

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

**MINUTES OF THE REGULAR MEETING OF NOVEMBER 28, 2007**

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

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

**Guests:** Lin McIlrath, Joan Catlett, Jeanne Bennetts, Quinn Hatala, Lisa Norton, Brenda Rogers, Lauren Barber, Kathy Nelson, Teri Cook, Vicki Hesselting

**Minutes By:** Norma Walker

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**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 Dinkla and a second of Commissioner Watkins, the minutes of the Regular Board Meeting of October 31, 2007 were approved as presented.

**BOARD QUALITY COMMITTEE REPORT**

**Board Quality Committee Report**

Commissioner Cabe reported the regular Board Quality Committee meeting was cancelled.

**National Patient Safety Goals**

Ms. Bennetts reviewed the 2008 National Patient Safety Goals with a brief explanation of each of the goals, as outlined in the printout of the presentation which is attached to the minutes.

**3<sup>rd</sup> Quarter Quality Dashboard**

Ms. Cook presented the updated Quality Dashboard and indicated changes will be implemented for 2008 to include establishment of VGH benchmarks and updating the national benchmarks, providing a more meaningful comparison.

**Total Health and Safety Program**

Ms. Cook reported the Washington Hospital's Self Insured Worker's Compensation Trust identified a contracted pilot employee safety program with Chaf & Co. that would be beneficial to VGH. Ms. Cook summarized the program, the recommendations and the progress to date.

**Adverse Events and Incidents**

Mr. Judy shared a Seattle Times article *Mistakes hospitals don't want you to see*, discussing the amount of detail released to the public when a medical error occurs at a hospital, currently being debated in the legal system. Also reviewing summary of Adverse Events in Washington Hospitals.

**CNE Report**

Ms. Rogers reported the recent hiring of a new emergency department manager; major house wide policy changes being drafted regarding the medical chart reorganization and rewriting of the exit care discharge instructions.

**Medical Staff Report**

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

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

**MEC Rules and Regulations Amendment – Verbal Orders**

Dr. Eickerman and Dr. Thot explained the verbal order rules were modified recently to state only the originating physician could authenticate verbal orders. That was determined to be unsuccessful and problematic. This modification allows verbal orders be authenticated by an alternate medical staff member.

With a motion from Commissioner Dinkla and a second from Commissioner Watkins, the MEC Rules and Regulations Amendment – Verbal Orders was approved as presented.

**MEC AHP Policies and Procedures Amendment Addition of Physician Assistant – Surgical Assistant**

Dr. Eickerman stated this is an addition of a position within the surgical team. The Physician Assistant – Surgical Assistant is a junior position to the Physician Assistant, but plays a very useful and critical role as part of the surgical team.\

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

**Core Privileges – Physician Assistant – Surgical Assistant**

Dr. Eickerman indicated these core privileges define the tasks of the Physician Assistant – Surgical Assistant.

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

**Physician Appeals Hearing**

Mr. Judy stated the physician appeal hearing is schedule for Monday, Tuesday and possibly Wednesday (December 3 – 6). The VGH attorney estimates it will take the hearing officer 3 – 4 weeks to come to a final opinion.

**BOARD FINANCE COMMITTEE REPORT**

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

**October 2007 Financials**

Mr. Beltz reviewed the October 2007 financial reports, indicating net patient services revenue for the month were \$505,000 over budget, with total operating expenses over budget by

\$197,000. Salaries were over budget by \$90,000 and agency use was over budget by \$10,000. Supplies were over budget because of decreased prosthesis surgical supplies, pharmaceuticals and dietary use. The October net operating income was \$41,000, which was \$313,000 over budget. Non-operating revenues for the month were \$94,000 which were under budget by \$14,000. Net income for October was \$135,700 which was over budget by \$300,000. Gross days in accounts receivable decreased to 50.8 days, and days operating cash on hand increased to 9.0 days. Days in accounts payable decreased to 31.7 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	\$ 124,062
Back from collections	(58,337)
Uncollectible	8,003
Charity care	375,749
Bankruptcy	(0)
Contract denials	<u>3,340</u>
Total:	\$ 452,816

Commissioner Dinkla seconded the motion.

**Vouchers**

On the motion of Commissioner Watkins and a second of Commissioner Dinkla, voucher numbers 104628 – 105154 and 80859 – 81917, with credits totaling \$6,233.53 were approved as presented.

Commissioner Cabe inquired about a Revenue Cycle update; Ms. Nicol responded she is preparing an update with a modification to the Charity Care policy.

**Ratification to Appoint Moss Adams as Financial Auditors for 2007**

Mr. Beltz indicated a desire to retain Moss Adams for the annual audit again this year. Commissioner Watkins reported reading the Appointment Letter, finding it acceptable.

