



PUBLIC HOSPITAL DISTRICT NO. 4, KING COUNTY
Board of Commissioners
MINUTES
July 2, 2015, 6:30 p.m.
Snoqualmie City Hall, Council Chambers, Snoqualmie, WA

IN ATTENDANCE:

Joan Young, President
David Speikers, Secretary
Dariel Norris, Vice President
Ryan Roberts, Commissioner
Gene Pollard, Commissioner

ALSO PRESENT:

Rodger McCollum, CAO/Superintendent
Valerie Huffman, Recorder

EXCUSED

Jay Rodne

CALL TO ORDER: The meeting was called to order at 6:31 pm. by Pres. Young.

APPROVAL OF AGENDA - A motion was made and seconded to approve the agenda as written. M/Pollard, S/Norris

The motion unanimously passed.

APPROVAL OF MINUTES

A motion was made and seconded to approve the minutes of the regular meeting of June 4, 2015 meeting. M/Speikers, S/Roberts

It was noted the minutes should reflect that the board reconvened following conclusion of the Executive Session to adjourn the meeting at approximately 7:52 pm.

The motion then unanimously passed with the noted revision.

A motion was made and seconded to approve the minutes of the special meeting of June 22, 2015 meeting. M/Roberts, S/Young

Comm. Speikers presented extensive comments and amendments that he would like added to the June 22, 2015 and June 24, 2015 minutes.

By vote, the above motion failed. Subsequent motions were made and withdrawn resulting in the following motion:

It was moved and seconded to accept amendments to the minutes from June 22 and June 24, 2015 special meetings as suggested by Secretary Speikers to add specific details of discussion from each meeting. M/Roberts, S/Pollard

The amendments referenced above will be provided by Secy. Speikers.

The motion unanimously passed.

Please note the minutes of June 22, 2015 erroneously referred to an audio recording but this meeting was not recorded.

Upon further discussion, the above motion was replaced with the following:

A motion was made and seconded to table the above minutes pending amendments as discussed. M/Norris, S/Pollard

The motion unanimously passed.

For clarification and in the interest of time, a motion was made and seconded to table approval of the minutes of the special meeting of June 24, 2015 meeting in addition to those of June 22, 2015. M/Roberts, S/Speikers

Prior to the vote on the above motion, advice from Charles Peterson, a member of the public, was given recommending that the board withdraw all previous motions and to disapprove the minutes from the special meetings of June 22, 2015 and June 24, 2015 so they can be revised and brought back for approval at the next regular meeting. The board accepted this recommendation and cancelled all previous motions and made the following:

Pres. Young asked for a motion to approve the minutes of the Special Meetings on June 22, 2015. M/Speikers,

There being no second to the motion, the motion failed.

A motion was made and seconded to approve the minutes of the Special Meeting on June 24, 2015. M/Roberts, S/Norris

The motion unanimously failed.

The minutes for the June 22 and June 24, 2015 special meetings will be revised as discussed and brought back for approval at the August 6, 2015 regular meeting.

A motion was made and seconded to approve the minutes of the Special Meeting on June 26, 2015. M/Roberts, S/Pollard

The motion unanimously passed.

A motion was made and seconded to approve the minutes of the Special Meeting on June 29, 2015. M/Roberts, S/Pollard

Comm. Pollard was not present at this meeting so his second was withdrawn. The motion was then seconded by Comm. Norris.

A correction was requested to change the time of adjournment from 4:25 am to 4:25 pm.

The motion passed, as corrected, by a vote of 3-0 with only those present at the meeting voting.

COMMUNICATIONS:

Joan Young, President

- Pres. Young pointed out that all commissioner email addresses are on the district website and is the best way to make contact.
- Also commented that the annual WSHA Rural Health meeting in Chelan was extremely educational as well as entertaining.

Rodger McCollum, CAO/Superintendent:

- Welcomed Mary Wright, from Moss Adams, who was on hand to present the audit results.
- For the month of May, three weeks of that in the new hospital, we set an all-time record for hospital inpatient counts in excess of 670 patient days. The Emergency Department also is experiencing tremendous growth with over 350 ER visits for May. June numbers are also looking good.
- The District had a successful revenue bond issuance and refinance of LTGO bonds, saving approximately \$280,000 per month in interest costs. The funds have been distributed and the district now owns the new hospital.

