



**OLYMPIC**  
MEDICAL CENTER  
**Board of Commissioners**  
**Meeting Minutes**  
**Linkletter Hall**  
**May 2, 2012**

The special meeting was called to order at 5:04 pm in the Fairshter Room at Olympic Medical Center by Board President John Miles, MD and was immediately moved to executive session to discuss real estate by authority of RCW 42.30.110(1)(b) and potential litigation by authority of RCW 42.30.110 (1)(i) for fifty minutes. Present were Commissioners John Beitzel, Jim Cammack, Jean Hordyk, Jim Leskinovitch, John Nutter and Tom Oblak; Chief Executive Officer Eric Lewis; Chief Medical Officer Scott Kennedy, MD; Chief Nursing Officer Lorraine Wall; Chief Financial Officer Julie Rukstad; Chief Human Resource Officer Richard Newman; Assistant Administrator Rhonda Curry; Administrative Director Donna Davison; Legal Counsel Craig Miller, and Executive Assistant Gay Lynn Iseri.

At 6:00 pm, the meeting continued in Linkletter Hall and was opened with the pledge of allegiance.

**ESTES PARK INSTITUTE REPORT – Commissioners Jim Cammack & Jim Leskinovitch**

The board received an update from the two commissioners who attended the Estes Park Institute conference in March to evaluate the direction of current issues that would affect the strategic plan.

Commissioner Cammack summarized the information received at this year's conference. By 2014 all Medicare patients will be cared for with 5% less reimbursement to hospitals which will be devastating to OMC. CMS bundled payments will happen. Health insurance premiums will continue to increase. Medicare fraud and RAC audits are on the increase. Making the health care delivery system less costly and more effective will be the focus of all.

Commissioner Leskinovitch said an increased level of uncertainty was felt this year. There was a lot of discussion on how healthcare reform will hurt hospital systems; goals are high, and non-compliance is expensive. Thirty to fifty percent of employers will drop insurance for employees in 2014 affecting an estimated 75 million people. There will be an increased demand in emergency department visits. Hospitals will be forced to consider the best interest for the community served by deciding to sell, merge, affiliate or stay independent. Three areas of reform were discussed: changes were politically, not thoughtfully done, how to fund the reform act, and how different care will be delivered. A futurist noted foundation fundraising for both small and large hospitals will be crucial to save hospitals. Sole community hospitals that are at a disadvantage as a 'tweener' hospital that doesn't qualify for critical access funding.

**PUBLIC HOSPITAL DISTRICT LEGAL UPDATE – *Craig Miller, legal counsel***

New statutes that effect public hospital districts were fewer this session than expected as most of the time was spent on balancing the budget. One piece of bad news is the Washington State legislature adopted a Medicaid false claims act that addresses Medicaid fraud claims, mainly related to the pharmacy networks, that authorizes the attorney general to investigate without notice. The legislature also amended statutes by taking out special claims procedures against House bills. Another change permits attorney fees be awarded in peer review cases based on other than competency or professional conduct. Minor amendments regarding the Open Public Meetings Act require notice to be on the website and front door of the facility that a special meeting is occurring. Hospital districts can now expend funds to seek charitable contributions. Lastly, commissioner compensation may be adjusted for inflation, but would be up to the board to approve the adjustment. Common recent trends include cases about public records and municipalities not producing required documents and cases are running into hundreds of thousands of dollars while budgets continue to decrease. Executive sessions continue to be an area of focus for possible changes on the horizon.


**NEW CLALLAM COUNTY PRECINCTS – *Craig Miller, legal counsel***

County precincts were altered to comply with the 2011 redistricting data splitting two hospital precincts in Clallam County Public Hospital District No. 2. Information from the County was distributed by Mr. Miller who advised a new resolution be drafted for consideration at a future meeting to address this change. The three hospital districts were not altered, just the County's precincts were redesignated. The revised resolution will address this change.

There being no further business, the meeting was finally adjourned at 7:10 pm.

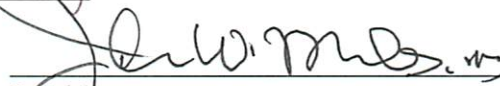
**APPROVED AND ADOPTED** this 10th day of May 2012.


**ATTEST:**


  
Secretary

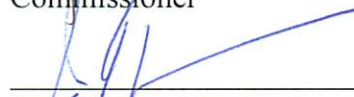
  
Commissioner

  
Commissioner

  
President

  
Commissioner

  
Commissioner

  
Commissioner