



**Board of Commissioners
Meeting Minutes
Linkletter Hall
November 10, 2010**

The special meeting was called to order at 4:05 pm by Board Secretary Jim Cammack in Linkletter Hall at Olympic Medical Center. He welcomed the boards from Jefferson Healthcare and Forks Community Hospital to the Joint Board Workshop as well as and members of their administrative teams. Those in attendance included:

Forks Community Hospital: Gerry Lane, Commissioner and Board President, Don Lawley, Commissioner, Camille Scott, Administrator. John Sherrett, COO/CFO, Heidi Anderson Chief Nursing Staff and Andrea Perkins-Peppers, CIO. ***Jefferson Healthcare:*** Jill Buhler, Commissioner and Chief Governing Officer, Marc Mauney, MD, Commissioner and Board Secretary, Tony De Leo, Commissioner, Marie Dressler, Commissioner, Chuck Russell, Commissioner, Mike Glenn, CEO, Paula Dowdle, COO, Jim Chaney, CFO, Terri Camp, CNE/CQO, John Nowak, Lean/PI Officer, Keri Johns, Home & Community Services Director, Beki Lischalk, HR Director, Roger Harrison, Information Services Director, and Suzy White, Executive Assistant. ***Olympic Medical Center:*** Jim Leskinovitch, Commissioner, Jean Hordyk, Commissioner, Arlene Engel, Commissioner, John Nutter, Commissioner, John Miles, MD, Commissioner. Eric Lewis, Chief Executive Officer, R. Scott Kennedy, MD, Chief Medical Officer, Julie Rukstad, Chief Financial Officer, Rhonda Curry, Assistant Administrator Strategic Development, Donna Davison, Administrative Director Risk Management, Legal Counsel Craig Miller, Public Members, and Executive Assistant Gay Lynn Iseri. Board President John Beitzel was excused.

Discussion between the Boards of Forks Community Hospital, Jefferson Healthcare and Olympic Medical Center continued from their last meeting following the Washington State Hospital Association Rural Hospital Summer Workshop in Chelan in June of this year regarding a potential medical center tertiary partnership, electronic medical records, and health information exchange. A presentation about the exchange of health information was shared by Andrea Perkins-Peppers from the Forks Hospital (see attached). No formal action was taken and this portion of the meeting concluded at 5:45 pm.

Following the pledge of allegiance at 6:00 pm, the meeting resumed:

ANNOUNCEMENT OF JAMESTOWN S'KLALLAM TRIBE MAJOR GIFT

Executive Director of the OMC Foundation Bruce Skinner announced a major gift from the Jamestown S'Klallam Tribe in the amount of \$150,000 over the next three years to be used for community education to provide healthier lifestyles on the North Olympic Peninsula with a special focus on reducing childhood obesity. Vice Chair of the Tribe, Liz Mueller noted it was a pleasure donating to the community, and Chief Executive Officer Eric Lewis thanked the Tribe for their continued support and collaboration over the past years.

2011 BUDGET HEARING:

2011 Operating/Capital Budgets and 2011-2013 Strategic Plan Overview – Rhonda Curry, Assistant Administrator Strategic Development; Eric Lewis, Chief Executive Officer; Julie Rukstad, Chief Financial Officer

At 6:06 pm, Board Secretary Jim Cammack opened the 2011 budget hearing.

Chief Financial Officer Julie Rukstad presented the 2011 budget assumptions. See attached.

Chief Executive Officer Eric Lewis introduced the two resolutions that will be considered at the next board meeting regarding the 1% tax levy increase and adopting the 2011 budget. He noted this budget to be the toughest budget to finalize in his past 12 years due to so many unknown and uncontrollable variables in the economy including Medicare and Medicaid reimbursement cuts. It was announced continued support to the Dungeness Valley Health and Wellness Clinic and the Volunteers in Medicine of the Olympics free clinics were still included in the budget which would lessen the impact to the emergency department. Maintaining the workforce without reductions in staff would be possible by reducing salaries to achieve this result if necessary.

He asked that the 2011-2013 Strategic Plan be considered for approval in December to allow for more time for consideration.

Board Secretary Jim Cammack opened the hearing for public comment:

- Mark Couhig, Sequim Gazette, inquired about attrition plans. There are no attrition plans currently because workforce needs to be maintained for future demand.
- Mike Blackwell, Port Angeles, inquired about the 8th Street Primary Care Clinic taking new patients. Currently, physicians have full patient panels and recruitment efforts are underway
- Virginia Majewski, OMC employee and SEIU 1199NW member stated the Union is interested in forming a more collaborative working relationship with OMC and that Swedish Medical Center makes the best partner in their opinion.

There being no further public input, the 2011 budget hearing was closed at 6:29 pm.

DATA STORAGE PURCHASE– Julie Rukstad, Chief Financial Officer

Approval was requested for the information technology data storage that would complete the necessary fourth quarter needs as previously presented.