COMMITTEE REPORTS

1. Finance Committee Report - Approval of warrants, payroll and payroll taxes – May 2015. Comm. David Speikers, Chairman of the Finance Committee, reported on the meeting that was held on June 30, 2015 wherein May 2015 financial reports were reviewed. A couple highlights included:

- Comparing May 2015 to the first four month of the year, Comm. Speikers stated that there were significant increases in all services with volumes being what were projected or better, i.e.
 - Pt days up 15%
 - ED visits up 38%,
 - Endoscopy up 15%
 - Outpatient up 14%

- Lab up 11%
- X-ray up 34%
- MRI up 18%
- CT up 90%
- Net profit of around \$90,000 for May 2015
- Will be receiving cost report estimate in near future
- Will be looking at changing some procedures for estimating Swing Bed contractual allowances to be more conservative in estimates

Comm. Norris provided brief comments on information received at the Chelan conference regarding changes in how reimbursements are made and what will be reimbursed. If Critical Care Access is deleted, that would also change the environment for the District.

1(a). Independent Auditors Report – Moss Adams. Mary Wright, Partner, Moss Adams presented results from the Independent Audit recently completed for 2014. Copies of the presentation slides are available upon request. Copies of the Independent Audit are also available upon request or may be obtained from the District's website at www.snoqualmiehospital.org.

1(b). Approval of Warrants, payroll and payroll taxes – May, 2015.

A motion was made and seconded to post approve total disbursements that include warrants, payroll and payroll taxes in the amount of \$2,447,893.48 for May 1 thru May 31, 2015. M/Speikers, S/Roberts

There was no further discussion and the motion passed by a vote of 4:1 with Comm. Pollard voting in opposition.

2. Medical Committee Report. The Medical Committee met on June 16, 2015 and Pres. Young reported on the various topics in all areas of the district that were discussed in the meeting. Pres. Young announced it is anticipated that the Department of Health will be conducting a survey at some point within the first 90 days of the opening the new hospital. It was also announced that Dr. Alan Chock, Emergency Department physician will retiring.

At Pres. Young's request, Dr. Kim Witkop explained changes recently made in the restructuring of QI processes. The last few years have been spent working towards integrating education and process throughout the organization in regards to quality. These changes have resulted in a cultural change as well. Part of the plan was to be led from the top and then over time integrate that leadership farther and farther down into the organization.

The Quality Improvement Steering Committee is still in place but not handling as much as before and instead a Quality Improvement Committee has been implemented which is made up of department level leadership within the hospital. Previously the QI Steering Committee met on a monthly basis but now meets quarterly. The Quality Improvement

Committee meets on a monthly basis and really is the eyes on the details that happen month to month and all QI projects. Also peer to peer training takes place in this committee because we have developed an expertise within the system. This has been incredibly well received by the managers that are less expert than others.

With the QI Steering Committee meeting on a quarterly basis it provides an opportunity to really look at trending that can't really be seen by meeting monthly.

Dr. Witkop stated that if the board would like, a report from the QI Steering Committee could be brought to the board the month following the quarterly meeting as a standing agenda item.

The board agreed that a QI quarterly report would be welcomed.

2(a). Physician Credentialing. The Medical Executive Committee met on June 29, 2015. Recommendation for approval of providers listed below was made by the Medical Executive Committee and presented by Dr. Kim Witkop.

Initial Credentialing - Provisional Staff

Yen Chen, MD - Gastro
Kamala Rose, MD – Emergency
Hillary Shaw, MD – Teleradiology

Recredentialing – Active

Raj Butani, MD - Gastro
Rebecca Dale, MD – Ophthalmology
Todd Huttenlocher, MD – Emergency
Scott McCreadie, MD - Emergency

Recredentialing – Courtesy

Kimberly Lu, MD – Cosmetic Surgery
Samantha Lancaster, MD - Teleradiology
Brian McCallie, MD - Teleradiology
Jennifer McEvoy, MD - Teleradiology
Juan Millan, MD - Teleradiology
Mohammed Quraishi, MD – Teleradiology

Recredentialing – Affiliate

Ryan Bierman, DPM

A motion was made and seconded to approve the recommendations for physician credentialing as presented Kim Witkop, MD, on behalf of the Medical Executive Committee. M/Norris, S/Speikers

There was no further discussion and the motion unanimously passed.

3. Facilities Committee Report. The Facilities Committee met on June 15, 2015. Comm. Roberts reported that now that the district has moved into the new facility, agenda items have been focused on close out punch lists and what needs to be done in the new facility. There is nothing of consequence to report that pertains to corporate governance, fiduciary responsibility or public disclosure.

Supt. McCollum added that Jim Grafton, Capital Project Manager, has resigned having taken a position with Providence downtown Seattle. Appreciation was expressed by the board for the phenomenal job Jim did on managing the new hospital project.

NOTE: All written reports and/or presentations from each committee meeting are provided for the public and are part of the official record of the District. Additional copies are available upon written request. To hear the full discussion on each of the above committee reports, go to <http://www.snoqualmiehospital.org/audio>.

