



**Board of Commissioners  
Meeting Minutes  
Linkletter Hall  
October 20, 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 September 15, 2010 and October 6, 2010;
- Bad Debt for the month of September 2010;
- Vouchers for the month of September 2010 in the amount of \$5,865,182.81;
- Payroll for the period of September 5 through October 2, 2010 in the amount of \$3,250,481.76.

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

**QUALITY REPORT**

***Focus on Safety***

Chief Medical Officer R. Scott Kennedy, MD presented the performance indicators pertaining to Safety. He reviewed information about the National Patient Safety Goals for 2010 and the scorecard for the month. See attached.

**FINANCIAL UPDATE THIRD QUARTER 2010 - Julie Rukstad, Chief Financial Officer**

Chief Financial Officer Julie Rukstad presented third quarter 2010 financial results beginning with statistics compared to 2009, year to date statistics compared to 2009, district 2010 quarter three operating results actual compared to budget, year to date September 2010 operating results actual compared to budget, non recurring income, district total margin per quarter since 2008, salaries and benefits as a percentage of net revenue, total AR days vs DNFB (unbilled), district days cash on hand. It was noted purchased services was higher than budget because first two quarter radiology locums expense. See attached.

***2011 Budget Assumptions***

Ms. Rukstad presented budget assumptions as outlined in the attached presentation.

## **MEDICAL STAFF RECOMMENDATIONS**

Past Chief of Staff Mark Fischer, MD, requested approval of the medical staff bylaws.

**MOTION:** To approve the proposed revisions to the medical staff bylaws as presented. *Motion carried unanimously.*

He then requested approval of the medical staff governance policies as noted.

**MOTION:** To approve the proposed revisions to the medical staff governance policies as presented. *Motion carried unanimously.*

## **OLD BUSINESS**

### ***Dungeness Valley Health and Wellness Clinic Agreement Amendment – Julie Rukstad, Chief Financial Officer***

This request for additional support for the Dungeness Valley Health and Wellness Clinic would bring their total amount of support to \$100,000 annually.

**MOTION:** To approve the amount of free lab and imaging services provided to the Dungeness Valley Health and Wellness Clinic by THIRTY EIGHT THOUSAND DOLLARS (\$38,000) as presented.

**Discussion:** Year to date usage totaled approximately \$99,000. The Board Budget and Audit Committee reviewed and recommended this support to help alleviate overcrowding in the emergency room. *Motion carried unanimously.*

### ***Real Estate Purchase – Julie Rukstad, Chief Financial Officer***

This property would be used for parking as zoning would allow. This space would be especially critical for the future expansion of the emergency department.

**MOTION:** To approve the purchase of the property located at 901 Georgiana Street, Port Angeles for TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$225,000), as presented. *Motion carried unanimously.*

### ***Data Storage and Recovery Hardware – Julie Rukstad, Chief Financial Officer***

The purchase of cellular based wireless architecture that would help with GE PMR installation connectivity stabilization was requested for approval.

**MOTION:** To approve the purchase of Meru Enterprise Wireless Solution architecture for a cost of EIGHTY EIGHT THOUSAND EIGHT HUNDRED THIRTY DOLLARS (\$88,830) plus sales tax as presented. *Motion carried unanimously.*

The purchase of an interface engine to integrate software systems to work more efficiently was then requested.

**MOTION:** To approve the purchase of a Summit Healthcare Express Connect interface engine for the cost of EIGHTY THOUSAND DOLLARS (\$80,000) plus sales tax as presented.

**Discussion:** Maintenance and 24/7 support will cost \$11,000 yearly. Also assists with Meditech 6.0 product interfaces if necessary. Fourth quarter 2010 is target installation. **Motion carried unanimously.**

Purchase of the support for the linear accelerator to allow expanded bandwidth for data and information and higher network speed as part of connectivity was requested.

**MOTION:** To approve the purchase of a network upgrade to support the linear accelerator at the cost of SIXTY SEVEN THOUSAND TWENTY THREE DOLLARS (\$67,023) plus sales tax as presented. **Motion carried unanimously.**

***Physician Employment Agreements – Julie Rukstad, Chief Financial Officer***

The physician employment agreement for Matthew Levy, MD, general surgeon beginning December 1, 2010 and including a retention bonus of \$40,000 after 5 years was presented for approval.

**MOTION:** To approve the physician employment agreement with Matthew Levy, MD, general surgeon, with the minimum guarantee of TWO HUNDRED EIGHTY FOUR THOUSAND THIRTY DOLLARS (\$284,030) as presented. **Motion carried unanimously.**

The physician employment agreement with Rebecca Corley, MD was presented next.

**MOTION:** To approve the physician employment agreement with Rebecca Corley, MD, pulmonologist, with a minimum guarantee of ONE HUNDRED NINETY NINE THOUSAND ONE HUNDRED NINETY DOLLARS (\$199,190) for clinical care and a salary for physician management of ONE HUNDRED AND ONE THOUSAND EIGHTY SIX DOLLARS (\$101,086), as presented; a 35% split for management services, 65% split of clinical for a total of THREE HUNDRED THOUSAND TWO HUNDRED SEVENTY SIX DOLLARS (\$300,276). **Motion carried unanimously.**

***Radia Professional Services Agreement – R. Scott Kennedy, MD, Chief Medical Officer***

A requested amendment to the agreement with Erik Borgnes, MD, radiology medical director with a three-year obligation was presented.

