



**Board of Commissioners
Meeting Minutes
Linkletter Hall
October 17, 2012**

The meeting was called to order at 6:00 pm in Linkletter Hall at Olympic Medical Center by board president John Miles, MD, and was opened with the pledge of allegiance. Also present were Commissioners John Beitzel, Jim Cammack, Jean Hordyk, Jim Leskinovitch, John Nutter, and Tom Oblak; CEO Eric Lewis; CMO Scott Kennedy, MD; CHRO Richard Newman; Legal Counsel Craig Miller; OMC staff; public participants and Executive Assistant Gay Lynn Iseri. Madeleine Harrington, MD, chief of staff, was excused.

CONSENT AGENDA

- a. Minutes for September 19, 2012 and October 3, 2012;
- b. Bad Debt for the Month of September 2012 in the amount of \$637,199.61;
- c. Vouchers for the Month of September 2012 in the amount of \$7,829,879.84; and
- d. Payroll for the Period of September 2 through October 13, 2012 in the amount of \$3,471,709.38.

MOTION: To approve the consent agenda with the noted change to the October 3, 2012 minutes (to authorize RYBAR to examine 2011-2014 Cost Reports) as presented. *Motion carried unanimously.*

MEDICAL STAFF REPORT

September 2012 Credentials Report

Scott Kennedy, MD, chief medical officer, requested approval of the September 2012 medical staff credentials report as follows:

ALLIED HEALTH PROFESSIONAL STAFF

Reappointment to the Allied Health Professional Staff:

- | | |
|--------------------------------|--------------------|
| 1. Fox, Lyell, ARNP CNM | OB/Gyn |
| 2. Gonsalves, Bernadette, PA-C | Family Medicine |
| 3. O'Neill, Kathleen, PA-C | Orthopedic Surgery |

Appointment to the Allied Health Professional Staff:

- | | |
|--------------------------------|-----------------|
| 1. Gonsalves, Bernadette, PA-C | Family Medicine |
|--------------------------------|-----------------|

MEDICAL STAFF

Appointment to Provisional Active Medical Staff:

- | | |
|-----------------------------|-------------------|
| 1. Daly, Jennifer, MD | RADIA – Radiology |
| 2. Grassman, Eric, MD | Cardiology |
| 3. Ondersma, Ross, MD | RADIA – Radiology |
| 4. Petersen, John, MD | Cardiology |
| 5. Westcott, R. Jeffrey, MD | Cardiology |

Appointment to Active Medical Staff:

- | | |
|---------------------------|--------------------|
| 1. Brokschmidt, Carol, MD | OB/Gyn |
| 2. Yee, Henry, MD | Orthopedic Surgery |

Reappointment to Active Medical Staff:

- | | |
|-------------------------|--------------------|
| 1. Baker, Samuel, MD | Orthopedic Surgery |
| 2. Bensen, Carleen, MD | Urology |
| 3. Maxwell, Michael, MD | Family Medicine |
| 4. Pedersen, Paul, MD | Internal Medicine |
| 5. Roethel, Maurice, MD | Emergency Medicine |
| 6. Tordini, Arthur, MD | Emergency Medicine |

Reappointment to Courtesy Medical Staff:

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

Appointment to the Provisional Telemedicine Staff:

- | | |
|-------------------------|-------------------|
| 1. Cox, Patrick, MD | RADIA – Radiology |
| 2. McEvoy, Jennifer, MD | RADIA - Radiology |

MOTION: To approve the September 2012 medical staff credentials report as presented. ***Motion carried unanimously.***

Proposed Bylaws Amendment

He also requested an amendment to the Medical Staff Bylaws, Article 7, Medical Staff Committees as approved by the Medical Staff on October 8, 2012.

MOTION: To approve the proposed revision to the Medical Staff Bylaws as presented. ***Motion carried unanimously.***

QUALITY REPORT – Lorraine Wall, chief nursing officer

Focus on Quality – Heart Failure Core Measure Improvement Project

Ms. Wall announced the Executive Quality Council tasked heart failure core measures be examined and as a result, a process improvement project was launched. The result of the work was presented by Betsi Thompson, manager quality support services and Paula Wahl, organizational performance improvement coordinator.

The goal was to develop a common care approach based on best practice medical standards for patients with heart failure. Key improvements were identified and discussed, and next steps were announced. Chief Executive Officer Eric Lewis thanked Dr. Paul Pederson served as the physician leader in this process that will make a positive difference for our patients. Core measure performance is being watched closely and enhanced communication is already being noticed in multi-disciplinary rounding. See attached.

FINANCIAL REPORT – Julie Rukstad, chief financial officer

The third quarter 2012 financial statements were presented (attached). It was noted the fourth quarter 2012 will start off the Lawson and Epic implementation process. Flexing workforce will be harder to accommodate as these projects progress. Volumes were low for first part of year down across the board, but are picking up in the third quarter. Inpatient and cancer center volumes have been low all year.

Ms. Rukstad introduced a possible debt issuance with Key Bank to help with the Epic EHR implementation and Lawson software. Federal funding of meaningful use dollars of around \$7 million is possible over the next four years. Currently, OMC has \$11million in debt outstanding, and with the additional proposed debt issuance, it would still be under the 20% debt to capitalization ratio goal in the strategic plan, and well under the recommended ratio of 50% for AA rated hospitals. Establishing a line of credit for use in the implementation is also being proposed that would be available for use per board authorization only. These two items will be discussed at the next Board Budget, Audit and Compliance Committee meeting and brought for action at the next meeting.

