

February 9, 2009

The regular meeting of the Board of Commissioners of Whidbey Island Public Hospital District was called to order at 6:00 p.m. by Board President, Roger Case, M.D. Present were President Case, Commissioner Zaveruha, Commissioner Wallin, and Commissioner Cammermeyer. Commissioner Tarrant was on speaker phone. Interim Chief Executive Officer, Tom Tomasino, Chief Financial Officer, Joe Vessey, Dale Roundy, Esq., Chief of Staff, Bruce Waterman, M.D., and many hospital and medical staff, as well as community members were present. Reporters from the Whidbey News Times and Whidbey Examiner also attended.

Mr. Jim Riney of Riney Productions was present to electronically record the meeting.

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

#### **Minute Approval**

Commissioner Cammermeyer proposed revisions to the January 12, 2009 minutes, page 7, item C under Board items, regarding Board committee assignments – Commissioner Cammermeyer is to be on the Building Committee, not Commissioner Zaveruha as stated. Also on page 11, second paragraph under Finance Report the following sentence was added: "Attorneys Jim Fredman and Steve Ortquist are assisting with these matters." Commissioner Wallin made a motion, seconded by Commissioner Zaveruha to approve minutes from the January 12, 2009 regular Board meeting with proposed revisions. Motion carried. Commissioner Wallin made a motion, seconded by Commissioner Zaveruha to approve the January 21, 2009 special Board meeting minutes as presented. Motion carried.

#### **Public Questions or Comments**

Laura Blankenship, taxpayer from Greenbank, stated that it is hard for the audience to hear the Board, so asked that they please talk louder.

Susan White, hospital employee in Lab (formerly a CCU tele clerk) stated that there are a lot of rumors in the halls regarding Dr. Zaveruha being "evicted" from being head of EMS. Ms. White stated that she has worked closely with Dr. Zaveruha on patient transfers over the years, and that he is very much an advocate of the patients and the hospital. She further stated that Dr. Zaveruha has taken a lot of personal abuse, and that he "wears it well". In her opinion, he is a man of great integrity.

Dr. Thom Vader stated that he has also heard these same rumors, and asked if Dr. Zaveruha's tenure was an agenda item tonight. Dr. Vader noted that he started as the first director of the EMS program here, and could no longer deal with all of the regulations. Dr. Zaveruha picked up the directorship from Dr. Vader and has built an incredible system, is on call 24/7 and always puts the patients and hospital first. Dr. Vader supports that Dr. Zaveruha continues as the medical director of the hospital's EMS program. President Case indicated that this was not an agenda item tonight.

Dr. Wendy Tong asked what the adhoc surgery committee was, and what the purpose and goals of this committee were. Tom Tomasino indicated that this committee was formed in response to surgery department personnel coming to a Board meeting asking to be heard, and for issues in the surgery department to be addressed. The committee met for a couple of months, was a large committee, and was not getting enough accomplished. With the resignation of Dr. Outlund as surgical services medical director, it was decided to end the large committee meetings and to form a smaller oversight committee. Dr. Tong inquired if Dr. Outlund's directorship would be replaced, with Mr. Tomasino indicating that it would not, but that the oversight committee would provide leadership in the department. This committee will consist of physicians, administration, and nursing leadership.

#### **Report from Adhoc Surgery Committee**

No report.

#### **Quality and Patient Safety Report**

No report.

#### **Medical Staff Report**

Dr. Bruce Waterman, Chief of Staff presented the following appointments and reappointments for approval:

Wendy W. Tong, M.D. – Active Staff Reappointment

Thomas B. Vader, M.D. – Active Staff Reappointment

Robert J. Burnett, M.D. – Active Staff Reappointment  
Gabriel W. Barrio, M.D. – Active Staff Reappointment  
James D. Livermore, M.D. – Affiliate Active Staff Reappointment  
Friedrich C. Loura, M.D. – Courtesy Staff Reappointment  
Reese J. Blied, PA-C – Allied Health Professional

Commissioner Zaveruha made a motion, seconded by Commissioner Cammermeyer to approve the medical staff appointments and reappointments as presented. Motion carried.

