



**Board of Commissioners
Meeting Minutes
Linkletter Hall
October 21, 2009**

The meeting was called to order at 6:00 p.m. in Linkletter Hall at Olympic Medical Center by Board President Jim Leskinovitch and the meeting was opened with the pledge of allegiance. Present were Commissioners John Beitzel, Jim Cammack, Arlene Engel, and John Nutter; CEO Eric Lewis, CMO R. Scott Kennedy, MD, CFO Julie Rukstad, Assistant Administrators Rhonda Curry, Pam Hawney; Chief of Staff Mark Fischer, MD, Legal Counsel Craig Miller; public participants and Executive Assistant Gay Lynn Iseri.

CONSENT AGENDA

- Minutes for September 16, September 30 and October 7, 2009;
- Bad Debt for September 2009 in the amount of \$485,759.88;
- Vouchers for the month of September 2009 in the amount of \$5,311,769.64;
- Payroll for the Period of September 6 through October 3, 2009 in the amount of \$3,099,249.44.

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

MEDICAL STAFF REPORT

Chief of Staff Mark Fischer, MD requested approval of the Medical Staff recommendations as follows:

An update to the orthopedic form adding board certification:

MOTION: To approve the proposed revisions to the Orthopedic Surgery Privilege Request Form as presented. *Motion carried.*

Housekeeping to the forms for reviewing cases under peer review and privileging of staff members:

MOTION: To approve the revisions to the Proctorship Report Forms for Concurrent (non-surgical) or Retrospective Chart Review as presented. *Motion carried.*

Commissioner Hordyk joined the meeting.

Dr. Fischer then requested approval of Medical Staff policies that had been through considerable review in 2009 to center around physician professionalism, team work, and mutual respect reflected in the goal of delivering safe patient care in a respectful and professional environment.

MOTION: To approve the revised G-14 Medical Staff Code of Conduct Policy as presented. *Motion carried.*

MOTION: To approve the revised G-15 Medical Staff Occurrence Reports Policy as presented. *Motion carried.*

Finally, he requested approval of revisions to Proctorship Report Forms.

MOTION: To approve the revisions to the Proctorship Report Forms for Concurrent Surgical Review as presented. *Motion carried.*

Dr. Fischer thanked the board for their review of these important medical staff policies focused on patient safety and a safe work environment at Olympic Medical Center. Commissioner Leskinovitch then reiterated the same to the Medical Staff leadership.

FINANCIAL REPORT

Chief Financial Officer Julie Rukstad presented 2009 third quarter statistics, district 2009 third quarter operating results, year to date statistics as of September 2009, district year to date September 2009 operating results, district total margin, district operating margin, district total margin, district salaries and benefits per net revenue, total accounts receivable days versus unbilled days and district days cash on hand. See attached slides.

Commissioner Cammack requested the Board receive financial reports prior to the board meeting.

QUALITY REPORT

Focus on Safety

Assistant Administrator Specialty Services Pam Hawney presented the Focus on Safety report card for the national patient safety goals, including Do Not Use Abbreviations in the medical record (we are at 89% the best we have been since measurement has began), Use of Two Patient Identifiers, and Patient Falls. She introduced SCOAP, a program led voluntarily by surgeons who follow an aviation-like check list within the process of care.

PUBLIC COMMENT

None.

OLD BUSINESS

Diagnostic Imaging Purchase

Chief Financial Officer Julie Rukstad presented information regarding the purchase of Peninsula Medical Imaging and Peninsula Imaging effective January 1, 2010. OMC will not assume any receivables, will not purchase medical records, but only purchase assets. Volumes will increase annually by 2,000 MRIs and 2,000 CTs. The transfer of the operating equipment lease for the 64 slice CT at \$21,416 per month, ending date 6/30/2011, purchase of the nuclear medicine equipment for \$128,791 (new costs over \$400,000), the assumption of MRI maintenance agreement at \$79,500 per year until December 2010. We will not be assuming the maintenance agreement on the Siemens CT as we are planning on not purchasing this machine but rather purchasing a GE CT in order to remain standardized, the transfer of loan of \$3,029.62 a month until November 2011 (note: purchase price was reduced from \$570,000 to \$480,000 to account for this assumption), and the transfer of office lease for \$6,600 per month until December 2010.