PUBLIC COMMENT

Public member, Frank Garred, Port Townsend, spoke about the Clallam County Quality Care Coalition.

OLD BUSINESS

Resolution 455 - Epic for Community Physicians Policy – Eric Lewis, chief executive officer

As part of the Strategic Plan under Medical Staff Relations to assist physicians with electronic health record implementation, a resolution was presented for approval. It noted software, licensing, and implementation costs are allowed, but hardware, and storage are not. Cost per each physician who chooses to connect with Epic would be approximately \$30,000. Interest is strong, with over 20 physicians expressing interest.

MOTION: To approve Resolution 455 – Board Policy for Providing Epic to Community Physicians as presented. *Motion carried unanimously.*

Medicare Cost Report Consultant – Julie Rukstad, chief financial officer

As presented at the previous meeting, Ms. Rukstad requested approval of the agreement with RYBAR to review and file for reimbursement, the 2011-2014 Medicare Cost Reports.

MOTION: To approve the Medicare cost report consulting agreement with RYBAR Group at the cost of FIVE THOUSAND DOLLARS (\$5,000) per cost report, plus ELEVEN PERCENT (11%) of reimbursement obtained from Medicare for Cost Reports from 2011-2014 as presented.

Discussion: The Board Budget, Audit and Compliance Committee reviewed and recommended this agreement, and since volumes are so low this year, OMC may qualify. ***Motion carried unanimously.***

Clinical Documentation Improvement Consultant – Scott Kennedy, MD, chief medical officer

As introduced at a previous meeting, this consultant would help optimize documentation for coding, and benchmark and monitor documentation for auditors and RACs. Two additional RNs would be hired to support this, and would go live by January following 6-8 weeks of planning. See attached.

MOTION: To authorize the CEO to enter into the clinical documentation improvement consultant agreement with J.A. Thomas and Associates at the cost of THREE HUNDRED FORTY NINE THOUSAND NINE HUNDRED FIFTY DOLLARS (\$349,950), plus out of pocket expenses as presented. ***Motion carried unanimously.***

ADMINISTRATOR'S REPORT – Eric Lewis, chief executive officer

Epic Update

The Epic kick off meeting was held October 9 for employees and medical staff. Deby King, current diagnostic imaging director, was named Epic Project Manager, and John Troglia would step up as interim diagnostic imaging manager. The EHR steering committee meets monthly, and the day to day work will be led by the EHR Lead Team. The first of the Meaningful Use Dollars was received from Medicaid after the agreement was signed with Providence for EHR, with approximately \$7 million more available. Providence Anchorage uses same system for home health, so a field trip is being planned there. Most of the training will occur 60 days prior to the go live date next spring. The Lawson implementation is moving fast, and Commissioner Nutter is involved with that committee.

Operations Update

A Cardiology task force, including Board President Dr. John Miles, has been meeting regularly to work with Swedish to improve the local patient experience. The goal is to recruit one more cardiologist locally. Currently, four Swedish cardiologists will rotate weekly until another one is recruited. This is a major effort on Swedish's part.

Budget Update

The 2013 operating budget process is currently underway. Estimating revenue is the biggest challenge with sequestration going into effect. There has been approximately a 2 percent reduction across the board. The 2013 capital budget is Epic driven, with the biggest expense a new Pyxis machine that needs to be updated before the Epic implementation. See attached.

NEW BUSINESS

Resolution 456-Interlocal Agreement for Joint Contracting—Eric Lewis, chief executive officer

The interlocal agreement would authorize rural public hospital districts to enter into cooperative agreements and contracts with one another in Western Washington to ensure the same reimbursement with no cost for joining, but with a cost of each negotiation split between the fifteen hospitals equally.

MOTION: To approve Resolution 456 – Interlocal Agreement for Joint Contracting as presented. *Motion carried unanimously.*

OTHER

November 2012 Board Meeting Date Discussion

Discussion ensued about moving the November 21, 2012 board meeting one week earlier due to the observance of the Thanksgiving Day holiday.

MOTION: To move the November 21, 2012 Board meeting to November 14 at 6:00 pm in Linkletter Hall. *Motion carried unanimously.*


There being no further business the meeting finally adjourned at 7:27 pm.

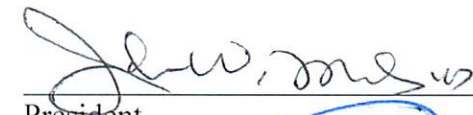
APPROVED AND ADOPTED this 14th day of Nor., 2012.

ATTEST:



Secretary

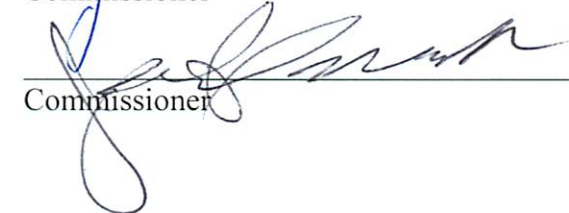

Commissioner


Commissioner


President


Commissioner


Commissioner


Commissioner