



**Board of Commissioners
Meeting Minutes
Linkletter Hall
November 2, 2011**

The meeting was called to order at 6:00 p.m. by Board President Jim Cammack in Linkletter Hall and was opened with the pledge of allegiance. Present were Commissioners John Beitzel, Arlene Engel, Jean Hordyk, Jim Leskinovitch, John Miles, MD, and John Nutter; Chief Executive Officer Eric Lewis; Chief Financial Officer Julie Rukstad; Chief Medical Officer R. Scott Kennedy, MD; Assistant Administrator Rhonda Curry; public participants and Executive Assistant Gay Lynn Iseri.

Commissioner Cammack welcomed attendees and opened the 2012 Budget Hearing.

Eric Lewis, Chief Executive Officer, Julie Rukstad, Chief Financial Officer and Rhonda Curry, Assistant Administrator Strategic Development presented an overview of the 2012 Operating/Capital Budgets and 2012-2014 Strategic Plan as follows:

Mr. Lewis spoke about challenges and strategies for financial viability including reductions in Medicare reimbursement, State budget issues that would negatively impact OMC such as eliminating the basic health plan and health benefits in disability life line program totaling \$3 million per year, and certified public expenditure that would mean a \$1.9 million reduction in Medicaid reimbursement. Uncompensated care is projected to be \$9.5 million this year, and budgeted for a 16% increase in 2012. Private insurance is costing too much for small businesses with 20% increases proposed. Health care reform implementation begins 2014 and funding that act is uncertain. EMR requirements are adding costs, operating costs are increasing, and an 8% increase on patented drugs is anticipated. In summary, costs going up, and revenues going down.

Budget changes are still in process and the proposed state budget cuts have not been factored in yet. The board budget, audit and compliance committee will meet to discuss the budget in more detail. In addition, changes to the budget will be likely in 2012. Action will be requested on November 16 to consider this budget and the 2012-2014 Strategic Plan.

Ms. Rukstad spoke about budget assumptions and noted this was a very difficult budget to work on due to unknown changes in 2012. She reviewed assumptions in volume, pricing increases, other revenue, deductions from revenue, increasing expenses, and presented the draft summary income statement and noted it did not include anticipated cuts from the state budget.

Ms. Curry spoke about the draft 2012-2014 Strategic Plan containing input from many public forums and meetings. She summarized each change per page (see attached presentation).

Commissioner Cammack requested public comment as it relates to the 2012 Budget Hearing:

- Urban Riepe, public member, spoke about impediments in the workforce before unions.
- Jason Baar, officer with AFSME Union, spoke about union negotiations.
- Mary Reynolds, RN, asked the board to listen to the community about union negotiations.
- Jeana Hutton, RN, brought two more sets of scrubs with heartfelt messages from union members and spoke about union negotiations.

There being no further comment, Commissioner Cammack closed the 2012 Budget Hearing.

SWEDISH HEALTH SERVICES BUYING GROUP - *Eric Lewis, Chief Executive Officer*

Mr. Lewis announced OMC has been with the buying group Amerinet for the past 25 years, but with the new affiliation with Swedish, there is an opportunity to join VHA, a buying group that offers greater potential in the long term to leverage better pricing.

MOTION: To authorize the change from the Amerinet buying group to Swedish Medical Center's VHA buying group as presented.

Discussion: Quality of supplies will be verified with this change in vendors. Implementation to begin this change will be approximately ninety days. ***Motion carried unanimously.***

PHYSICIAN EMPLOYMENT AGREEMENT – *Rebecca Corley, MD, Chief Physician Officer*

To fill critical vacancy left with the retirement of Dr. Randall Bauman, four OB/gyn candidates were interviewed. Doctors Heather Irwin and Steve Bush determined Dr. Carol Brokschmidt to be the top candidate as they would be the physicians sharing call with her. The standard two year contract with the possibility of incentives was presented for approval.

MOTION: To approve the physician employment agreement for Carol Lynn Brokschmidt, MD, OB/gyn, effective March 1, 2012 at the base salary of TWO HUNDRED TWENTY EIGHT THOUSAND NINE HUNDRED THIRTY TWO DOLLARS (\$228,932) per year, as presented. ***Motion carried unanimously.***

RESOLUTION 446 – REDISTRICTING PLAN – *Craig L. Miller, Legal Counsel*

Requesting approval of this resolution completed the process adopting the redistricting plan based on the 2010 census subject to the recent public hearing where no comment was received. The plan was reviewed and recommended for approval by the ad hoc redistricting committee of the board.

RESOLUTION 446 – REDISTRICTING PLAN (continued)

MOTION: To approve Resolution 446 establishing the redistricting plan for Clallam County Public Hospital District #2 as presented. *Motion carried unanimously*

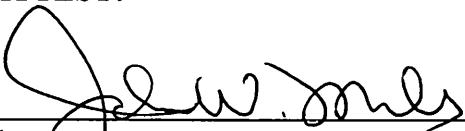
ADVOCACY UPDATE

Representatives from Forks Hospital, Jefferson Healthcare and OMC met with State Representatives Steve Tharinger and Kevin Van de Wege who discussed proposed state budget cuts. In addition, they met with State Senator Jim Hargrove who was interested in seeing a revenue component since legislation is moving forward. Contacting Governor Christine Gregoire directly was urged as cuts to OMC will be felt very heavily as a public hospital district.

There being no further business, the meeting was finally adjourned at 6:55 pm.

APPROVED AND ADOPTED this 16th day of November 2011.

ATTEST:



Secretary

Commissioner

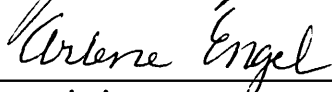
Commissioner



President



Commissioner



Commissioner



Commissioner