



July 8, 2013

The regular meeting of the Board of Commissioners of the Whidbey Island Public Hospital District was called to order at 5:03 p.m. by Board President, Anne Tarrant. Present were President Tarrant; Commissioner Wallin; Commissioner Cammermeyer; Commissioner Gardner; Chief Executive Officer, Tom Tomasino; Chief Financial Officer, Terry Litke; Chief Operating Officer, Hank Hanigan; Chief Nursing Officer, Linda Gipson; Chief; Attorney, Dale Roundy; and several other hospital staff.

**Points of Order**

President Tarrant noted Dr. Gabe Barrio, Chief of Staff and Teresa Fulton, Chief Quality Officer will not be in attendance for tonight's meeting.

**Minute Approval**

President Tarrant called for a motion to approve the minutes of the June 10, 2013 regular Board Meeting. Commissioner Cammermeyer made a motion, seconded by Commissioner Wallin to approve minutes. Motion carried.

**Education**

None

**Public Questions or Comments on Agenda Items**

There were no public questions or comments on agenda items.

**Quality and Patient Safety**

None

**Medical Staff Report**

None

**Individual Items**

A. Administrative Update

Tom Tomasino, CEO reported the administrative team met with Jacobus Consulting concerning our Meditech flow. There are a few residual clean up issues that will be on the agenda for the next Steering Committee to resolve this Wednesday.

Tom Tomasino, CEO reported that certain issues were not known until patient data was entered into the Meditech system and the flow was audited.

B. Capital Requests

Hank Hanigan, COO reported we need to upgrade the fire replacement panel. This panel has had issues and is beyond the usual time period and due for an upgrade. The WGH Foundation is offering to pay \$25,000 towards the new panel and the total cost is about \$60,000. We are asking for approval to purchase a new fire panel and the hospital's cost will be about \$35,000. Commissioner Gardner reported this has been brought to the Finance Committee and was approved to present to the board. Commissioner Cammermeyer made a motion, seconded by Commissioner Gardner, not to exceed \$60,000 for the purchase of a new fire panel, motion carried.

C. Resolution #337

Terry Litke, CFO reported resolution #337 is a resolution that is updated by Brad Berg and is to provide bond information to the county by August 6, 2013. This is a bond to pay for the cost of new construction. Commissioner Gardner stated this was approved to go to the board by



the Finance Committee. Commissioner Gardner made a motion, seconded by Commissioner Cammermeyer to approve resolution #337, motion carried.

**D. IHM Proposal**

Terry Litke, CFO reported we have been looking at meaningful use and how the regulations are changing and we will not have auditable data for 2013. Medicare has been auditing and finding that some hospitals are not meeting meaningful use. If we do not meet by a certain time we will be penalized. If we use IHM, who has a fully integrated model for Meditech they can help us to meet meaningful use. IHM fees would be \$81,000 for the first year and \$46,000 a year after. We receive 44% of our costs from Medicare. We have to meet the cutoff in April, May and June of 2014 this is very important to get this done or we lose out on half million dollars. IHM knows Meditech and has interfaced already. We could get a penalty if we do not meet the time frame. The penalty fee is .25% and up to a full percent in the future. We had looked at 5 different companies and this is the only one that knows Meditech. Terry Litke, CFO and Commissioner Gardner reported the Finance Committee had approved to bring it to the board because it will help keep us from a penalty and they keep track of the changes with Medicare. Commissioner Gardner made a motion, seconded by Commissioner Cammermeyer to approve, motion carried.

**Board Items**

**A. Lake Chelan Leadership Retreat**

Commissioner Gardner reported the presentations she and other commissioners attended during the retreat and it went very well. The information presented will help the board with future ideas and possible contacts. Commissioner Gardner reported one of things she would like to see incorporated is the “20 Questions Every Hospital Board Needs To Answer” and this will take two years to complete and can be revisited when complete. Commissioner Gardner reported the AWHPD will hold an internet conference on July 23 at 12:00 pm and recommends the board attends this free webinar.

**B. Applicants for Commissioner**

President Tarrant reported we have received one application that is under review and recommends having a time limit in place for applications to be received by 15 July so that a new commissioner can be seated by the August 2013 board meeting. Commissioners will look at a possible July 22 date for interviews.