With a motion from Commissioner Dinkla and a second from Commissioner Watkins, the appointment of Moss Adams as the 2007 Financial Auditors was ratified.

**Resolution 2007-10 – Preliminary 2008 Budget**

Mr. Beltz presented the preliminary 2008 budget which is required to be submitted to the County for year end reporting.

With a motion from Commissioner Watkins and a second from Commissioner Dinkla, Resolution 2007-10 was approved as presented.

**Resolution 2007-11 – 2008 Regular Property Tax Levy**

Mr. Beltz presented Resolution 2007-11 which allows for a 1% increase of the 2006 property tax revenue.

With a motion from Commissioner Dinkla and a second from Commissioner Watkins, Resolution 2007-11 was approved as presented.

**Resolution 2007-12 – Amended Interlocal Agreement**

Ms. Norton indicated this amendment was to enable contracting negotiations with an additional group of hospitals.

With a motion from Commissioner Dinkla and a second from Commissioner Watkins, the amended interlocal agreement was approved as presented.

**Project Updates:**

Mr. Beltz provided updates on the following projects:

***CDTS***

Received the Department of Health license on November 13, approving 40 beds. Opening scheduled for early January, which was delayed due to the holidays. 24 beds will open initially, with 26 beds added in the summer of 2008.

***Wound Care***

Drawings are being completed for the Department of Health, estimated to be completed early December. The space will require minimal renovations to accommodate new unit. Looking for physicians partners for unit. Will be holding a physician symposium to entice panel physicians and a full time Medical Director.

***Facility Upgrades***

The Business Office space in the Medical Office Building should be complete in approx. 3 weeks. Anticipate moving in the end of December.

Once that move is complete, the ED renovation process will begin. Sub-drawings were presented to the Department of health for approval. Estimate bids will open January 4, 2008. ED construction to begin mid to end of February.

The architects are working on the pharmacy build-out. Will submit to Department of Health and anticipate starting in February.

The IT server room drawings are also being worked on by the architects, and will be submitted to the Department of Health with anticipated start date in February.

***Wound Care***

Still anticipate a April 2008 opening date.

***Productivity Study***

The kick-off meeting of this project is at 8:30 this morning. The contractors will be here the next two days interviewing managers and directors. They will return the first or second week of January, with productivity plans anticipated in early February.

**Sodexo**

The agreement was signed last week. Have an interested candidate that will be interviewed next week. Mr. Judy repeated our commitment to employees has been there will be no lay-offs to any of these staff. Any reductions in staffing will be through attrition.

**BOARD PLANNING COMMITTEE**

Commissioner Dinkla stated Board Planning was cancelled. Mr. Judy presented the summary of the October 2007 Board Retreat for review, indicating this document will be taken through Leadership Team and Board Planning to refine and clarify. The final version will be presented to the Board directly following.

**Resolution 2007-13 – Approval of the 2007 – 08 Medical Staff Development Plan, Including Administrative Recommendation for 6-Month Moratorium on Certain Specialty Privileges**

Mr. Judy stated this resolution was presented independent of the Medical Staff Administration recommends a six-month moratorium on four specialties: general surgery, OB/GYN, inpatient hospitalists and orthopedics to provide time to determine if current changes will take hold. The two exceptions to this are specialties with existing privileges are grandfathered and any new physicians applying to join the medical staff with an existing group. The Medical Staff Development Plan is attached and was developed with the Medical Staff Development Committee and other Committees along with Board Planning. Mr. Judy recommends the Board adopt this resolution with the understanding this is a unique situation.

With a motion from Commissioner Watkins and a second from Commissioner Dinkla, Resolution 2007-13 adopting the Medical Staff Development Plan and the 6-Month Moratorium on Certain Specialty Privileges is approved as presented

**CHIEF EXECUTIVE OFFICER'S REPORT**

**Preliminary Discussion Regarding Consideration to Expand VGH Board Size**

Mr. Judy noted there are pros and cons with board expansion to 5 or 7 members. Will continue to explore and carry forward.

**Potential for Multi-Employer Bargaining**

Mr. Judy explained there is an opportunity with SEIU 1199 for Multi-Employer Bargaining. Should know more in four to six weeks. Very active process under way to avoid strike in late 2008.

**Reorganization of VGH Quality Program**

Mr. Judy stated the reorganization of the Quality program will be a major element and involve an increased refinement around our quality program and will work with the medical staff to refine the credentialing process and procedures. Need to implement continuity through the change in department chairs and other medical staff changes.

**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 the CEO Evaluation. 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 December 19, 2007 at 7:20 a.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.

  
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Chair

Attest:

  
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Commissioner

  
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Commissioner