

February 13, 2012

The regular meeting of the Board of Commissioners of the Whidbey Island Public Hospital District was called to order at 5:04p.m. by Board President, Anne Tarrant. Present were President Tarrant, Commissioner Wallin, Commissioner Case, Commissioner Zaveruha, and Commissioner Cammermeyer. Chief Executive Officer, Tom Tomasino; Chief Financial Officer, Joe Vessey; Chief Operating Officer, Hank Hanigan; Chief Quality Officer, Teresa Fulton; Chief Nursing Officer, Linda Gipson; Chief of Staff, Gabe Barrio, MD; Attorney, Dale Roundy, and many hospital and medical staff, as well as community members were present. Jim Riney of Riney Productions was present to electronically record the meeting.

### **Points of Order**

There were no points of order; however President Tarrant noted that there would not be any Education presented during the meeting. Instead after adjournment of the meeting the Commissioners would be attending an open house in Diagnostic Imaging to see the new MRI.

### **Minute Approval**

President Tarrant called for a motion to approve the minutes of the January 10, 2012 Special Board Meeting and the January 9, 2012 regular Board Meeting. Commissioner Wallin made a motion, seconded by Commissioner Cammermeyer, to approve the minutes as presented. Motion carried.

### **Public Questions or Comments on Agenda Items**

There were none.

### **Quality and Patient Safety**

Teresa Fulton reported that annual report on Quality and Patient Safety has been distributed to the Commissioners and that the report was discussed at the Quality Improvement Committee meeting. If there are any questions on the report she asked that those questions be directed to her individually as the report is confidential. She reported that Pediatric Nursing Conference was a success with over 50 RNs attending. A DVD is available of the presentation made by Lisa Peters, Clinical Nurse Specialist from Seattle Children's Hospital.

### **Medical Staff Report**

#### **A. Chief of Staff Report**

Dr. Gabe Barrio, Chief of Staff, presented the following medical staff reappointments:

Mark S. Cichowski, MD	Affiliate Active Staff Reappointment
Mahesh S. Mulumudi, MD	Courtesy Staff Reappointment
Douglas P. Caldwell, MD	Courtesy Staff Reappointment
Joseph R. DeMartini, MD	Courtesy Staff Reappointment
Aaron Y. Fu, MD	Courtesy Staff Reappointment
Bart P. Keogh, MD	Courtesy Staff Reappointment
Robert B. Osnis, MD	Courtesy Staff Reappointment
Jennifer E. Shook, MD	Courtesy Staff Reappointment
Pedro T. Vieco, MD	Courtesy Staff Reappointment
David G. Westman, MD	Courtesy Staff Reappointment
Edwin J. Yau, MD	Courtesy Staff Reappointment

Commissioner Cammermeyer made a motion, seconded by Commissioner Case to approve the medical staff reappointments as presented. Motion carried. Dr. Barrio presented one medical staff appointment:

Paul B. Thompson, MD	Provisional Courtesy Staff Appointment
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Commissioner Cammermeyer made a motion, seconded by Commissioner Case to approve the medical staff appointment as presented. Motion carried. Dr. Barrio stated that there are no Allied Health Professional appointments or reappointments. He noted the following resignations from the Medical Staff:

David H. Slepian, MD	effective 12/12/2011
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Jane Mays, MD	effective 12/14/2011
Donald R. Peters, MD	effective 01/11/2012
John Overbeck MD	effective 01/11/2012
Matthew Marquart, DO	effective 02/10/2012

Dr. Barrio also reported the sad passing of Dr. Russ Johnson in an accident on Sunday.

### **Individual Items**

#### **A. Administrative Update**

Tom Tomasino thanked the Commissioners, the Medical Staff and Administration for their participation in the Leadership Retreat last week. He stated that it was probably the best Leadership Retreat since he has been at the hospital. He reported that President Obama released the 2013 budget today and the plan includes a 320 billion dollar reduction in Medicare and Medicaid. Of specific concern to us is the reduction in reimbursements for Critical Access Hospitals from 101% of allowable charges to 100%.

#### **B. Resolution #320 LTGO Bond**

Brad Berg, Attorney, joined the meeting via conference call for the LTGO bond discussion. Mr. Berg reported that Resolution #320 is similar to other resolutions that the Board has approved in the past for LTGO bonds except that it includes a provision that will give Administration the authority to approve the final principal amounts, date of the Bonds, denominations, interest rates, payment dates, redemption provision and maturity dates for the Bonds within certain parameters. This provision is needed because the bonds will not be marketed until Wednesday. Joe Vessey introduced Tom Whitson and Sarkis Garbedian of Piper Jaffray, the firm that will be marketing the bonds. Tom Whitson stated the Preliminary Official Statement that describes this bond offering to the public has been prepared over the last six weeks and has been mailed to a broad group of interested investors. The sale is scheduled for Wednesday. Commissioner Cammermeyer made a motion, seconded by Commissioner Wallin, to approve Resolution #320 providing for the issuance of Limited Tax General Obligation Bonds in an amount not to exceed \$8,750,000. Motion carried.

#### **C. Capital Budget**

Joe Vessey reported that the Capital Budget is a three year budget that attempts to approximate the hospital's needs. The total for 2012 is \$2,108,009 including some notable requests for a new CT and ultrasound. A portion of the budget is for EMS which is funded through the EMS levy and is part of a long-term planned replacement program developed five years ago for ambulances and equipment. The three year total is for a little over seven million. President Tarrant called for a motion to approve the 2012 Capital Budget. Commissioner Cammermeyer made a motion, seconded by Commissioner Zaveruha to approve the 2012 Capital Budget as presented. Motion carried.

