



**Reappointment to the Consulting Medical Staff:**

- |                     |           |              |
|---------------------|-----------|--------------|
| 1. Lloyd, Kelly, MD | Pathology | NW Pathology |
|---------------------|-----------|--------------|

**Renewal of privileges, teleradiology:**

- |                         |                   |
|-------------------------|-------------------|
| 1. Alexander, David, MD | RADIA – Radiology |
| 2. Chan, Alan, MD       | RADIA – Radiology |
| 3. Fu, Aaron, MD        | RADIA – Radiology |
| 4. Hayes, Elizabeth, MD | RADIA – Radiology |
| 5. Van Hise, Milton, MD | RADIA – Radiology |
| 6. Wang, Ying, MD       | RADIA – Radiology |

**Resignations from the Medical Staff:**

- |                         |                                     |
|-------------------------|-------------------------------------|
| 1. Garlick, Stanley, MD | Family Medicine – effective 6/20/14 |
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**MOTION:** To approve the June 2014 Medical Staff Credentials Report as presented.

**Discussion:** Commissioner Leskinovitch noted Dr. Stan Garlick for his many years of service to the patients in the community. **Motion carried unanimously.**

**QUALITY REPORT**

**Focus on Quality – Lorraine Wall, RN, MSN, chief nursing officer**

The quarterly report of the EQC Quality Subcommittee was presented with the focus on 2014 measures of stroke performance, emergency department transfer of cardiac patients, emergency department timing measures, and leadership rounding and board safety rounds. See attached presentation.

**FINANCIAL UPDATE – Julie Rukstad, chief financial officer**

The second quarter 2014 financial reports were presented including 2014 statistics for the quarter, year to date statistics, district operating results, district year to date operating results, and year to date payor mix. Commercial insurance decreased from 19% to 18%, and government payor is now over 80%. Total margin came in at -1.8% for the quarter which is better than the loss last quarter, but still a negative total margin. Operating margin was -2.4% for the quarter, and -2.0% for year to date. Total salary and benefits were down from the last quarter, but still trying to get below 60% mark. Accounts receivable days came in at 46 days, and days cash on hand is 75 days.

**PUBLIC COMMENT**

The following public members spoke in favor of keeping the physical therapy pool operational: Cecelia Kellogg-Kilmer, Francina Lee, Jadie Henton, Cynthia Shillington, Alice Horton, and Charles Milliman.

## **CORRESPONDENCE**

Thank you letters from Volunteers in Medicine of the Olympics and Peninsula College were noted.

## **OLD BUSINESS**

### ***Resolution 476 – Authorizing Investment in LGIP – Julie Rukstad, chief financial officer***

As introduced at a previous meeting, this resolution was presented for approval as required by the State to allow OMC's treasurer to be designated the authorized individual to make contributions and withdrawals to the risk limited public funds investment account on behalf of OMC as a governmental entity.

**MOTION:** To approve Resolution 476, authorizing the treasurer to invest of monies in the Local Government Investment Pool as presented. ***Motion carried unanimously.***

### ***Award the Bid for the Emergency Department Expansion Project – Julie Rukstad, chief financial officer***

Approval was sought to award the emergency department expansion project that would increase the number of beds from 14 to 20 beds.

**MOTION:** To award the bid for the Emergency Department South Expansion Project to Rush Commercial at the total construction cost of ONE MILLION SEVEN HUNDRED EIGHTY NINE THOUSAND DOLLARS. (\$1,789,000), and to authorize the CEO to sign all related contracts as presented.

