The regular meeting of the Board of Commissioners for Island Hospital was called to order by Commissioner Ely at 7:15 a.m. in the Cypress Room of Island Hospital.

Those present were Commissioners Laurie Gere, Buzz Ely, MD, Chip Bogosian, MD, Jan Iversen and Paul Maughan, Ph.D (via phone). Also present were Vince Oliver, CEO; Lois Pate, RN, CNO; Peter Swanson, CFO; Scott Harrison, MD, Chief of Staff; Kara Tippett, Executive Assistant; Bernadette Molnar, Foundation Development Coordinator; Anita McCoy, RN, Director QI/Risk, Jacob Buckenmeyer Anacortes American; Dennis Richards; Director Marketing/Community Relations; and Shellie Bogosian, RN, Foundation President.

**CONSENT AGENDA:**
**Approval of the Board Warrants**

After review, Commissioner Iversen made a motion to approve the Consent Agenda. Commissioner Gere seconded the motion. Commissioners Ely, Bogosian, Iversen, Gere and Maughan all voted aye and the motion carried.

**BOARD QUALITY COUNCIL:**

Commissioner Ely welcomed Dr. Harrison to the meeting.

**Anesthesia Committee:** Dr. Harrison reported that in regard to pre-medication for pediatric patients, it was noted that there is a chart for oral meds, but no chart for nasal meds. A nasal medication dose chart will be created. Carpuject syringe overfills; there is a reminder to check the dose amount as some have been overfilled at the manufacture. As of July 1, 2012, an Anesthesiologist will be available for add-ons. There will be a minimum of one Anesthesiologist available on holidays. Nursing notified the group that currently there are two different scales being used for level of consciousness, they requested only one be used for consistency. Dr. Masten is amending the form so it is consistent for all areas.

**Infection Control Committee:** Dr. Harrison noted that Skagit County is the highest in the state per capita for pertussis cases. Twelve Island Hospital employees have been exposed. All first responders in the community have been vaccinated. Peter added that the lab expense went up $45,000 in June for testing. Dr. Harrison stated that there were two needle sticks and one scalpel stick recently. The needle sticks are from non safety needles, which some providers still require occasionally.

**Pharmacy and Therapeutics Committee:** Dr. Harrison advised there have been a small number of adverse drug reactions. There have been some drug errors, 45% are related to administration, too much, too little or the wrong time. Commissioner Iversen questioned if there was a pattern, Anita advised no. Dr. Harrison explained that two new drugs have been added to the formulary. Ipilimumab Injection is used for the treatment of unresectable or metastatic melanoma; the drug is very expensive. One patient at the hospital has used it so far. Nebivolol is used for the treatment of hypertension.

**Department of Health Survey Findings**

Anita reported on the findings from the survey.

- Patient Rights handout missing elements specified by WAC’s.
- Medical Staff has no policy on unprofessional conduct of Medical Staff including who the policy applies to.
- Infection Control – patient supplies being stored under the sink
- Storage of Supplies, boxes on floors in departments
- Dietary – staff not changing gloves frequently enough; hand hygiene.
- Pharmacy – no policy on managing pill crushers. Pill crushers in medication rooms had residue left in them.
- Endoscopy: relating to the management of medications in that area to make sure we have specific policies and procedures.
- Pediatric patients medication reconciliation, knowing what medication patient is on when they come in, monitor while they are here and make sure they know when they go home.
- Recovery – malignant hyperthermia, high risk low emergency that can happen. There needs to be a spelled out procedure and staff reminded of it.
- Emergency Room – crash carts need to be checked every day.
- Emergency Room – Emergency Contraceptives/ Sexual Assault, there is a law on emergency contraception and availability of that 24/7.
- Engineering – hot water needs to not exceed 120 degrees.
- Air flow issues in the lab and ICU clean and dirty utilities.

Commissioner Iversen questioned the number of diverts, Lois advised one from Dr. Linda Brown’s office.

SAFETY COMMITTEE:

Vince noted that the elected employees are not always at the meetings. It is a requirement to have half elected members and have employer appointed.

The issue of radiant heaters has come up again; engineering will investigate every incident of employee discomfort. The hospital will provide employees and patients with mechanical heat and cooling. If it is determined that a space heater is needed the hospital will purchase and maintain the unit.

FINANCE UPDATE:

Financial Statement Review: Peter Swanson reported on the June financial statements with the Committee and highlighted the following as significant items:

- **Patient Volumes** – Inpatient admissions for June 2012 were 255 compared to 242 in June 2011. The average daily census for June was 24.7 patients compared to 26.6 patients for 2011. Inpatient surgical cases in June 2012 were 111 compared to 102 in June 2011. Outpatient surgeries were 353 compared to the prior June of 333. Total surgery cases were 6.7% more than the prior year. Emergency Room visits were 9.3% less than in June 2011. The total number of outpatient visits was 7% more than in June 2011 and physician clinic visits in total were more 22% more than in June 2011.

