



**Board of Commissioners
Meeting Minutes
Linkletter Hall
November 17, 2010**

The meeting was called to order at 6:00 pm by Board President John Beitzel in Linkletter Hall and immediately opened with the pledge of allegiance. Present were Commissioners Jim Cammack, Arlene Engel, Jean Hordyk, Jim Leskinovitch, John Miles, MD, and John Nutter; CEO Eric Lewis; CMO Scott Kennedy, MD; CFO Julie Rukstad; Assistant Administrator of Strategic Development Rhonda L. Curry; Former Chief of Staff Mark Fischer, MD; Legal Counsel Craig Miller; public participants and Executive Assistant Gay Lynn Iseri.

CONSENT AGENDA

- Minutes for October 20, October 26 and November 10, 2010;
- Bad Debt for the month of October 2010 in the amount of \$242,481.76;
- Vouchers for the month of October 2010 in the amount of \$6,398,343.29;
- Payroll for the period of October 3 through October 30, 2010 in the amount of \$3,328,377.99.

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

MEDICAL STAFF RECOMMENDATIONS

Chief of Staff Harry Lyndes, MD requested approval of the October 2010 Credentials Report as follows:

ALLIED HEALTH PROFESSIONAL STAFF

Appointment to the Provisional Allied Health Professional Staff:

1. Christiansen, Patricia, PA-C Orthopedics – OMP Orthopedic Clinic

Reappointment to the Allied Health Professional Staff:

1. O'Neill, Kathleen, PA-C Orthopedics – OMP Orthopedic Clinic

MEDICAL STAFF

Appointment to the Active Staff:

1. Roethel, W. Maurice, MD Emergency Medicine – Provisional period complete
2. Williams, Christopher, MD Medical Oncology – Provisional period complete

Reappointment to the Active Staff:

- | | |
|---------------------------|------------------------------|
| 1. Baker, Samuel, MD | Orthopedic Surgery |
| 2. Bensen, Carleen, MD | Urology – OMP Urology Clinic |
| 3. Hennessey, William, MD | Family Medicine |
| 4. Maxwell, Michael, MD | Family Medicine |
| 5. Pederson, Paul, MD | Internal Medicine |
| 6. Tordini, Arthur, MD | Emergency Medicine |

Reappointment to the Courtesy Staff:

- | | |
|----------------------|-----------------|
| 1. Ude, Marianne, MD | Family Medicine |
|----------------------|-----------------|

Resignation/Expiration of Privileges:

- | | |
|---------------------|---|
| 1. Chen, Steven, MD | RADIA – Effective August 6, 2010 |
| 2. Mowry, James, MD | Privileges expired 9/17/10 (end of LOA) |

LOCUM TENENS PRIVILEGES GRANTED – FYI

- | | |
|-----------------------------|-------------------|
| 1. Jones, William B., MD | RADIA – Radiology |
| 2. Heisterkamp, Georgia, MD | General Surgery |
| 3. Mohammadbhoy, Adnan, DO | General Surgery |

MOTION: To approve the Medical Staff Credentials Report for October 2010 as presented. ***Motion carried unanimously.***

QUALITY REPORT

Focus on Satisfaction

Chief Human Resource Officer Richard Newman presented the quarterly satisfaction report with a focus on the Olympic Medical Cancer Center (OMCC). He reviewed overall oncology service, radiation oncology, medical oncology, and likelihood to recommend OMCC. Discussion ensued regarding competition and improvement if scores fell below the fiftieth percentile. Also discussed was noise on floor that has not shown any improvement, but with the completion of some current construction projects noise levels may soon decrease. See attached presentation.

OLD BUSINESS

Resolution 437 – Increasing the Tax Levy 1% - Julie Rukstad, Chief Financial Officer

Approval of the resolution increasing the 2011 tax levy by one percent was requested.

MOTION: To approve Resolution 437 – Increasing the Tax Levy 1% as presented. Reviewed and recommended by the board budget and audit committee.
Motion carried unanimously.

Resolution 438 – Adopting 2011 Budget – Julie Rukstad, Chief Financial Officer

Approval of the resolution to approve the 2011 budget as summarized by Exhibit A of the resolution was then requested.

MOTION: To approve Resolution 438 – Adopting the 2011 Budget as presented.

Discussion: It was noted the Board Budget and Audit Committee reviewed and recommended approval of this budget. **Motion carried unanimously.**

Mobile Linear Accelerator Pad Construction – Julie Rukstad, Chief Financial Officer

This project was previously approved by the Board within the original \$4.1 million package. Funds were allocated at \$100,000 to provide the construction of the mobile linear accelerator pad for three months while new one is installed.

