

**VALLEY GENERAL HOSPITAL  
Public Hospital District No. 1, Snohomish County**

**MINUTES OF THE REGULAR MEETING OF OCTOBER 31, 2007**

**Present:** Alice Cabe, Dennis Dinkla, Neil Watkins, Mark Judy, John Beltz

**Medical Staff:** William Thot, MD, Michael Eickerman, MD

**Guests:** Jeanne Bennetts, Brenda Rogers, Lisa Norton, Vicki Hesseltine, Marcy Nicol, Kathy Nelson, Lauren Barber, Quinn Hatala, Teri Cook

**Minutes By:** Norma Walker

---

**CALL TO ORDER**

Commissioner Cabe called the meeting to order at 6:05 a.m.

**PUBLIC COMMENT**

There was no public comment.

**APPROVAL OF MINUTES**

On the motion of Commissioner Watkins and a second of Commissioner Dinkla, the minutes of the Special Board Meeting of October 7, 2007 were approved as presented.

**BOARD QUALITY COMMITTEE REPORT**

**Board Quality Committee Report**

Commissioner Cabe reported discussions included surgery / anesthesia indicators for 2006, and 2007-to-date; Chemical Dependency Treatment Services indicators for 2006, and 2007-to-date; the continued efforts to resolve the neonatal resuscitation dilemma; and the falls / restraints data from MSTU and CCU. Also discussed was the restructure of the Quality program and the Department of Health survey results.

**CNE Report**

Ms. Bennetts summarized the results of the recent Joint Commission survey, reporting the staff responded with excellence throughout the survey. There were minor items identified for improvement, which are being addressed.

The Board expressed their appreciation to all staff for their dedication, hard work and professionalism.

**Medical Staff Report**

Dr. Eickerman presented the credentialing files for the Board's review and action, noting there were no concerns to address.

With a motion from Commissioner Watkins and a second from Commissioner Dinkla, the credentialing files were approved as presented.

Mr. Judy stated the fair hearing was postponed to December 3 – 5, 2007 after a request for settlement was received, discussed by VGH MEC on October 22, 2007 and declined. Due to the consideration period, a postponement was required.

Dr. Thot reported MEC recommended to the Hospital Association and the Medical Association that third party payors end the hospital affiliation overlooking requirement for physicians, as it puts hospitals in a difficult position.

### **BOARD FINANCE COMMITTEE REPORT**

Commissioner Watkins stated Board Finance met as scheduled, reviewing September's financial results.

#### **September 2007 Financials**

Mr. Beltz reviewed the September 2007 financial reports, indicating net patient services revenue for the month were \$51,000 under budget, with total operating expenses over budget by \$60,000. Salaries were over budget by \$9,000 and agency use was over budget by \$27,000. Supplies were under budget because of decreased prosthesis use with the change in medical staff. The September net operating loss was \$483,400, which was \$18,700 under budget. Non-operating revenues for the month were \$95,000 which were under budget by \$14,700. Net loss for September was \$388,500 which was under budget by \$4,000. Gross days in accounts receivable decreased to 52.4 days, and days operating cash on hand increased to 6.6 days. Days in accounts payable decreased to 33.3 days.

#### **Bad Debt and Charity Care**

Commissioner Watkins motioned for the approval of the following bad debt and charity care:

	<u>September</u>
Bad debt	\$ 107,270
Back from collections	(120,670)
Uncollectible	15,089
Charity care	353,123
Bankruptcy	(0)
Contract denials	<u>113,482</u>
Total:	\$ 568,294

Commissioner Dinkla seconded the motion.

#### **Vouchers**

On the motion of Commissioner Watkins and a second of Commissioner Dinkla, voucher numbers 103394 – 104627 and 80754 – 80858, with credits totaling \$85,996.86 were approved as presented.

#### **Project Updates:**

Mr. Beltz provided updates on the following projects:

##### ***Sodexo***

Our attorneys are reviewing the final agreement. Will defer the first three month's payments to 2008. Should be fully engaged by December.

##### ***Alive Inn***

The Fire Marshall inspected the Alive Inn facility Monday. The inspection went well, and the Certificate of Occupancy was issued. The Department of Health will be here Tuesday. It is projected patients will be moved to the new facility in mid-November.

***MOB and ED Construction***

Construction will begin in the MOB tomorrow. The Emergency Department renovation project will follow, hopefully in mid-January to be finished by August.

***Wound Care***

Architectural drawings are done and oxygen needs will be discussed today. Anticipate a mid-April opening.

***Productivity Study***

Letter of engagement signed with American Healthcare Service to perform a productivity study, starting mid-November.

Mr. Judy summarized these projects are coming at a difficult time, financially. Employee Forums will be held next week to share this information to the staff, and to share that these projects are long term solutions to the short term financial situation. Commissioner Watkins suggested sharing that information with the public as well.

**BOARD PLANNING COMMITTEE**

Commissioner Dinkla stated Board Planning was cancelled in lieu of the Board / MEC annual retreat. Commissioner Dinkla further reported the retreat was one of the most productive and interesting retreats in many years, partially due to the number and variety of people in attendance. The discussions with Mr. Nance and Ms. Bartholomew kept the discussions interesting and lively.