**Discussion:** Expansion is critically needed due to the increased number of mental health, drug and alcohol patients, and complex elderly patients who require more treatment time in emergency department. Funds were borrowed to fund this project because of the increased volumes due to the Affordable Care Act. Construction would start in August for completion in March 2015 if approved. ***Motion carried unanimously.***

## **ADMINISTRATOR'S REPORT – Eric Lewis, chief executive officer**

### ***Operations Update***

**Financial Update:** Second quarter 2014 financial results were very disappointing and non-sustainable. Major reasons were dramatic payor mix change and high deductibles. With the same payor mix as last year, OMC would have made money the first quarter. The two midnight rule, boarding ITA patients, lab bundling, and new physician start-ups have had a negative impact. The inpatient business is struggling due to RACs and home health cuts are adding up. Corrective actions are underway and include labor management, business unit changes, increasing volumes, supply reductions, and a capital freeze. The Medicaid Sole Community Hospital increase and 340b qualification will help in 2015.

**Construction Update:** The contract with Rush Commercial will be finalized in the next few weeks for the emergency room expansion. The Port Angeles medical office task force continues to meet with more information coming to the board in August.

**Rural Residency Training Track Update:** Consultants are working with Swedish and Family Medicine of Port Angeles about the proposed residency program. It's proving to be financially challenging, and costs are different for the key players (Swedish, OMC and FMPPA). Commissioner John Miles, MD is serving on the committee as they work through the details.

**Federal Advocacy Update:** Currently working on the VA bill to increase access to veterans for specialty care on a timely basis. It was noted the OMC website contained contact information to send letters to congressional representatives to allow veterans the option of using local specialty services.

Mammography open houses will highlight the new 3-D mammography service line in both Port Angeles and Sequim.

#### **NEW BUSINESS**

##### ***Physician Employment Agreements – Rebecca Corley, OMP chief physician officer***

Approval of the physician employment agreement for Dr. James Wahl, who is in his final year of residency, and would join OMC in the fall of 2015 was presented. It includes a signing bonus, retention bonus, CME, and up to \$10,000 moving expense, and housing stipend first year.

**MOTION:** To approve the standard Olympic Medical Physicians Physician Employment Agreement and benefit package with James Wahl, DO, family practice, at the annual salary for the first year of \$205,024 (MGMA 50<sup>th</sup> percentile), reduced the second year to the MGMA 25<sup>th</sup> percentile base salary as presented.

**Discussion:** The signing bonus is contingent upon application, insurance, and credentialing and is paid up front. Retention bonus is paid end of each year for four years. The signing bonus is to assist with student loan repayment. ***Motion carried unanimously.***

Approval of the standard OMP employment agreement for Gordon Arnott, MD, urgent care, who would join the Sequim Walk-in Clinic was requested.

**MOTION:** To approve the standard Olympic Medical Physicians Physician Employment Agreement and benefit package with Gordon Arnott, MD, family practice/urgent care for \$1,000 per ten-hour shift as presented. ***Motion carried unanimously.***

**Amendment to Professional Services Agreement – Rebecca Corley, OMP chief physician officer**  
The request to amend the current professional services agreement for Mark Rosengren, DO, currently per diem at Sequim Primary Care, was presented. He exceeded expectations and would like to work more hours.


**MOTION:** To approve the first amendment to the professional services agreement with Mark Rosengren, DO, family practice, not to exceed \$150,000 annually as presented. **Motion carried unanimously.**

Dr. Corley then introduced the agreement with Dr. Paul Zavaruha, general surgeon, that will be brought to the next meeting for consideration. Terms of the agreement are \$1,500 for 24 hours to help for vacation and call coverage.

At 7:30 pm, the meeting concluded, and was moved to executive session at 7:40 pm to discuss personnel matters for 30 minutes pursuant to RCW 42.30.110(1)(g), with no action to follow. At 8:10 pm, the executive session concluded and the meeting moved back to open session and finally adjourned.

**APPROVED AND ADOPTED** this 20th day of August, 2014.

**ATTEST:**

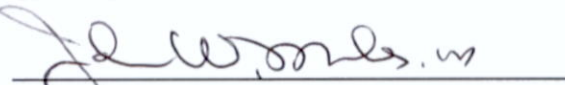
  
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