MOTION: To authorize the Administrator/CEO to sign diagnostic imaging asset purchase agreements with Peninsula Medical Imaging and Peninsula Imaging for a total of FOUR HUNDRED EIGHTY THOUSAND DOLLARS (\$480,000) to be paid in three increments of ONE HUNDRED SIXTY THOUSAND DOLLARS (\$160,000) on November 1, 2009, November 1, 2010 and November 1, 2011, plus 3% interest per year on unpaid balances as presented. ***Motion carried.***

Phone Switch

Chief Technology Officer Linda Brown summarized the request to purchase a new phone switch to help accommodate growth including the Downtown Ambulatory Clinic. The Sequim switch will be moved to the Downtown Clinic and a new system will be purchased for Sequim. Cisco offers redundancy within the box to prevent single point of failure to ensure the equipment will be used in the most efficient and economical manner. Negotiations are underway with Cisco and new data and voice will be converged onto one network. The installation fee will be \$11,438 and will cost \$520 a month. This topic will be discussed further at the Board Budget and Audit Committee meeting. Commissioner Cammack voiced concerns about wireless capabilities and testing. Commissioner Hordyk inquired about the duration of the project that was determined to be a three to four year project over the next three years.

CORRESPONDENCE

Noted was a thank you letter from Paint the Town for the 8th consecutive year under the leadership of Graciela and Stan Harris.

ADMINISTRATOR'S REPORT

Special Announcement

Assistant Administrator Rhonda Curry announced for the 6th consecutive year, OMC has been awarded the Cleverley + Associates Community Value Index® (CVI) Five Star Hospital Award. The award is especially meaningful since it is based strictly on data, and was not purchased or applied for.

2010 Strategic Plan and Budget Update

Chief Executive Officer Eric Lewis announced strategic plan updates are occurring yearly now. Commissioners Beitzel and Nutter are leading this effort and the updated plan will be brought to the full board for approval in the future. Medical staff input, management input and public input will be considered. One unknown factor will remain health reform. Financial stewardship will be focused on along with lean process improvement. He announced over \$17 million in capital requests were submitted this year, but the focus will remain in the elevator upgrade, medical equipment, and electronic medical records. See attached slides.

Signage Update

Mr. Lewis announced improved signage at the hospital is being addressed to assist patients in finding their way. A consultant has developed a plan and Scott Bower, Facilities Manager is leading this effort. The logo will be visible, options are being studied which will include ceiling and wall signs that are easily edited. The entire project to become ADA compliant is estimated at \$195,000, details are being finalized and \$168,000 was budgeted for 2009. Each room will have a room number to assist in locating. Commissioner Beitzel commented that the Sequim MSB building signage needs to be improved as signs are not visible.

Electronic Medical Records Funding Update

Mr. Lewis then spoke about electronic medical records funding including the federal appropriation, the EMR federal grant application and the Federal stimulus funding that will be determined in December 2009. In 2016, Medicare will make cuts for hospitals that do not have Electronic Medical Records.

Initiative 1033 – Discussion / Potential Position

Mr. Lewis noted a report from the Office of Financial Management about the financial impact of Initiative 1033 if passed. Commissioner Leskinovitch noted the City of Port Angeles voted to oppose the initiative last night. He asked for board input. Each member of the board spoke in opposition of the initiative passing. Commissioner Leskinovitch then announced the Board of Commissioners would go on record opposing the passage of Initiative 1033.

NEW BUSINESS

Northwest Pathology Agreement

Assistant Administrator Specialty Services Pam Hawney introduced the proposed Northwest Pathology Agreement to provide pathology services at OMC. Effective December 1, 2009, the agreement would provide for pathology services for three years with automatic renewals until re-negotiation, with an increase in medical directorship compensation, and new this year, patient billing would be done by Northwest Pathology.

Pharmaceutical Waste Compliance Services Agreement

Disaster Preparedness Coordinator Tom Oblak introduced the agreement with Stericycle relating to pharmaceutical waste that will protect human health, the environment and comply with regulators. The term of the agreement will be sixty months beginning November 5, 2009 with the estimated start up costs of \$25,000 dollars for shipping and disposal, and the estimated yearly cost is approximately \$30,000 dollars. This formal request will be brought before the full board at a future meeting.

Meditech Bedside Medication Verification

Chief Technology Officer Linda Brown announced entering into an agreement with Meditech for software now would hold the current terms of the license at \$71,000, with a \$10,000 implementation fee, and \$713 monthly maintenance fee. The Pyxis System will continue to distribute the pharmaceuticals, but this is bedside verification of the patient wrist band at the point of distribution to the patient. The contract approval request will be brought back to the board at a future meeting.

Surplus Property

Commissioner Leskinovitch requested approval of surplus property.

MOTION: To approve the property listed on page 53 of the board package as surplus as presented. ***Motion carried.***

PUBLIC COMMENT

None

Commissioner Leskinovitch then requested an update on the H1N1Swine Flu. Chief Medical Officer, R. Scott Kennedy, MD announced the flu has been verified locally. Vaccines are arriving slowly and in small amounts and are being administered to high risk patients as a priority.

There being no further business the meeting was finally adjourned at 7:38 pm.

APPROVED AND ADOPTED this _____ day of _____, 2009.

ATTEST:

President

Secretary

Commissioner

Commissioner

Commissioner

Commissioner

Commissioner