



**Board of Commissioners
Business Meeting Minutes
June 18, 2014**

The regular meeting of the Board of Commissioners was called to order by Board President Jim Leskinovitch in Linkletter Hall and was opened with the pledge of allegiance. Also in attendance were Commissioners John Beitzel, Jim Cammack, Jean Hordyk, John Miles, MD, John Nutter, and Tom Oblak; CEO Eric Lewis; CMO/COO Scott Kennedy, MD; CNO Lorraine Wall, RN, MSN; Chief of Staff Carleen Bensen, MD; OMP Chief Physician Officer Rebecca Corley, MD; Epic Physician Champion Mark Fischer, MD; Labor and Employee Counsel Jennifer Burkhardt, JD, GPHR; Communications Manager, Bobby Beeman, Legal Counsel Craig Miller, staff, public participants and Executive Assistant Gay Lynn Iseri. CFO Julie Rukstad and Administrative Director of Risk Management Donna Davison were excused.

RECOGNIZING STATE SENATOR JIM HARGROVE

Commissioner Jim Leskinovitch thanked Senator Jim Hargrove for his role in passing the sole community hospital bill, stating without his support, the bill would not have passed. CEO Eric Lewis also thanked the Senator for his leadership and hard work that will not only help Clallam County, but also Grays Harbor Community Hospital to thrive in the future. As the number of Medicaid enrollees increased substantially due to the Affordable Care Act, this bill will increase the level of reimbursement from 55% of the cost of care to 70% to sole community hospitals. It was a collaborative effort between the Board, the CEO and union representatives.

CONSENT AGENDA

- A. Minutes from May 21, 2014 and June 4, 2014;
- B. Bad Debt for May 2014 in the amount of \$585,562.64;
- C. Vouchers for May 2014 in the amount of \$7,308,409.82;
- D. Payroll for the period of April 27, 2014 through May 24, 2014 in the amount of \$3,664,987.29.

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

MEDICAL STAFF REPORT – Carleen Bensen, MD, chief of staff
May 2014 Medical Staff Credentials Report

ALLIED HEALTH PROFESSIONAL STAFF

Reappointment to the Allied Health Professional Staff:

- | | | |
|----------------------------|-----------------|-------------------------|
| • Denenberg, Risa, ARNP | Family Medicine | Jamestown Family Health |
| • Galbreath, Lisa, PA-C | Family Medicine | Jamestown Family Health |
| • Payne, Pamela, ARNP | Family Medicine | Jamestown Family Health |
| • Redmond, Gloria, ARNP | Family Medicine | Jamestown Family Health |
| • Root-Racine, Diane, ARNP | Family Medicine | Jamestown Family Health |
| • Shannon, Kathy, ARNP | Family Medicine | Jamestown Family Health |

MEDICAL STAFF

Appointment to the Active Medical Staff:

- | | | |
|----------------------|-----------|----------------------|
| • Carl, Jennifer, MD | Physiatry | OMP Specialty Clinic |
|----------------------|-----------|----------------------|

Reappointment to the Active Medical Staff:

- | | | |
|-------------------------|-------------------|-------------------------|
| • Cunningham, Paul, MD | Family Medicine | Jamestown Family Health |
| • Hudgings, Daniel, MD | Family Medicine | OMP Primary Care Clinic |
| • Kittrick, Bruce, MD | Internal Medicine | OMC Hospitalist |
| • Olsen, Roger, MD | Family Medicine | |
| • Reiter, Samantha, MD | Internal Medicine | |
| • Sultan, Aya, MD, PhD | OB/Gyn | OMP Women's Clinic |
| • Swanson, Eric, MD | Internal Medicine | OMC Hospitalist |
| • Swanson, Jennifer, MD | Internal Medicine | OMC Hospitalist |
| • Weber, Carl, MD | Internal Medicine | |

Reappointment to Courtesy Staff:

- | | | |
|--------------------------|--------------------|-----------------|
| • Watkins, Robert Jr. MD | Orthopedic Surgery | OMP Orthopedics |
|--------------------------|--------------------|-----------------|

Appointment to Honorary Staff:

- | | | |
|--------------------|-----------------|---------|
| • Oakes, Roger, MD | Family Medicine | Retired |
|--------------------|-----------------|---------|

Renewal of Telemedicine Privileges:

- | | | |
|--------------------------|-------------------------|--|
| • Akselrod, Dmitriy, MD | RADIA – Radiology | |
| • Geraghty, Patricia, MD | RADIA – Radiology | |
| • Liou, Lee-Loung, MD | Swedish - Teleneurology | |
| • Nason, Laura, MD | RADIA - Radiology | |

MOTION: To approve the May 2014 medical staff credentials report as presented.
Motion carried unanimously.

