



March 10, 2014

The regular meeting of the Board of Commissioners of the Whidbey Island Public Hospital District was called to order at 7:00 am by Board President, Anne Tarrant. Present were President Tarrant; Commissioner Wallin; Commissioner Cammermeyer; Commissioner Gardner; Commissioner Fey; Chief Executive Officer, Tom Tomasino; Chief Operating Officer, Hank Hanigan; Chief Nursing Officer, Linda Gipson; Attorney, Dale Roundy; Controller, David Stob and several other hospital staff.

**Points of Order**

President Tarrant noted David Stob, Controller will report for Terry Litke, CFO who is excused today. Tom Tomasino, CEO noted Teresa Fulton, CQO is excused today.

**Minute Approval & Consent Agenda & Declaration of Surplus Items**

A) February 10, 2014 Regular Board meeting minutes & Approval of Monthly Write-Offs & Vouchers & Surplus items.

President Tarrant called for a motion to approve the minutes of the February 10, 2014 regular Board Meeting minutes and 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. #175884 to #176473 and #3157 to #3167 in the total amount of \$5,949,535.46, with Capital equipment vouchers in the amount of \$74,999.99, therefore the vouchers are approved for payment in the amount of \$6,024,535.46. Declaration of Surplus items as listed on handout. Commissioner Gardner made a motion, seconded by Commissioner Cammermeyer to approve all items as presented. Motion carried.

**Education**

A) Hospice

David Larson, Home Health and Hospice Manager updated the Board on our Hospice accreditation. We had 5 hospice patients and 3 of those patients have passed. We have 2 now and the Hospice accreditation review will be here soon and we will have 3 more patients before that review. David Larson introduced the following Hospice staff: Dr. Jerald Sanders, Hospice Medical Director and has been here for 30 years involved in Palliative Care and Hospice; Carla Jolley, Hospice Nurse Practitioner and has been here for 24 years with Home, Health and Hospice; Suzanne Reynolds, Volunteer Coordinator for Hospice; Davie Bieniek, Chaplin and has been a Chaplin for 8 years, 4 years here at WGH and is also a Spiritual leader, who is leading bereavement classes; Erika Smith, RN, BSN, has been in Hospice for 11 years with 5 years of oncology and new to the island; Roselyn Uy, Hospice Aide and new to the island; Catherine Perrin- Martin, MSW and has been a social worker for Hospice for 26 years and is from the northwest. David Larson, MBA, Director of Home Health and Hospice and has been in home health and hospice since the early 80's. David Larson thanked Hank Hanigan, COO and Linda Gipson, CNO for all their time and effort. David Larson reported June 15, 2014 is the date for our Certificate of Need renewal and we need to have our survey before this date. We have been busy with revising the policy and procedures for Hospice. We are asking for an expedited survey and David Larson will be contacting the state today to let them know we are ready for the survey. Carla Jolley discussed the Hospice Patient and Family handbook. The philosophy we are taking into the area of hospice is to show patients and family that there is something more that they can do. Hospice comes in and helps patient and families when that time period comes in. Hospice has been created around the golden standard: People are more than their illness. We help the patient and their families with support. We do a lot of teaching about what to expect with Hospice and offer our contact numbers to call 24 hours a day. Carla Jolley asked for any questions and thanked Erika Smith for her help in creating the handbook.



David Larson discussed the mission and vision statement of WGH and in support of this statement, the hospice team has been working towards a Hospice vision and mission statement to be released soon. President Tarrant thanked the Hospice team for their presentation.

**Project Manager**

Marc Estvold, Project Manager reported the selection for the architect was narrowed down to 3 candidates and the Building Committee members: Commissioner Cammermeyer; Commissioner Wallin; Tom Tomasino, CEO; Hank Hanigan, COO; Linda Gipson, CNO and Terry Litke, CFO have recommended HDR Architecture, Inc. Marc Estvold stated HDR has had multiple projects that came in on time and budget. HDR's last project brought in a savings of gas cost from 3.31 square foot to 1.28 square foot. HDR presented a study of efficiency from the patient bed to the nurse stations that will help RN's spend more time at the patient's bedside. HDR has a wealth of experience and they are willing to keep the original team they presented. Commissioner Wallin stated the Building Committee worked really worked hard for this conclusion. Commissioner Wallin made a motion, seconded by Commissioner Cammermeyer to approve the selection of HDR. Motion carried. Marc Estvold presented the General Contractor Construction Management (GCCM) contract that needs to be approved by the board to move forward. Commissioner Wallin made a motion, seconded by Commissioner Cammermeyer to move forward with the GCCM contract. Motion carried. President Tarrant deferred question #5 to be presented at the next board meeting.

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

President Tarrant noted that due to the length of the Hospice presentation, Commissioner Cammermeyer's presentation of Question 5 "Ensuring Leadership will be deferred to the April Board meeting.