PUBLIC COMMENT:

Jim Simon, Snoqualmie – Jim stated he had recently requested various critical access hospital financial indicators reports from District Administration and was told the hospital does not produce this report. At the time these were requested, Jim stated he already knew that. He further explained this is a report that is distributed annually to all administrators by the Critical Access Hospital Financial Indicator's Report Team at the Rural Health Research and Policy Analysis Center, University of North Carolina at Chapel Hill. This is an ongoing project that began in 2005 to measure financial performance in CAHs with funding from the federal office of the Rural Health Policy. The purpose of the reports is to provide administrators and boards with comprehensive information about the financial performance and condition of their hospitals. The report includes 22 key financial indicators that are compared to benchmarks that were established specifically for critical access hospitals. Additionally, the report compares each hospital with peer group, state and US medians.

Jim provided copies of the 2011 report along with a summary on the profitability indicators. Calculations for 2013 and 2014 were also included that were done by financial indicator's report calculator as described by University of North Carolina based on the District's cost reports.

Jim added that of the profitability indicators show the operating margin benchmark is greater than 2% and since 2006 the District has been a negative 43, negative 49.8, positive 44.4, negative 19.7, negative 17.7, negative 26.2, positive in 2012 at 21.2, 2013 estimated at 14% and 2014 negative 18.1%. 2008 and 2012 were outliers. In 2008 it was because there was some 24 million dollars in miscellaneous revenue so that obviously skews the 44% and in 2012 it was the sale of the hospital.

In the Moss Adams presentation, Jim stated he was a little overwhelmed by the comparison of Moody's and all hospitals, and in his mind it's comparing apples to oranges. The document given to the board compares Snoqualmie and all critical access hospitals to peer group and identifies who is in the peer group and also identifies just critical access hospitals to the Washington median and to the U.S. median. He thought it

might be better if Moss is going to present any future information that that comparative be narrowed down to something that is more universal.

NEW BUSINESS – Action Items

1. **Schedule for Strategic Planning.** This topic was requested by Comm. Roberts. A vast amount of time and focus has been on moving into the new facility and it was felt the time has come for the board to reconvene this fall, September or October, to start thinking about 2/5/10 year strategy. He would like for a date and format to be scheduled. He would suggest reconvening in a work session followed by a public meeting or even a series of public meetings. This could perhaps include having a facilitator to help with the structure. It was also suggested that meeting in September or October would be the beginning of the discussion on long term planning and not conclusive in one meeting.
2. **Plan for rebudget in September 2015.** This topic was requested by Comm. Speikers. The Board would like to do a formal revision of the existing budget based on the previous six months and going forward there would be two revisions per year to begin with. Perhaps after that it could be done in the middle of the year.

It was pointed out by Supt. McCollum that the District has a responsibility, and is required, to file a budget with the state by November 15th. The reason staff waits until close to that period of time is so that we have as much information from the current year before trying to budget for the next year. If it's done in April there wouldn't be as much information available on the current year as we would in October.

For clarification purposes, Supt. McCollum confirmed that the board wants to meet in September to look rebudgeting the current year and then again in October budgeting for the following year which would be 2016.

Comm. Speikers suggested that around May 2016 the budget could be reviewed and revised if needed. Steve Daniel, Chief Financial Officer, added some input regarding possible structure and scheduling.

3. **Discussion regarding Public Finance Committee meetings.** Comm. Speikers requested this topic to be on the agenda. To increase transparency, Comm. Speikers feels that the finance committee meeting could be open to the public. Agenda items protected under law can be separated from the general information meeting. Comm. Speikers proposed that this start as soon as possible. It was clarified that there would be no participation by the public at the finance committee meetings.

There was considerable discussion on this and a suggestion made that community members could be added to the standing committee meetings as a way to increase participation and draw on expertise within the community.


There was further debate on whether or not all commissioners could attend the finance committee meetings, should they be open to the public. It was pointed out that if more than two commissioners were present this would result in a special meeting and not a committee meeting. Therefore, a final determination was made that it would remain the same with only two commissioners who had been appointed to the committee would continue to attend.

NEXT SCHEDULED MEETING:

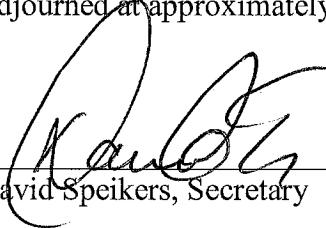
Regular Monthly Business meeting to be held on Thursday, August 6, 2015, 6:30 pm, Snoqualmie City Hall, Council Chambers, 38624 SE River Street, Snoqualmie.

Please note that the audio recording of this meeting of the Board of Commissioners for PHD #4 can be accessed on the District's website, Governance Page or at:
<http://www.snoqualmiehospital.org/audio>.

There being no further business, the meeting was adjourned at approximately 9:05 pm.



Joan Young, President



David Speikers, Secretary