Medical Staff Policies G1 and G16

Revisions included a change from 'mail ballot' to 'ballot' for policy G1, and no changes to policy G16, only a two year review.

MOTION: To approve the revisions to the medical staff governance policies, G1-Medical Staff Policies and Procedures, and G16-Medical Staff Health, as presented. *Motion carried unanimously.*

Announcement

The Medical Executive Committee voted in the first Allied Health Professional, Connie Walker, PA-C, to serve on the committee as a full voting member.

QUALITY REPORT

Focus on Satisfaction – Richard Newman, chief human resource officer

The quarterly report of the EQC Satisfaction Subcommittee on patient satisfaction was presented. The inpatient indicators of explaining medications before administration, how quickly patients received assistance from staff, and receiving information for recovery at home were discussed. Emergency department indicators discussed pertained to courtesy shown by laboratory and diagnostic imaging employees, and adequacy of information provided to friends and family of patients. Increases in scores were evident in the emergency department despite the distraction of the remodel last quarter.

CORRESPONDENCE

Letters of thanks were noted from Peninsula College and the Port Angeles Food Bank.

OLD BUSINESS

Quarterly Epic Update – Deby King, Epic Implementation Manager

Key focus areas of the Epic implementation were reviewed in the quarterly report, including application user groups, optimization work groups, report update, MyChart, Care Link and upgrade information.

Physician Employment Agreement – Rebecca Corley, MD, OMP Chief Physician Officer

Approval for a physician employment agreement was requested for Marion Chirayath, MD, medical oncologist, who is board certified in medical oncology and hematology, at 25% MGMA, eligible for incentive above 25%, with \$4,000 annual CME stipend, up to \$10,000 moving expenses, and up to \$12,000 housing stipend for the first year. She would start in early August.

MOTION: To approve the standard Olympic Medical Physicians employment agreement with Marion Chirayath, MD, medical oncologist, at the annual salary of THREE HUNDRED FORTY ONE THOUSAND SIX HUNDRED SEVENTY SIX DOLLARS (\$341,676), as presented. *Motion carried unanimously.*

Use of 2013 Debt Funds – Eric Lewis, chief executive officer

In December 2013, OMC borrowed \$20 million to fund the emergency department expansion project (\$2.3 million), to purchase the digital mammography equipment, and other needs as deemed necessary. The Board Audit, Budget and Compliance Committee endorsed further allocation of funds as presented.

MOTION: To approve allocation of the 2013 debt funds toward the 2014 principal payments on the current long-term debt in the amount of THREE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$3.8 million), and for remodeling and renovating hospital inpatient units, other hospital departments, and ancillary buildings not to exceed NINE HUNDRED THOUSAND DOLLARS (\$900,000) as presented. *Motion carried unanimously.*

ADMINISTRATOR'S REPORT – Eric Lewis, chief executive officer

Emergency Department Expansion Project – the project team has worked with architects to change some requirements, reduce costs, develop an alternate, and reissued bid documents. Bids are now due on July 14, and will be presented to the Board for consideration at the July 16 board meeting. If we approve a bid, hopefully the project would be completed March 2015.

Port Angeles Medical Office Building Project – the goal is to have a high level design for the Board to review by the end of July or early August. Work flow and physician work space are being worked on. An architect will be hired, and the project bid out January 2015.

Rural Training Track Residency Program – discussion is underway with a consultant regarding this complex program. Medical education is under-funded, and expenses and revenue streams are being examined to determine feasibility. This long term program would involve partnering with Family Medicine of Port Angeles regarding structure. More information will be forthcoming in July or August.