**Quality and Patient Safety**

Linda Gipson, CNO thanked the Hospice team for their hard work and help. This team is great at Hospice and is making a huge difference. They are creating a fundamental design for home Hospice care and we hopefully soon will be able to share the success. The upgrade to Computerized Provider Order Entry (CPOE) has been an ongoing effort, with lots of changes and people working diligently. We have two people enrolled in the Nursing Informatics program. Sound Physicians hospitalist group has been here since the 5<sup>th</sup> of February and it is going very well. We have physicians more efficient in the Emergency Department and Sound Physicians has made an offer for a Medical Director that will be here permanently. Linda Gipson, CNO stated that Dr. Benjamin Huneycutt will be a great hospitalist addition as well. We have worked with Sound and selected exceptional people for our hospitalist group. The Navy will be soon using our surgical suites and we have redesigned to accommodate the Navy to operate. This will require us to be very efficient. Linda Gipson, CNO thanked Blue Haight, OR Director for his help in organizing this process. Tom Tomasino, CEO stated we have signed the ERSA agreement with the Navy and the success of this will require us to be very efficient. We will receive a facility use fee from the Navy and they will use their own staff. Linda Gipson, CNO reported another challenge is urgent care. The Navy's urgent care is not allowing drop ins only by appointment. This will increase our ED numbers and will be 10 % higher in the OR department. This is the volume we were seeing in 2008. We have 13 rooms in the ED and can accommodate but our staff will be stretched. Linda Gipson, CNO reported she has currently been meeting with Tele psychiatrist for inpatients and hopefully will be ready for use by next month. Tom Tomasino, CEO stated this week they will be meeting with the Coupeville Mayor and Sheriff regarding the mental health patients. We had hired security last year to help with this issue. Linda Gipson, CNO reported in our OB department we have patient satisfaction in the high 90 percentile and the pain management part has been lower, but with follow up calls we have targeted how to get better scores. President Tarrant thanked Linda Gipson, CNO and the Hospice team.



**Medical Staff Report**

Dr. Gabe Barrio, Chief of Staff thanked the Hospice team and stated the medical staff also appreciates the Hospice team.

**A. Chief of Staff Report**

Dr. Gabe Barrio, Chief of staff reported the following active staff reappointments:

- Mary E. Kouri, MD Active Staff Reappointment
- Tara L. Montgomery, DO Active Staff Reappointment
- Mario E. Porrás, MD Active Staff Reappointment

Commissioner Cammermeyer made a motion, seconded by Commissioner Fey to approve the active staff reappointments as presented. Motion carried.

Dr. Gabe Barrio, Chief of staff reported the following courtesy staff reappointments:

- Lawrence D. Becker, MD Courtesy Staff Reappointment
- Elizabeth N. Lumpkin, MD Courtesy Staff Reappointment
- Donald J. Bernhardt, MD Courtesy Staff Reappointment
- Robert W. Carter, DO Courtesy Staff Reappointment
- Jakdej Nikomborirak, MD Courtesy Staff Reappointment
- Ronald A. Krueger, MD Courtesy Staff Reappointment
- Paula R. Marmont, MD Courtesy Staff Reappointment
- Mahesh S. Mulumudi, MD Courtesy Staff Reappointment
- Kelly A. Lloyd, MD Courtesy Staff Reappointment
- Germaine R. Johnson, MD Courtesy Staff Reappointment
- Carter F. Yeatman, MD Courtesy Staff Reappointment
- Lloyd E. Stambaugh, MD Courtesy Staff Reappointment

Commissioner Cammermeyer made a motion, seconded by Commissioner Fey to approve the courtesy staff reappointments as presented. Motion carried.

Dr. Gabe Barrio, Chief of staff reported the following allied health professional staff reappointments:

- Jennifer L. Jones, CRNA Allied Health Professional Staff Reappointment
- Catherine R. Robinson, PA-C Allied Health Professional Staff Reappointment

Commissioner Cammermeyer made a motion, seconded by Commissioner Fey to approve the allied health professional staff reappointments as presented. Motion carried.

Dr. Gabe Barrio, Chief of staff reported the following resignations:

- Richard Sader, MD
- Anne Busso, MD

Dr. Gabe Barrio, Chief of staff presented the following bylaw changes to section 10.1-7 Vacancies in Office: Vacancies in office during the medical staff year, except for the Chief of Staff, shall be filled by the Executive Committee of the medical staff. If there is a vacancy in the office of the Chief of Staff, then the Chief of Staff-Elect or immediate past chief of staff shall serve until an election can be held at the next regular staff meeting to fill the vacancy. President Tarrant noted this was read twice at the medical staff executive meeting.

Commissioner Gardner made a motion, seconded by Commissioner Fey to approve section 10.1-7 bylaw changes. Motion carried.

**Individual Items**

**A. Administrative Update**

Tom Tomasino, CEO reported there is a misunderstanding of physician contracting in the organization. You have to have a fair market analysis and signed legal documentation. Currently they want to look at the salary and that they are being productive as their salary states. We have been under this review with OIG. This was a recent action and we will be bringing to the medical staff meeting and contacting the physicians in question.



