



**Board of Commissioners  
Meeting Minutes  
Linkletter Hall  
July 20, 2011**

At 5:00 pm, Board President Jim Cammack called the meeting to order. The meeting was immediately moved to executive session to discuss personnel matters for no more than fifty minutes.

At 6:00 pm, the meeting continued in Linkletter Hall and was opened with the pledge of allegiance. Present were Commissioners John Beitzel, Arlene Engel, Jean Hordyk, Jim Leskinovitch, John Miles and John Nutter; CEO Eric Lewis; CMO Scott Kennedy, MD; CNO Lorraine Wall; CFO Julie Rukstad; Administrative Director Risk Management Donna Davison; Legal Counsel Craig Miller; public participants and Executive Assistant Gay Lynn Iseri.

**CONSENT AGENDA**

- Minutes for June 15, 2011, June 29, 2011 and July 6, 2011;
- Bad Debt for the month of June 2011 in the amount of \$348,887.90;
- Vouchers for the month of June 2011 in the amount of \$6,544,804.76;
- Payroll for the period of May 29, 2011 through July 9, 2011 in the amount of \$5,033,309.70

**MOTION:** To approve the consent agenda as presented. *Motion carried unanimously.*

**MEDICAL STAFF RECOMMENDATIONS - Chief of Staff Harry Lyndes, MD**

Dr. Lyndes requested approval of the following medical staff recommendations for June, 2011:

**MOTION:** To approve the June 2011 Medical Staff Credentials Report as presented.  
*Motion carried unanimously.*

**QUALITY REPORT**

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

Ms. Wall presented the quarterly Executive Quality Council Quality Report to the board including outpatient cardiac measures, inpatient heart failure, pneumonia, and efforts to reduce catheter associated urinary tract infections which will become a 2012 national patient safety goal. The hospital currently has a project underway to reduce these infections as of third quarter 2010, and infections have reduced. Regarding MRSA infection nasal infection screening, OMC is currently at 9-10% incoming MRSA rate to the hospital. Positive cultures are treated in isolation and OMC provides education to treat outside of the hospital.

## **SECOND QUARTER 2011 REPORT – Julie Rukstad, chief financial officer**

Ms. Rukstad presented the following: statistics for 2011 second quarter were reviewed; statistics compared year to date 2010 vs. 2011, district 2011 second quarter operating results indicating 2% revenue over budget, 2% expenses over budget and a 2.2% margin, district year to date operating results, total margin per quarter, district operating margin per quarter, district total margin of 1.6% that has been on a downward trend over the past ten years, district salaries and benefits /net revenue, A/R days at 51 days, and days cash on hand that is at 89 days, almost to our minimum goal of 90 days. See attached presentation.

## **PUBLIC COMMENT**

- Vickie Chapman, Radiology, stated cuts will force her to not pay bills.
- Lori Gray, Med Surg RN, spoke in favor of safe staffing levels, and needing more CNAs.
- Megan Roots, ER Tech, stated health care workers need health care, too.
- Sarah Daugaard, Dietary, stated they have fought for a contract for two years, and their department pays the most for benefits and has the lowest salaries.
- Tom Herber, Surgery RN, spoke about subcontracting and for maintaining continuity of care.
- Jennifer Groves, OR orderly spoke about resources for schooling and training our own.
- Christy Wright, ED RN, spoke in appreciation of training fund and the importance of safe staffing.
- Jeana Hutton, CCU RN, don't cut health care, think of other ways to save money.

## **OLD BUSINESS**

### ***Resolution 443 – Amending the Deferred Compensation Plan - Richard Newman, chief human resource officer***

Approval was requested for this resolution, previously introduced to the board which would allow employee loan options in concert with the other retirement plans.

**MOTION:** To approve Resolution 443 – Amending the Deferred Compensation Plan as presented. ***Motion carried unanimously.***

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

### ***State of the Medical Center***

Goals and current challenges facing Olympic Medical Center were presented to the board and public members. Challenges included the current great recession, decreasing government reimbursement for 72% of our patients, uncompensated care for 6% of our patients, the health care reform that increased regulations causing cost increase, and net income. Mr. Lewis noted the decreasing bottom line has been very challenging over the past ten years, going from 10% down to 1.6%.

Federal spending cuts are ranging from \$2.5 to \$4 trillion dollars over the next ten years. Proposed cuts to Medicare and Medicaid range into the billions over the next years, leaving our cuts unknown at this point.

Regarding OMC's budget, the biggest expense is employee wages and benefits which is at 60%. Over \$3 million is spent on payroll every two weeks, and we are working towards not having layoffs because OMC needs staff to care for patients. Although capital expenditures have been under criticism, 8% of our budget spent on capital is far less than Seattle hospitals. We must update equipment and focus on expenditures to maintain and improve quality and local care.

Union negotiations with SEIU1199NW are underway with significant issues such as banning on subcontracting, training fund, and staffing issues. The union sent flyers to residences and businesses trying to encourage OMC to change its proposals. In the latest bulletin dated June 11, striking was discussed, but both sides will work to avoid this. OMC has above market employee benefits and the ability to pay for spouses and children is getting increasingly difficult to afford, so it is proposed that the employee pay for a portion of that cost.

As a response to these and other current challenges, OMC is working on the proposed affiliation with Swedish including the Epic EMR, adopting Lean Process improvement, living within our means by negotiating affordable wage settlements, negotiating benefits closer to market, keeping local services and maintaining our commitment to our employees and community. OMC will continue to advocate for better Medicare and Medicaid reimbursement.

Recent achievements were noted and community forums were announced. See attached presentation.

#### **NEW BUSINESS**

***Stryker Agreement – Scott Kennedy, MD, chief medical officer***  
Deferred.

***Surplus Property – Julie Rukstad, chief financial officer***  
Ms. Rukstad requested approval of the equipment listed in the packet.

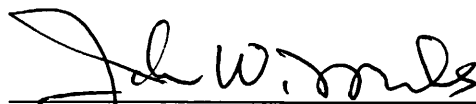
***MOTION:*** To approve the property listed on page 26 of the board package as surplus as presented. ***Motion carried unanimously.***

**OTHER**

After a 10 minute break, the meeting was moved to executive session at 7:35 p.m. by authority of RCW 42.30.140(4)(a) to discuss collective bargaining and litigation for no more than 45 minutes with no action to follow. At 8:15 the meeting was moved to open session and there being no further business the meeting finally adjourned.

**APPROVED AND ADOPTED** this 17th day of August, 2011.


**ATTEST:**

  
\_\_\_\_\_  
Secretary

  
\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
Commissioner