- **Balance Sheet** – The hospital collected $6.9 million in June and paid out $7.8 million which resulted in a decrease of day’s cash on hand to 78 from 83.6. The days in Accounts Receivable increased to 48.7 from 48.5 days at the end of May. Consolidated cash and cash equivalents are down $1,892,000 from the end of 2011.

- **Net Revenue** – Net revenue for June 2012 was $6.9 million with an actual collection rate of 44.5% which was above the budgeted 42.8%. The higher collection rate is a result of receipt of the Rural Floor Settlement. Bad Debt was $43,000 less than budgeted for June 2012 and $180,000 less than year to date.

- **Operating expenses** – Year to date total expenses are $456,000 under budget or 2%. The total number of FTE’s for June 2012 was 514 which is the same as budgeted and 51 more than June 2011. The areas over budget for June 2012 are Purchased Services $123,000, Professional and Physician Fees $88,000, Other $72,000, Drugs $70,000 and Salaries and Wages $67,000. The excess margin for June 2012 is $185,000 versus a budgeted excess margin of $43,000 and an excess margin of $294,000 in June 2011. For the year to date, the hospital has recorded a total excess loss of $143,000 compared to an excess loss of $423,000 in 2011.
Peter advised that they will be refinancing the 2004 bonds; the projected savings is 1 million over the life of the bond.

**STRATEGY UPDATE:**

Commissioner Bogosian advised the hospital needs to look at a uniform cost structure for people that pay out of pocket.

Vince apprised the group of Tom Batz being out on an indefinite medical leave. Mike Young has been promoted as the interim director; Mike agreed to do so for nine (9) months to a year.

Vince, Peter and Lois looked yesterday at nine months out, a year etc. as there are several directors/managers that will be leaving. Vince is beginning to think through the best way to manage the situation. They will take a comprehensive look organizationally.

**AFM:** working with new recruit. David Hall is going to be starting in September.

**Physician Recruitment and Retention:** Continuing to work with a recruit at AFM, Dr. Hall will be starting with Psychiatry and Behavioral Health in September.

**Pain Management:** Vince stated they do have someone interested in the position. They are reviewing the wage scale for this position.

**Map Project:** Vince noted that it is mostly complete.

**IH2020 Update:** Vince is working with Carl Tully, they will arrange for a time to go to Seattle and meet regarding it.

**Space Needs:** Psychiatry and Behavioral Health- embedding in AFM was a great idea but they are out growing the space, FMA is also out growing their space.

**Joint Board Discussions:** The Steering Committee has the kick off phone call July 25th at 2:30.

**Leadership Retreat:** Vince advised the retreat will be on Orcas Island, the topic is being finalized.

**Hospital Reclassification:** Vince stated they should hear soon on the payment and details of the program. They did confirm the payment mechanism that CliftonLarsonAllen used to figure out the amount of money was correct. Anthony Young is putting together a trip to go back and visit at Capital Hill.

**MIN-NS:** The group is working with United General Hospital on their exiting the program.

**Restorix Foundation:** They are working on the possibility of patients using the chambers for something not covered by insurance. It is a little bit of a different situation working so that patients can use chambers for something not covered.

**Walk-In Clinic:** The clinic is going well; they are going to need to hire more providers. They are seeing between 25-28 patients on Saturdays.
Hospitalist Agreement: Vince advised the contract has been signed and has an effective date of August 1st.

Vince mentioned that he and Commissioner Ely are speaking at a Physician and Leadership strategies conference in October.

OLD BUSINESS: None

NEW BUSINESS:

Island Hospital Foundation: Bernadette advised the Worthington Foundation donated $10,000 towards the Intervention Program with Anacortes High School and Anacortes Middle School. This will allow Suzanne Staum to be at the schools two days a week.

Bernadette noted that Skagit Sun Berries is donating all proceeds from sales on July 27th to the Foundation; they will be serving short cake. Last year the proceeds from the Berry Stand was $4,000.

There was a Fireside Chat in June and it was very well attended. They are looking at having them on Lopes, Orcas and San Juan Island. They are planning a retreat in September, they would like to look at long term planning for the hospital and how the Foundation can be a part of the long term efforts for the hospital.

There will be a donor event in late September, early October which will be in conjunction with the Spirit of the Island Award and the 50th Anniversary launch.

Foundation President, Shellie Bogosian presented the Spring Appeal check in the amount of $157,910. The Board thanked the Foundation for their work. Bernadette noted that this came from a lot of new supporters. Vince suggested they start working on the plaque for the Cancer Care Center.

Commissioners Calendar:
Vince reviewed the June Board of Commissioners Calendar.

PUBLIC COMMENT: None

EXECUTIVE SESSION: None held

ADJOURNMENT:
There being no further business, Commissioner Ely called for the meeting to be adjourned at 8:28a.m.

Paul Maughan, President/Commissioner    Buzz Ely, M.D., Secretary/Commissioner

Laurie Gere Commissioner    Jan Iversen, Commissioner