May 2014 Financials – came in 5% below budget for revenue, approximately 81% government payments, contractuals came in 5% above budget, and expenses came in below budget. OMC lost \$82,000 from operations, which was pretty good considering payment mix. OMC made \$33,000 in May, and cash position was up to 76 days. OMC is now 19% Medicaid reimbursement, the highest to date.

Medicare 340B Program - Medicaid days have increased, so in 2014, OMC should qualify easily. By early April, the cost report will be done, and the application will be submitted. OMC could qualify by July 1, 2015, which would mean an estimated \$2 million annual improvement to the bottom line. OMC's goal is to achieve a 2% operating margin, with all business units economically viable.

NEW BUSINESS

Physician Locums Agreement – Scott Kennedy, MD, chief medical officer

Currently, locums are being used for coverage at the cancer center until the arrival of Marion Chirayath, MD, later this summer. An agreement was previously approved with Dr. Norman from Comp Health, but another physician and agency is working out better. Approval would not cost more, just re-allocate funds.

MOTION: To approve the medical oncology locums agreement with Weatherby Healthcare not to exceed TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000) for services in 2014 as presented. Motion carried unanimously.

Siemens Instrumentation Proposal – Steve Blackham, director laboratory services

A request to upgrade the seven-year old clinical chemistry equipment was presented. Reasons for upgrade, and the purchase option compared to lease option were discussed. Proposed instrumentation would include three analyzers. A five-year financial estimation indicates an approximate savings of \$300,000 dollars over five years. It was noted the service agreement would be separate. Further discussion will occur at the next Board Audit, Budget and Compliance Committee meeting.

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

Julie introduced the resolution to allow OMC's treasurer to invest in the local government investment pool (LGIP). The resolution is a state requirement for standardization, and doesn't change the process or procedure followed since 1982. The resolution will be brought to the next meeting for formal consideration.

Surplus Property – Julie Rukstad, chief financial officer

Property listed to surplus was noted to be mostly computer hardware, and obsolete computers to donate.

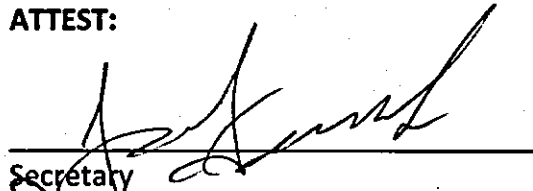
MOTION: To approve the surplus property listed on pages 27-29 of the board packet as surplus as presented. **Motion carried unanimously.**

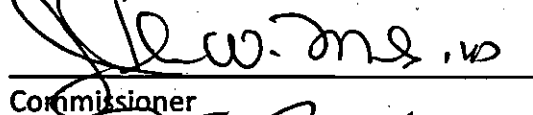
At 7:26, the regular meeting concluded, and was moved to executive session to discuss personnel matters for 30 minutes pursuant to RCW 42.30.110(1)(g), with no action to follow.

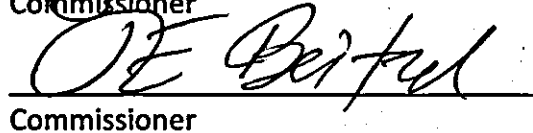
At 7:56, the executive session was extended 20 more minutes and finally concluded at 8:16 pm. The meeting moved to public session and there being no further business, the meeting was finally adjourned.

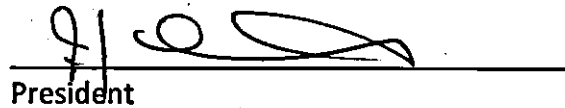
APPROVED AND ADOPTED this 16th day of July, 2014.

ATTEST:

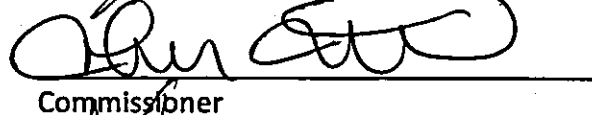

Secretary

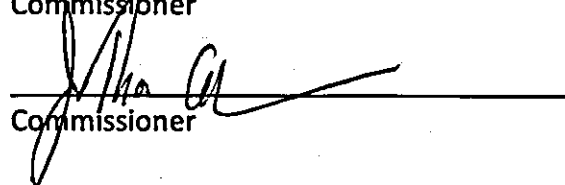

Commissioner


Commissioner


President


Commissioner


Commissioner


Commissioner