Commissioner Wallin recommended the board look at redrawing district seat positions, maybe in the next year. President Tarrant agreed to put the recommendation of redrawing district seat positions on the calendar for 2014.

**Staff and Status Reports from Administration**

**A. Administrator’s Report**

Tom Tomasino, CEO asked for questions regarding the administrators report.

Commissioner Wallin asked if the signage for WCP clinic has been ordered. Trish Rose, PR and Marketing reported the signage for WCP has not been ordered and will have to evaluate whether or not that is possible since we do not own land on Highway 20.

**B. Financial Report**

Terry Litke, CFO reported in May we are getting information out of the Meditech system. Since there have been significant problems in certain areas of the Meditech system after go live we have had to make estimates in certain areas of revenues and expenses. Each day we are making progress in correcting some areas but it is a slow process. We have knowledgeable consultants in helping us to identify solutions to the areas needing improvements.

Consequently these financial statements are based on estimates in many areas. May financial statements show a negative margin of (\$503,918) with a negative operating margin of (7.18%). This May loss is \$433,851 more than the budgeted May loss of (\$70,067). The average inpatient census for May (the lowest this year) was 16.00, which was a 9.3% decrease from the April average census of 17.83. Inpatient surgeries were 65 (highest this year) in May which was a 66% increase from the average monthly inpatient surgeries of 39 in 2012. Total outpatient



volumes for May are not available yet as several departments have not reported yet due to Meditech conversion problems. Gross patient revenues were at \$14,957,605 which was under budget by 6%, or \$868,022. Operating expenses were over budget by \$208,388 or 3%. Total Salaries and wages and employment agency expenses were over budget by \$ 20,103 or 1%. Employee Benefits were under budget by \$64,622 or 9%. Physician fees were over budget by \$170,389, or 39%. Professional Fees were over budget by \$146,512 or 84%. Supplies were under budget by \$178,978, or 23% and Depreciation expense was over budget by \$142,969 or 79%. The Days Cash on Hand decreased from 33.6 in April to 28.3 in May. Days of Net Revenue in Receivables increased from 39.7 in April to 44.1 in May, which means we collected less than we had the previous month. (This is due to the problems with charging correctly under the Meditech system, which have required a manual review of almost all claims before they could be billed). After 5 months in 2013 we have a negative YTD bottom line of (\$1,489,516) versus a budgeted negative YTD bottom line of (\$647,263), which is \$842,253 worse than budgeted YTD.

Terry Litke, CFO reported the financial reports have a different appearance now that we are using the Meditech system. In the month of May we only had 1.5 million in claims billed and we usually have 14 or 15 million in claims billed in one month and this has affected our cash. Terry reported this is the high priority. Lab and pharmacy are the 2 departments that have been affected. Commissioner Gardner reported these are common experiences for organizations that have to completely re-enter all their data into a new system and create new processes. It will take some more time before these issues can be ironed out completely.

#### Review of Dashboard Report

Tom Tomasino, CEO reported the May patient experience scores for the dashboard are down due to the implementation of Meditech. During Meditech go live, we had longer registration and wait times. Our quality scores remain very high and we are looking at comments to help better our scores in the patient experience area.

Linda Gipson, CNO reported that in May the inpatient days were up 3% and we saw an increase in MAC patients. This was our highest inpatient and outpatient time period and our staff did a great job with the high level of activity and implementation of Meditech together. Our challenge is in the medical/surgical area. The current Medical Surgical Manager, Patsy Kolesar has reported to Linda Gipson, CNO she and her staff are working on this issue as top priority.

### **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 Gardner, to approve vouchers #169433 to #1170234, #168354 and #3043 to #3058 in the total amount of \$6,603,135.54. Motion carried. Commissioner Cammermeyer made a motion, seconded by Commissioner Gardner to approve the Capital equipment vouchers for April in the amount of \$29,980.22 therefore the vouchers are approved for payment in the amount of \$6,633,115.76. Motion carried.

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

None

### **General Public Comments**

None



**Adjournment**

There being no further business, President Tarrant called for a motion to adjourn. Commissioner Cammermeyer made a motion, seconded by Commissioner Gardner to adjourn the meeting at 6:21 pm, motion carried.