B. Property

Hank Hanigan, COO reported a full price offer was accepted and has closed on the 670 Echo Loop, Oak Harbor property. The Freeland property has received an offer and we are looking in to this and will bring to the Finance Committee for recommendation. Regarding the Bayview property we are asking for the next step to approve a motion for us to have a public hearing for this property.

Commissioner Gardner made a motion, seconded by Commissioner Fey to approve a public hearing to sale the Bayview property. Motion carried.

**Board Items**

A. WSHA Annual

President Tarrant reported the Washington State Hospital Association (WSHA) Patient Safety conference will be held on April 30 and May 1. President Tarrant reported this is a good informative conference and we need Board representation. Commissioner Gardner, President Tarrant, and Tom Tomasino, CEO attended last year and recommend attending. Please contact Bobbi Silor and President Tarrant if any members of the Board would like to attend.

B. Leadership Retreat

President Tarrant reported the Leadership Retreat will be held on April 15 at the Wi Fire Conference Center in Freeland.

C. Other

President Tarrant reported Washington State Nurses Association (WSNA) is honoring Commissioner Cammermeyer for her achievements in patient care, leadership and heroism. March 20 is the induction ceremony.

**Staff and Status Reports from Administration**

A. Administrator's Report

Tom Tomasino, CEO reported the employee satisfaction survey has had a 36% response from staff already. Last year we only had 51% total response at the end of the survey and we are hoping for at least 75% this year. We have had financial issues due to Meditech and we recently held training for Meditech Revenue cycle for our staff. A lot of tools were shared and staff came away with a positive impact. Hank Hanigan, COO reported an update to reference testing in the Lab. In the past we have used Peace Health and to save money we are looking into using an alternative reference. Hank Hanigan, COO will update next meeting.

B. Financial Report

David Stob, Controller reported the unaudited 2013 loss is \$2,855,592. (The audited loss for 2012 was \$1,581,555.) December excess revenue over expense was favorable by \$1,541,562 as noted in the Administrator's report. Gross Revenues increased \$17,989,709 over 2012. This is a 10.7% increase. Approximately 7% of this was due to a price increase for the year and the remaining 3.7% can be attributed to volume. Net Revenues increased \$6,747,963 over 2012. This shows an 8.7% increase. Again partially due to price increases but also due to volume. This would have been greater had it not been for the Sequestration which pulled 2% of our revenue from Medicare and related reimbursement payers. Operating Expenses increased \$10,370,392 over 2012. Use of temporary staff increased \$1,318,118, largely to backfill positions assigned to work on Meditech; Purchased services increased \$3,871,090 including maintenance agreements Capital Investments in Property, Plant and Equipment were \$2,609,846 during 2013, most of which was related to the Meditech System. Net Patient Accounts increased \$5,965,825 due in large part to challenges associated with the Meditech System conversion as mentioned in the Administrator's report under Revenue Cycle Training. Total cash increased \$39,347,894 during the year, but most of this is due to a gain in Special Purpose Accounts such as the recent bond issue. These accounts grew \$48,643,845 while the Operating Cash decreased by \$9,295,951 (increase in AR and capital investments were the main drivers). Days cash on hand –operating—was 13.2 as of December 31, 2013 compared to 57.3 as of December 31, 2012. A decrease of 47.1 days.



Days of Net Accounts Receivable was 64.9 as of December 31, 2013 compared to 42.6 as of December 31, 2012. Net Operating Margin for the year was a minus 3.1% compared to a positive 1.3% for 2012. Salaries and Wages and temporary help as a % of Net Revenue was 50.87% for 2013 compared to 51.69% in 2012. This would indicate that staffing was more productive overall in 2013. David reported January financial statements show Operating Cash has dipped to \$1,995,234 or 8.3 Days. Gross Revenues of \$15,889,719 are \$647,018 higher than December. This would be largely due to volume increases since no price change was put into effect in January. Adjustments to revenue were \$9,591,192 or slightly more than 60% of gross revenues. Overall operating expenses were \$7,813,849 which is in line with the last quarter of 2013.

A net operating margin of minus 10.1%. This is heavily affected by the adjustments to revenue calculation discussed above.

C. Review of Dashboard Report

Tom Tomasino, CEO asked if there are any questions in the dashboard. The quality of care is always an outstanding score and we are working on the other areas.

**Agenda Items for next Board meeting**

President Tarrant stated information was sent to the Board regarding a budget meeting that will be happening in Olympia due to Medicaid cuts.

**General Public Comments**

Richard Switzer, a community member, reported he is concerned with the union grievance system not working properly. Mr. Switzer discussed an issue that a family member had in our Emergency Department. Tom Tomasino, CEO asked Mr. Switzer to stay after the Board meeting to discuss the issue further.

**Other**

President Tarrant asked if the Board felt the meeting was efficient and whether there were any improvements to be made, there were none.

**Adjournment**

There being no further business, President Tarrant called for a motion to adjourn. Commissioner Fey made a motion, seconded by Commissioner Wallin to adjourn the meeting at 9:08 am. Motion carried.