hospital’s finances. Commissioner Schoenknecht will be out of town on that day, but is willing to be on the phone for the discussion. Location of the retreat will be determined. Mr. Rhine, Doug Bishop, and Frank Hemeon will formulate a list of topics to be discussed by mid-April.

B. **Board Self Evaluation** - President Case noted that there are issues around this evaluation that need to be discussed at some point, however it was tabled for tonight’s meeting.

Public Questions or Comments

There were none.

Consent Agenda Items:

1. After review and discussion, Commissioner Saugen made a motion, seconded by Commissioner Miller to approve the write offs as presented in the amount of \$378,075.82. Motion carried.

2. 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 Schoenknecht made a motion, seconded by Commissioner Saugen to approve vouchers #102518 and #102565 in the total amount of \$11,177.16. 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 Schoenknecht made a motion, seconded by Commissioner Miller to approve vouchers #1001 to #1012, #102294 to #103132 excluding #102518 and #100565, in the total amount of \$4,378,486.82. Motion carried with all commissioners voting.

There being no further business or public comments, the meeting was adjourned at 8:50 p.m.