



**Board of Commissioners
Meeting Minutes
April 7, 2010**

The meeting was called to order at 6:00 pm by Board President John Beitzel in Linkletter Hall at Olympic Medical Center and was opened with the pledge of allegiance. Present were Commissioners Jim Cammack, Arlene Engel, Jim Leskinovitch, John Miles, MD, and John Nutter; Chief Executive Officer Eric Lewis; Chief Financial Officer Julie Rukstad, Assistant Administrators Rhonda Curry, Pamela Hawney and Lorraine Wall, Administrative Director Donna Davison; Legal Counsel Craig Miller; public members and Executive Assistant Gay Lynn Iseri.

AWARD RECOGNITION/CELEBRATION

Chief Executive Officer Eric Lewis introduced Robert Watkins, MD and Jim Mowry, MD, both orthopedic surgeons who were recently honored as recipients of the Washington Rural Health Association Award for Outstanding Rural Health Practitioners. Mr. Lewis spoke in appreciation of their service and dedications to patients in the community and those thoughts were echoed by the board as a whole. Dr. Watkins accepted the award on behalf of all his fellow practitioners and Dr. Mowry thanked the hospital for supporting the orthopedic program.

Commissioner Jean Hordyk joined the meeting.

DIGITAL VIDEO EQUIPMENT FOR MINIMALLY INVASIVE SURGERY

Assistant Administrator Specialty Services Pamela Hawney introduced the request to purchase digital video equipment for minimally invasive surgery to be used by all surgeons except the ophthalmologists. Three vendors were analyzed by a team, and Stryker was the selected vendor due to their outstanding customer service and competitive pricing with the estimated total cost of \$500,567.60 for four units. This request will be presented at the board budget and audit committee and come back to the full board in two weeks to request formal approval.

PHARMACY AUTO-REPLENISHMENT SYSTEM

Chief Nursing Officer Lorraine Wall requested approval to purchase the equipment to begin our bedside medication verification system, increase efficiency and quality of patient care. As previously presented, the medications will be monitored using bar codes for checks and balances.

MOTION: To approve the purchase of the PYXIS PARx Pharmacy Auto Replenishment System from Care Fusion for the total cost of SIXTY SIX THOUSAND FIVE HUNDRED FORTY FOUR DOLLARS AND SIXTY CENTS (\$66,544.60) as presented. Jim Cammack recused himself from the

vote. *Motion carried unanimously.*

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PHYSICIAN EMPLOYMENT AGREEMENTS

Chief Financial Officer Julie Rukstad presented the physician employment agreements for the primary care physicians at the Olympic Medical Physicians Primary Care Clinic for introduction. The agreements would start on May 1, 2010 at \$148,000 per year with a productivity incentive and standard Olympic Medical Physician (OMP) benefits. Ms. Rukstad noted these will be presented in detail at the next Board Budget and Audit Committee for review and come back to the full board for consideration at the next board meeting.

HOSPITAL ELEVATOR PROJECT

Mr. Lewis asked the board to authorize the elevator project proceed as planned and to purchase the elevator equipment from Otis who was the most qualified vendor. He requested approval to bid the construction portion of the project consisting mainly of mechanical, electrical and light carpentry work. It was noted the project should be completed by October 2010.

MOTION: To authorize administration to proceed with the hospital elevator project with a total budget of EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$850,000), and to publicly bid the construction portion of the project with a not to exceed cost of TWO HUNDRED TWENTY THOUSAND DOLLARS (\$220,000) as presented. *Motion carried unanimously.*

HEALTH CARE REFORM BILL

Mr. Lewis presented a summary of the health care reform bill that was passed last month in Washington, DC. He announced many changes will occur over the next decade and noted there were four areas it addressed: health insurance reform, health insurance access, quality improvement and cost controls. Interesting provisions of the bill include an independent board that establishes payments annually that will come into play 2015 effecting physician reimbursement and hopefully address issues around geographic variation; the innovation center will change to a fixed bundle system, moving away from fee for service system; OMC is well positioned to become an accountable care organizations beginning in 2012 allowing us to propose to Medicare other payment or service delivery systems; preventative care, chronic disease, primary care and public health will receive an increase of 10% in 2011, and in 2013, Medicaid will be required to pay the same as Medicare for primary care physicians; comparative effectiveness research will determine the best treatments for outcomes and cost effectiveness; workforce development in our rural area will continue to be a challenge.

Mr. Lewis noted geographic variation fixes were not addressed in the bill. However, two studies will occur regarding geographic variation in 2011 and a national summit will be sponsored later this year. Medicare physician payment fixes for the 21% cut should be fixed retroactively again and tort reform also still on the table.

He displayed a table of the estimated reductions noting in 2017, 2018, and 2019 Medicare payment reductions begin to adversely affect the net effect for Olympic Medical Center. He noted these reductions are just hospital based, not on the physician side. (See attached).

Commissioner John Miles congratulated Mr. Lewis for presenting positive opportunities while continuing to deal with these challenges. He noted it was a good plan and direction, and that the delivery system needs to be changed.

Mark Fischer, MD, past chief of staff noted the proposed appointment of Don Berwick who was nominated to be the next Director of Center for Medicare and Medicaid Services (CMS). This is great news as there couldn't have been a better choice to lead us through reform.

There being no further business, the meeting was adjourned at 6:57 pm.

APPROVED AND ADOPTED this _____ day of _____, 2010.

ATTEST:

President

Secretary

Commissioner

Commissioner

Commissioner

Commissioner

Commissioner