MOTION: To ratify the contract with Primo Construction for the Mobile Linear Accelerator Pad Construction Project for SEVENTY NINE THOUSAND TWO HUNDRED FIVE DOLLARS (\$79,205) plus sales tax as presented.

Discussion: Removing the pad would be too costly, so it will be covered by two feet of dirt for future use if necessary. **Motion carried unanimously.**

Microbiology Identification and Sensitivity System – Scott Kennedy, MD, Chief Medical Officer

As previously introduced, this platform would identify antibiotics that respond to certain bacteria in the laboratory. Payment will not occur until March 2011 and includes instruments, installation, cart and tax.

MOTION: To approve the purchase of the Vitek II Microbiology Identification and Sensitivity System at the cost of no more than ONE HUNDRED TWELVE THOUSAND DOLLARS (\$112,000) as presented.

Discussion: This cost includes a second year warranty valued at \$15,000, plus cards to bring system live. Training is also included for one person. **Motion carried unanimously.**

ADMINISTRATOR'S REPORT – Eric Lewis, Chief Executive Officer
2011-2013 Strategic Plan

A draft of last year's plan was presented including these changes and additions:

- The focus on three nationwide game changers in the health care industry due to the economy, changes from the 2010 Healthcare Reform Bill, and electronic medical record requirements.

Strategic Plan Changes and Additions continued:

- Use of Center for Medicare and Medicaid Services (CMS) Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) patient satisfaction measurements instead of Press Ganey scores that will determine future reimbursement.
- New goal of selecting a tertiary medical center affiliate with Jefferson Healthcare and Forks Community Hospital by first quarter 2011.
- Increased emphasis on advocacy and community involvement.
- Increased focus on safe working environment for employees
- Selecting direction for electronic medical records by first quarter 2011.

The biggest single challenge will be achieving a 4% net income; the 2011 net income goal was reduced to 1.8%. Eight strategies for financial viability that include delivery system improvements, continued focus on quality and patient safety, electronic medical record and community connectivity, physician recruitment, advocacy, cost management, volume and revenue growth, and grants and donations will be a focus. The Plan will be presented at the next meeting for consideration.

Advocacy and Operations Update

Mr. Lewis discussed Medicare physician reimbursement that is scheduled to be cut 23% effective December 1, and the outpatient hold harmless that expires December 31 for sole community hospitals. Other 2011 issues include outpatient hold harmless using the 2006 cost report as base year, 340B eligibility, home health reimbursement, and inpatient coding offset. Sole community hospitals are considering litigation against CMS on this issue of upcoding. At the State level, work is being done to save the Certified Public Expenditure program as large cutbacks are pending.

Construction Update

He announced the hospital MRI installation is complete. The images are outstanding and the larger size of the machine is more suitable for claustrophobic or larger patients. The elevator upgrades are nearly finished, and should be finished early 2011. The Sequim Helipad almost done, the Linear Accelerator at the Sequim Cancer Center is almost installed and TrueBeam will be up and running by April 10. The largest item next year will be the Emergency Department expansion project. Clinic space will expand for the Specialty Clinic and the 8th and Cherry building will move to hospital based space for primary care.

Operations Update

The biggest operational update is the cultural change to the Choice Program for flu shots requiring employees to mask up if not immunized. Lean methodology is moving forward and 120 employees have been trained, with over 100 projects that have saved time and money.

An Olympic Medical Physicians provider physician retreat occurred and a recruitment plan was discussed. The General Surgery Clinic opened November 1

The North Olympic Peninsula Collaborative has begun with regional oncology services in Port Townsend. Final selections will be narrowed down to determine a medical center tertiary partner and a common electronic medical records discussion is ensuing. See attached presentation.

NEW BUSINESS

Surplus Property – Julie Rukstad, Chief Financial Officer

Approval was requested for the obsolete or scrapped property listed in the packet

MOTION: To approve the property listed on page 44 of the Board package as surplus as presented. ***Motion carried unanimously.***

At 6:49 pm, the meeting was moved to executive session to discuss personnel matters by authority of RCW 42.30.110(1) and real estate by authority of RCW 42.30.110(1)(b) for thirty minutes with no action to follow.

There being no further business, the meeting was moved back to open session and finally adjourned at 7:23 pm.

APPROVED AND ADOPTED this 15th day of December, 2010.

ATTEST:



Secretary




Commissioner

Commissioner



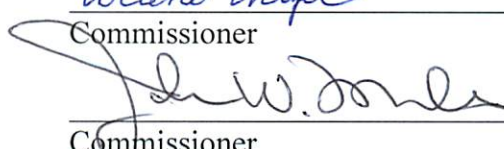
President



Commissioner



Commissioner



Commissioner