



**Board of Commissioners  
Board Meeting Minutes  
April 2, 2008**

The meeting was called to order at 6:00 p.m. in Linkletter Hall of Olympic Medical Center by Board President Jim Cammack, and was opened with the pledge of allegiance. Present were commissioners John Beitzel, Arlene Engel, Jean Hordyk, Jim Leskinovitch, Gary R. Smith and Cindy Witham; Chief Medical Officer Scott Kennedy, MD; Chief of Staff Mark Fischer, MD; Assistant Administrators Rhonda Curry, Donna Davison, and Julie Rukstad; Executive Director OMP Gary Kriedberg; Legal Counsel Craig Miller; public members and Executive Assistant Gay Lynn Iseri.

The order of the agenda was changed as follows:

**RESOLUTION 411 – HONORING JIM PAAPKE, ADMINISTRATIVE DIRECTOR**

Commissioner Witham asked to defer action after review of the resolution.

**BENCHMARKING SYSTEM**

Chief Financial Officer Julie Rukstad reviewed a system for operational and financial benchmarking services to effectively compare performance to similar hospitals and departments, identify productivity and expense improvements, and set realistic performance targets to improve efficiencies at OMC.

**MOTION:** To approve the purchase of the Thomson Healthcare operational and financial benchmarking product at an annual service fee of THIRTY FOUR THOUSAND DOLLARS (\$34,000) for three years, plus an implementation fee of FIFTY NINE THOUSAND DOLLARS (\$59,000) as presented.

**Discussion:** The implementation fee entails front-end determination of specific measurements as requested by OMC. Online data will be available to access and a demo was been reviewed by staff. This was a non-budgeted 2008 item sponsored by the cost containment group led by Financial Analyst Darryl Wolfe. **Motion carried.**

**Medicare Cost Report**

Ms. Rukstad briefed the board on The Rybar Group, Inc., Medicare cost reporting consultants who would conduct a sole community hospital low volume adjustment request for fiscal years 2006, 2007, and 2008. After the volume qualification determination of all 3 years, the payment to the company would be 7.5% of the total received from the appeal plus 25% of amounts over \$2,000,000. OMC would have no other financial obligations to the company other than predetermined travel costs.

**MOTION:** To approve the agreement with Rybar Group, Inc. to provide volume adjustments for fiscal years 2006, 2007, and 2008 at a total cost, upon qualification of all three years, of 7.5% received from the appeal plus 25% of the amount over TWO MILLION DOLLARS (\$2,000,000) as presented. Commissioner Witham abstained. *Motion carried.*

### **MEDICARE PART A BILLING ISSUE UPDATE**

Commissioner Witham requested an update on the OMP Clinic Part A billing issue. Ms. Rukstad announced patient bills have been held for audit since March 14, further explaining the split billing for the professional fee and facility fee created a billing issue for patients. Patients with commercial insurance with newly beginning deductibles for the year have been mainly impacted. Those with Medicare and supplemental insurance were least impacted.

Executive Director of Olympic Medical Physicians Gary Kriedberg added errors occurred at the front end of the billing process when charges are entered into the system to comply with regulations. It was also noted the facility charge was based calculated from the non-physician component of the visit. Deadline for resolution of the billing issue was set for one week.

### **BOARD LEGAL GUIDELINE REVIEW**

Attorney Craig Miller presented his annual legal review to the board. Highlights of legislative changes follow:

- Commissioner compensation increased this year from \$70 per day to \$90 per day for official business. It was a mandatory raise approved by the legislature and not subject to board resolution or approval.
- It is now possible to make payments on medical student debts within physician recruitment contracts to retain or recruit new physicians with no time or dollar amount limits.
- New allowable topics for discussion in executive sessions are credentialing issues with physicians, and any report from the quality improvement committee. All action still must occur in open session.
- The bill to require taping of all executive sessions failed this year, but will be pushed until adoption. Currently, there is no legal requirement to tape the meeting because the approved minutes remain the official record.
- The public bid process may be waived for purchase of materials for single source acquisitions.
- Medical facilities may participate in public and private joint ventures.
- An open ballot must be used for election of officers; no secret ballots may be used.
- Regarding attorney client privilege, the board has to be giving or receiving legal advice from lawyer to qualify. Just because the attorney is present is not acceptable considering potential litigation and pending litigation.
- Attorney bills are not exempt from public record bill. Information is discoverable and a legal document, but may be redacted.
- The attorney is the legal representative of the board only. The CEO and everyone below that position are employees.

Other points made by Mr. Miller:

***Contract Authority by Resolution 308***

- The CEO may execute all physician contracts up to \$25,000. Contracts in excess of \$25,000 require prior approval by the Board.
- The CEO may execute consultant and general contracts up to \$25,000; between \$25,001 and \$50,000, contracts must be approved by the President of the Board or designee; contracts in excess of \$50,000 require full board approval.
- The CEO may authorize purchase of budgeted capital equipment and equipment maintenance contracts up to \$50,000.

***Org Chart***

Any revision to the org chart or hiring at the assistant administrator level requires board approval.

**OTHER**

Commissioner Leskinovitch suggested increased board involvement regarding physician credentialing and privileges in the form of a board physician credentialing committee.

Commissioner Witham noted the community forum regarding local hospice services will be held on April 17.

There being no further business, the meeting was adjourned at 7:45 pm.

**APPROVED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

**ATTEST:**

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President

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Secretary

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Commissioner

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