Dr. Waterman had no further report, other than to state that the medical staff was continuing discussion on the CEO selection, and would bring talking points to the Board after further meetings. President Case stated that the CEO works closely with the Board and the medical staff, and that medical staff input is important and needed. A process for CEO selection that all can agree on is needed. President Case stated that our interim CEO, Tom Tomasino, has done a credible job, and that it may be several months before a process is decided. In the interim, leadership is needed. There was discussion about Mr. Tomasino's original contract ending the end of March, that the CEO search process was going to take longer than that, and that the contract with Mr. Tomasino needed to be modified. It was stated that Mr. Tomasino wants to be considered for the CEO position, and also wants to provide leadership in the interim. Commissioner Wallin read an email sent to the Board from Mr. Tomasino asking the Board not to offer him the CEO position now, but to make provisions for a search and interview process. Commissioner Wallin spoke highly of Mr. Tomasino's message. Commissioner Zaveruha stated that it "shows integrity". There was discussion about talking about CEO selection in executive session. Dale Roundy, Esq. stated that it could be done in executive session, but that the Board wasn't required to discuss in executive session. After further discussion, Commissioner Wallin made a motion, seconded by Commissioner Tarrant to delete the March, 2009 deadline from the original contract with Mr. Tomasino, and to make it open ended until a new CEO was selected. Motion carried. President Case stated that he has spoken with executive search firms, and advised that there are several ways to go about a CEO search. This will be discussed further in a special Board meeting on February 26, 2009, time to be determined.

#### **Individual Items (Discussion and/or Action)**

##### **A. Home Health Care & Hospice Education/Judy Moore**

Judy Moore reported that in May, Home Health & Hospice will celebrate their 27<sup>th</sup> anniversary. She distributed an information packet to the Board, to be considered as part of the strategic planning, and talked about the services offered by the department, stating that a multi-disciplinary approach is used offering a variety of services. There is currently 35 staff in the department, with recruitment difficulties for clinical supervision and physical therapy. Judy stated that she has a very experienced, seasoned staff that do remarkable work and are a great resource to the hospital as palliative care leaders. They are Medicare certified, and state licensed, and must pass periodic surveys for both. Medicare is their largest payor, with Group Health the second largest payor. They work with a foundation – the Friends of HHC – which raises approximately \$50,000 annually to help families with costs that insurance does not cover. They used to look at the number of visits, but in 2000 went to a PPS (perspective payor system), which pays based on a 60-day episode basis. They see approximately 950 patients per year, and only serve Whidbey Island, using two geographical teams (north and south). Six foot care clinics a month are offered central and south – north has other arrangements for foot care clinics. An Oasis data collection system, requiring 108 data elements, must be discovered from each patient and transmitted to Medicare and the State. Patients are seen for an average of 47-55 days, with variation in the frequency of visits. Ages range from nine days to 104 years, with most patients over the age of 60. Approximately 25% of patients are hospice patients, and are often younger. The hospice nurses do an amazing job providing symptom management and family support. Regarding referrals, 25% or less come from Whidbey General Hospital. Referrals can come from a variety of places here and off island. Plans for the future include: work on recruitment and retention, succession planning, Medicare certified hospice, and electronic medical record system. The state certificate of need program will be used to get Medicare certified for hospice, and will be part of the hospital's strategic plan. The application process is \$20,000.

##### **B. Approval of Scopes for Surgery (Capital Purchase)**

Joe Vessey, CFO, requested approval of \$161,000 in capital purchases of additional scopes for

surgery. This equipment is being proposed to be purchased on a 3-year capital lease with a 3.5% interest rate, which Mr. Vessey noted as favorable. With the proposed additional equipment, it is projected that more cases can be done. After discussion, Commissioner Cammermeyer made a motion, seconded by Commissioner Wallin to approve the capital purchase of \$161,000 for surgical scopes as presented. Motion carried.

#### **Board Items**

##### **A. Follow Up Meeting from Leadership Retreat**

The follow up meeting from the leadership retreat has been set for February 26, 2009, with the time to be determined. The meeting will be held here at the hospital.

##### **B. CEO/Trustee Patient Safety Conference May 6 or 7**

President Case reported that there is a CEO/Trustee Patient Safety Summit at SeaTac offered both May 6 & 7. It is the same material offered each day, President Case and Commissioner Wallin will attend on May 7<sup>th</sup>.

There is a critical access hospital conference in Spokane on March 18<sup>th</sup>, which President Case indicated is an excellent meeting. The Rural Health Conference will be held in Spokane after that meeting on March 19 and 20.

##### **C. Approval of Resolution #293 – Board Meeting Dates for 2009**

Commissioner Wallin made a motion, seconded by Commissioner Cammermeyer to approve Resolution #293 as presented, establishing the meeting dates for the regular Board meetings for 2009.

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

##### **Administrator's Report**

Mr. Tomasino gave an update on the new EMS quarters under construction in Bayview. Framing is complete, the water main is done, roofing is underway and plumbing and mechanical work continues. It is anticipated that this project will be completed in May of this year.