***MOTION:*** To approve the first amendment to the professional radiology services and medical director agreement to assist in the recruitment of Erik Borgnes, MD, radiology medical director for the cost of ONE HUNDRED TWENTY FIVE THOUSAND DOLLARS (\$125,000) which includes a three year commitment as presented. ***Motion carried unanimously.***

***Peninsula Community Mental Health Center Recruitment Agreement – R. Scott Kennedy, MD, Chief Medical Officer.***

The agreement for Dr. Josh Jones, who was trained at UW, but currently residing on the east coast beginning December 1, 2010 was presented for consideration. It was noted a \$24,000 contract to assist in this recruitment was already signed, and with this addition, the total commitment would be \$50,000.

***MOTION:*** To approve the Peninsula Community Mental Health Center physician recruitment agreement to recruit Dr. Josh Jones, psychiatrist to be their medical director at the cost of TWENTY SIX THOUSAND DOLLARS (\$26,000) as presented. ***Motion carried unanimously.***

***ADMINISTRATOR'S REPORT – Eric Lewis, Chief Executive Officer  
Advocacy Trip to Washington DC***

The annual trip sponsored by the AHA and WSHA was summarized. At least ten meetings occurred with elected officials including for the first time a meeting at CMS. The focus on this year's meeting was the upcoming election, the 2009 health care reform bill, and the \$1.4 trillion dollar federal deficit. Other topics included lack of cost control, tort reform, 340B plan, the fee for service system, global budgets and Accountable Care Organizations. Geographic variation, physician reimbursement, and Medicaid safety net assessment were also discussed. It was stressed that if we do not receive the appropriate funding from Medicare, then we will not be successful. See attached presentation.

***Operations Update:***

One hospital elevator upgrade has been completed, the west elevator is being worked on now, and the two east elevators will be done in mid November. The hospital interior signage project is nearly finished and will ensure better patient way finding. The Sequim helistop will be done by early November. The MRI is here and installation is being finalized with patients being seen by November 10th. The CT at the cancer center has been operational for two days. The TrueBeam linear accelerator is in planning stage now, and construction will begin soon. Projects are all going as planned.

***Budget Update:***

The recession and government payor reimbursement has brought huge unseen issues for health care, more so now than during the official recession, with government reimbursement projecting 2% increase in revenue with lots of uncertainty. Priorities are being examined in the 2010-2012 Strategic Plan. The main priority is to maintain the work force without layoffs and to respond to market conditions.

**NEW BUSINESS**

***Qwest Telecommunications Agreement – Julie Rukstad, Chief Financial Officer***

This two year agreement for data and voice lines will prevent the costs from rising. The purchase will be discussed at the next Board Budget and Audit Committee and be brought back to the full board for consideration.

***Sequim Properties, LLC Refinancing – Julie Rukstad, Chief Financial Officer***

Because of OMC's 7.5% interest in the LLC, this transaction would bring in \$318,000 after the loan was paid off in addition to interest of \$198,333. They would refinance and take out some equity in the building but OMC would continue to be part owners of the building. As of December 1, they would apply for a HUD loan and continue to be a benefit to the community.

***Adult Ventilator Purchase – R. Scott Kennedy, MD, Chief Medical Officer***

The request for the next generation of ventilators was presented. The vents produced by Care Fusion would be \$90,000 dollars for three units and have upgradeable software. The request will be taken to the Board Budget and Audit Committee for review and recommendation, and back to the full for board for consideration.

***Ultrasound Machines Maintenance Agreement – R. Scott Kennedy, MD, Chief Medical Officer***

The four year maintenance extension for four out of five current ultrasound machines was introduced. This will be presented at the Board Budget and Audit Committee for further discussion and review.

***Endoscopic Bronchoscopy – R. Scott Kennedy, MD, Chief Medical Officer***

A new system is being considered to image lesions with more accuracy and clarity than with regular bronchoscope and will allow for local biopsies to be performed locally. Our newest pulmonologist, Raj Deol, MD from University of Iowa, is trained on the equipment and will train Dr. Rebecca Corley as well. The total cost of the equipment will be \$133,631.38 for an Olympus System One Fiber Optic Ultrasound Guided bronchoscopy.

**PUBLIC COMMENT**



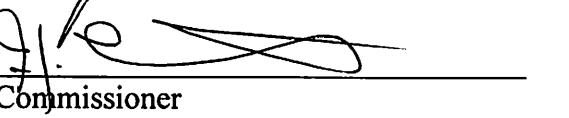
Public member Penney Thiemann inquired about analysis of equipment needs.


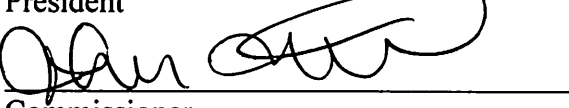
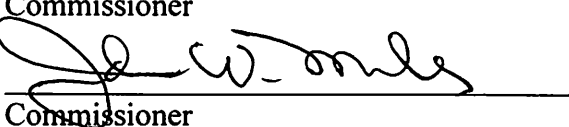
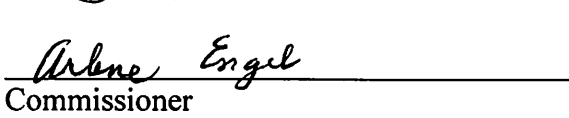
At 7:50 pm, the meeting was adjourned to executive session to discuss personnel matters by authority of RCW 42.30.110(1) for thirty minutes with no action to follow.

There being no further business, the meeting was moved back to open session and finally adjourned at 8:18 pm.

APPROVED AND ADOPTED this 17<sup>th</sup> day of Nov., 2010.

ATTEST:

  
Secretary  
  
Commissioner  
  
Commissioner

  
President  
  
Commissioner  
  
Commissioner  
  
Commissioner