MOTION: To approve the purchase of the NetApp data storage hardware and software for the total amount of THREE HUNDRED SIXTY ONE THOUSAND THREE HUNDRED NINETY FOUR DOLLARS AND TWENTY TWO CENTS (\$361,394.22) and related maintenance and support for three years at a cost of ONE HUNDRED FIFTY NINE THOUSAND SEVEN HUNDRED FIFTY FIVE DOLLARS AND SEVENTEEN CENTS (\$159,755.17) or FIFTY THREE THOUSAND TWO HUNDRED FIFTY ONE DOLLARS AND SEVENTY TWO CENTS (\$53,251.72 annually) as presented.

Discussion: This back up storage would be for both Port Angeles and Sequim. The Board Budget and Audit Committee reviewed and recommended this purchase and included in the 2010 budget. December 6 would be the targeted implementation start time. **Motion carried unanimously.**

QWEST TELECOMMUNICATIONS AGREEMENT – Julie Rukstad, Chief Financial Officer
The agreement for voice and data lines was presented for a two year term.

MOTION: To approve the two year Qwest Telecommunications agreement for voice and data T1 lines at the monthly cost of \$4,950 as presented. Reviewed and recommended by Board Budget and Audit Committee. **Motion carried unanimously.**

SEQUIM PROPERTIES, LLC REFINANCING – Julie Rukstad, Chief Financial Officer
Details of Avamere's refinancing were explained including the \$500,000 OMC would receive when the note was paid off from the sale and a distribution based on building ownership. It was noted OMC would continue to own 7.5% of the OCRC building in Sequim.

MOTION: To authorize the Administrator/CEO to sign the Sequim Properties, LLC refinancing transaction documents for Avamere Olympic Rehabilitation of Sequim as presented.

Discussion: OMC has no responsibility of the debt, continues to own 7.5% of the LLC. The transaction would be positive for the community with the transition into a HUD loan that would occur by the end of November. The Board Budget and Audit Committee reviewed and recommended approval of this transaction. **Motion carried unanimously.**

SOFTWARE FOR LINEAR ACCELERATOR – Rhonda Curry, Assistant Administrator
As part of the anticipated costs of the Varian TrueBeam linear accelerator this purchase was deemed necessary for additional software. Patients will be seen beginning in April 2011.

MOTION: To approve the software upgrades and interface for the Varian TrueBeam Linear Accelerator with Impac for the cost of SEVENTY ONE THOUSAND EIGHTY FOUR DOLLARS (\$71,084.00) plus tax and from Phillips for the cost of ONE HUNDRED THIRTY EIGHT THOUSAND TWO HUNDRED SIXTY DOLLARS (\$138,260) plus tax, for the total cost of TWO HUNDRED NINE THOUSAND THREE HUNDRED FORTY FOUR DOLLARS (\$209,344) plus tax as presented. **Motion carried unanimously.**

ULTRASOUND MACHINES MAINTENANCE AGREEMENT – R. Scott Kennedy, MD, CMO
As previously presented, Dr. Kennedy reported that four out of five ultrasound machines are need of maintenance agreement extensions, with the fifth machine on a separate contract.

MOTION: To approve Philips ultrasound maintenance contracts for four units at the total cost of TWO HUNDRED EIGHTY SEVEN THOUSAND NINE HUNDRED AND TEN DOLLARS AND FORTY CENTS (\$287,910.40) including tax over the four-year term as presented. *Motion carried unanimously.*

He then introduced the request to purchase a Vitek II microbiology and sensitivity system that would identify bacteria and the antibiotics they are sensitive to for the laboratory. Parts for the machine will not be supported after 2010 for new nomenclature, but if purchased in December, payment would be allowed until March 2011, at the cost of approximately \$112,000 including a one year warranty. The second year warranty is being offered at \$15,000 if also purchased now.

He touched upon the previously mentioned request to purchase new Olympus bronchoscopy equipment that would be used for lung biopsies with better visualization of nodes behind the linings of the lungs using ultrasound. In two weeks, the recommendation to replace two bronchoscopes with updated fiber optic video bronchoscopes with better resolution and viewing on the big screen will be requested at the approximate cost of \$134,000.

At 7:02 pm the meeting was finally adjourned.

APPROVED AND ADOPTED this 17th day of Nov., 2010.

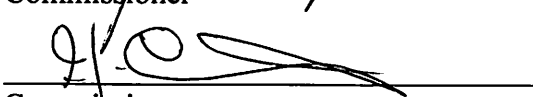
ATTEST:




Secretary




Commissioner




Commissioner



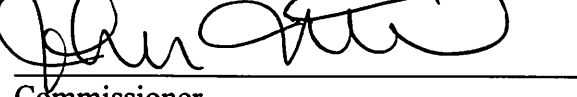
President



Commissioner



Commissioner



Commissioner