### **Board Items**

#### **A. Committee Reports**

President Tarrant reported that there will be reports from the Compliance Committee and Building Committee in April.

#### **B. Results of CEO Board Review**

President Tarrant reported that all of the Commissioners have had a chance to review Tom Tomasino's performance review from this past year. She stated that his contract will be up in September and she would like to have a discussion about renegotiating his contract. Commissioner Zaveruha stated that Tom has taken the extraordinary problems that we had and changed things around positively and we need to give him another contract so he can continue this path that we are on. He added that he is very happy with his progress. Commissioner Wallin stated that he is happy with the direction that we are going and that we need to enter into another agreement. Commissioner Cammermeyer stated that Tom has brought us through a very difficult time and resolved issues that have been dragging on for a number of years. She is excited to see what the future will bring with the changes that are taking place. Commissioner Case stated that he is pleased with Tom's work and would like to see his contract extended. Commissioner Zaveruha stated that when Capella made their

presentation to us last year they gave us a list of what they could do for us but Tom had already accomplished all of their objectives. It was an amazing report card from an independent party. Commissioner Wallin stated that some have suggested that Tom's lack of credentials is a problem but in the real world what he has accomplished is worth a lot more than a paper degree. He has rolled up his sleeves and done an excellent job. Credentials aren't everything. President Tarrant stated that she had a chance to sit down and talk to Tom about his performance and thinks he is doing a great job and would like to see the programs he has implemented continue. Tom has also told her that he would be agreeable to a contract extension. Tom Tomasino stated that he believes in this institution and its potential and everything that has been accomplished is a result of the team that he works with. He also stated that he would be happy to stay. President Tarrant called for a motion to authorize two Commissioners to enter into negotiations with Tom Tomasino to renew his contract. Commissioner Wallin made a motion, seconded by Commissioner Cammermeyer, to authorize Commissioner Tarrant and Commissioner Case to negotiate a new contract with Tom Tomasino as Superintendent/Chief Executive Office. Motion carried.

C. New Dashboard Discussion

Tom Tomasino presented the Commissioners with a new Dashboard format that follows the 2012 goals for the institution. There was some discussion about some of the items no longer included such as staff evaluations and hospital rankings. Tom Tomasino stated that this data is still being gathered and can be communicated to the Commissioners in other ways. There was general consensus that the revised Dashboard should be used.

**Staff and Status Reports from Administration**

A. Administrator's Report

Tom Tomasino highlighted the Employee Satisfaction results from the Administrator's Report. The response rate increased 5% over last year and the strongly agree category increased by 6%. We have had three straight years of improving employee satisfaction. He also noted that patient satisfaction is also increasing. Commissioner Case noted that he saw an article today pushing hospitals to reach a 90% immunization rate for the flu vaccine. Tom Tomasino responded that it would not be surprising to see legislation in this area in the future. There was discussion about how to educate employees about the importance of vaccinations.

B. Financial Report

Joe Vessey reported that at the end of December cash-on-hand was at 50 days or 11.2 million which is a 15% decline since the end of 2010. Accounts receivable was at 45 days for December but he anticipates that in January and February it will rise temporarily due to some temporary delays with some payers. In December our inpatient census was 17 and the average for the 2011 was 13.8 compared to 15.5 in 2010. Gross patient revenue was 10% under budget and on a net basis operating revenue was 3% under budget. Expenses were 2% under budget. There were some adjustments that went through the income statement in December including the cost report settlement for 2009. This did not have an impact on cash because we had previously reserved for the settlement, however our liability to them was not as much as we anticipated so that positive adjustment ran through December. Foundation grants of \$149,000 also had a positive impact in December. The bottom line for the month was a gain of \$774,667. Year-to-date the bottom line was \$750,728.

C. Review of Dashboard Report

Tom Tomasino pointed out the productive FTE per AOB which has decreased from 7.5 to 5.96 over the past year. The goal is 5 and we are moving in the right direction.

**Consent Agenda**

A. Approval of Monthly Write-Offs and Vouchers

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 Case made a motion, seconded by Commissioner Cammermeyer, to approve vouchers #154388 and 154512 in the amount of \$7,971.34. 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 Cammermeyer made a motion, seconded by Commissioner Case to approve vouchers #154004 to #154876, and #2433 to #2441, excluding #154388 and #154512 in the total amount of \$5,873,964.83. Motion carried. Commissioner Cammermeyer made a motion, seconded by Commissioner Case, to approve the write-offs for January in the amount of \$728,814.40. Motion carried.

B. Approval of Surplus Sale Items

The approval of surplus items was tabled until the next regular board meeting.

**Agenda Items for next Regular Board Session**

President Tarrant suggested that Carolyn Pape present on the LEM. Commissioner Cammermeyer asked for an update on the Hospice CON. Tom Tomasino suggested a review of the new website.

**General Public Comments**

Mark Borden, MD of Coupeville read a previously prepared statement reiterating previous concerns.

**Adjournment**

There being no further business, President Tarrant called for a motion to adjourn. Commissioner Case made a motion, seconded by Commissioner Cammermeyer, to adjourn the meeting at 6:15 p.m. Motion carried.