The Whidbey General South construction project is in the building permit process, to ensure the project is ready to be started if the hospital gets the economic stimulus package from the state. Laura Blankenship, Director of the Whidbey General Hospital Foundation Board, reported that the State House of Representatives and Senate are working on their budgets, and we can urge their support for the Whidbey General South project by contacting them. Senator Patty Murray's and Representative Rick Larsen's offices are already helping. President Case commended Ms. Blankenship for her hard work on submitting the hospital's request for economic stimulus money within the deadline. This money is needed to move ahead with the Whidbey General South project. President Case urged everyone to contact their representatives.

Commissioner Cammermeyer asked if the roof on the current Whidbey General South building was getting repaired, which Mr. Tomasino indicated it was.

##### **Financial Report**

Joe Vessey, Chief Financial Officer, reported that on the December 2008 financial statements, cash was at \$6 million, a \$300,000 improvement from the prior December. AR days have increased due to a bill hold for selected Medicare claims. Mr. Vessey noted that the current ratio is almost 2.0 for 2008, and was 1.85 for 2007, showing that the hospital has gotten stronger in assets and liquidity. The average daily census is 13. Volumes are down overall for December. Contractuals for December were \$1.6 million. Operating expenses were above budget by 4.3%, mostly due to physician fees, professional fees and purchase services. The bottom line for December is a positive \$579,000. Year to date the bottom line is \$4.6 million on a budget of \$4.9 million. Gross patient revenue is above budget for the year, with volumes above budget by 6.5% for the year, particularly in ER, Lab and North Whidbey Community Clinic. Contractuals and net patient revenue are both above budget for the year. Expenses are above budget by 12% for the year.

The State auditors were here from December 10, 2008 through January 22, 2009, completing their field work. They reviewed a variety of functions. It was a clean audit with no findings expected. The exit conference has not yet been scheduled. Mr. Vessey thanked all staff involved for being most helpful during this process.

Compliance training and initiatives are underway. Mandatory training for all staff has begun, with Mr. Vessey and attorney Steve Ortquist doing the training. The training has been completed by 120 staff to date, covering high risk topics such as STARK and anti kick-back. Mr. Vessey stated that

process improvements will come from efficiencies to be gained. There will be updated policies and procedures on physician payments, and improved contracting with physicians. Data bases are being developed to aid with tracking of physician contracts and arrangements. The internal audit process of physician contracting is being redesigned to provide best practice oversight. There will be a six month audit on all physician payments. Commissioner Cammermeyer questioned if this oversight is new. Mr. Vessey indicated that the hospital will do things differently going forward, will dedicate resources and shift priorities where compliance is concerned. Mr. Vessey stated that there is a good group on the Compliance Committee, which will take on more projects in a task force approach. President Case commended the hospital for educating and involving staff in the complex arena of compliance. He noted that the education presented to the Board was excellent. Mr. Tomasino stated that the sheer magnitude of contracts presented difficulties getting them all reviewed. The hospital is moving toward standardization. Mr. Vessey thanked Mr. Tomasino for his leadership and support on this project. This is a major culture shift for the hospital and Mr. Tomasino has been instrumental in helping with and supporting this process.

#### Review of Dashboard Report

Mr. Tomasino stated that the dashboard has remained relatively stable. He asked the Board to think about any changes they may want be discussed in the upcoming meeting on February 26, 2009, indicating he will be recommending some changes. The 911 scramble times were noted as "impressive".

#### Consent Agenda Items:

A. Commissioner Cammermeyer made a motion, seconded by Commissioner Wallin to approve the write offs for January in the amount of \$579,672.17. Motion carried unanimously.

B. Commissioner Zaveruha made a motion, seconded by Commissioner Wallin to approve the declaration of surplus items as presented. Motion carried unanimously.

C. 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 Wallin made a motion, seconded by Commissioner Cammermeyer, to approve the vouchers #121725, #121747, #122413 in the total amount of \$13,164.04. 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 Wallin made a motion, seconded by Commissioner Cammermeyer to approve vouchers #121663 to #122420, and #1595 to #16074, excluding #121725, #121747, #122413, in the total amount of \$5,986,547.16. Motion carried unanimously.

#### Executive Session (RCW 42.303110(i))

At 7:30 p.m. President Case announced there would be an Executive Session for legal discussion, expected to last approximately 30 minutes, with no action to be taken.

At approximately 8:44 p.m. President Case called the regular meeting back to order after the Executive Session.

There being no further business, and with no action taken, the meeting adjourned at 8:45 p.m.