A dinner will be scheduled late January or early February with the retreat participants to continue the discussion. The “key findings” will be distributed shortly.

**CHIEF EXECUTIVE OFFICER’S REPORT**

**Quality Department Restructure**

Mr. Judy presented Ms. Quinn Hatala, newly appointed Clinical Manager of Quality and Ms. Teri Cook, newly appointed Manager of Regulatory Quality and Risk Management. A third position for abstracting and internal / external reporting of quality data has not yet been appointed. This new department will provide consistency and plans to relieve MEC from the overburdening of credentialing and quality issues is also under discussion.

**Providence Meeting**

Meeting with Providence leadership next week to discuss patient transfers. VGH’s referral patterns are affected by Providence’s Emergency Department’s ability to function properly to these transfers. A two hospital combined Root Cause Analyses is being planned on specific patient issues. Working to develop a quality agreement between our facilities.

**1199 SEIU**

Two of three renewals of labor contacts occur in 2008. Late September, Mr. Judy was requested to travel to Belfast to participate in discussions between the Northeast USA 1199, the Republic of Ireland and the British No. Ireland. Discussed successful methods of changing the collaborative working relationship with organized labor and employers. Tremendous strides were made since the first meeting, six years ago. Described as both the most difficult and most productive discussion ever.

Met with Seattle hospital representatives yesterday to discuss what benefits there would be to a multi-employer collective bargaining unit. Continuing to explore those possibilities.

**WSHA Annual Meeting**

Included in your packet is the speech Mr. Judy gave as incoming Board Chair to the Washington State Hospital Association.

**Diversity Council**

Last Thursday night was a turning point with the committee. Firm commitments were made regarding; 1) concrete programs for Human Resource practices, management training, etc., on how to work to address rapidly increasing Hispanic employees and how to encourage, motivate and advance candidates through the hierarchy of businesses, and 2) mentorship and education through the Jr. High and High School years. Mr. Judy was named Chairman of the Monroe Diversity Council.

**HIPAA / Privacy Officer's Report**

Ms. Norton reported there has been an increasing number of reported concerns over the last three quarters. Five reports were made regarding people being in offices or areas not appropriate; two events of information shared or not shared to family members; one complaint letter was filed with the Department of Health regarding incidents here against specific employees which contained patient specific information. This person is covered by the Whistle Blower Act, but how the person obtained the information is a concern to the hospital. Identifying means to retrieve the information while remaining within the protection of the Act. A discussion will be held tomorrow during MEC regarding this concern, and signs have been posted in various areas stating their restricted status. Looking into installing badge locks or other means of identified / authorized access mechanisms. VGH's attorney will be discussing this matter with the Attorney General's office.

**Handouts**

Also in the packet for the Board's information is a Seattle Times article regarding hospital changing procedures due to adverse events; Dr. Bennett's letter to staff post-retreat; another Seattle Times article regarding guidelines around what a hospital can and cannot do when it comes to taking a stance on ballot items.

**REPORTS**

**Marketing and Community Relations**

Ms. Nelson reported a new newsletter and flyers to physicians offices regarding new physicians were recently distributed.

**Health and Healing**

Ms. Rogers reported meeting with the committee next week to define 2008 goals. The *Healing Touch* will be presented to medical and nursing staff.

**Foundation**

Due to a few illnesses of key people within the Foundation, the Foundation Dinner and Retreat have been postponed, probably until December.

**Guild**

Ms. Rogers was pleased to report the Guild had elected to contribute \$2,500 toward the Birth Center Fetal Monitor Capital Campaign.

**IT Update**

Ms. Norton reported the calendar is currently being reforecast. Waiting for the server room date has caused some delay in other parts of the project. Awaiting the L & I electrical inspection and then the DOH approval; both are anticipated to occur soon.

**EXECUTIVE SESSION**

At 7:40 a.m., with the motion of Commissioner Watkins and a second from Commissioner Dinkla, the Board convened into Executive Session for the purpose of personnel issues. The attendees of the Executive Session are Commissioner Cabe, Commissioner Dinkla, Commissioner Watkins and Mr. Mark Judy. The Executive Session is anticipated to end at 8:00 a.m.

**RETURN TO REGULAR SESSION**


At 8:00 a.m., with the motion of Commissioner Watkins and a second from Commissioner Dinkla, the Executive Session was ended and the meeting returned to Regular Session.

**CONTINUATION**

On the motion of Commissioner Watkins and a second from Commissioner Dinkla, the Executive Session is continued to November 1, 2007 at 6:00 p.m. for the purpose of completing the CEO Evaluation.

**ADJOURNMENT**

There being no further business to conduct, on the motion of Commissioner Watkins and a second from Commissioner Dinkla, the regular meeting of the Board of Commissioners was adjourned at 8:05 a.m.

  
Chair

Attest:

  
Commissioner

  
Commissioner