

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

MINUTES OF THE REGULAR MEETING OF DECEMBER 14, 2005

Present: Michael Manley, Dennis Dinkla, Alice Cabe, Mark Judy, Vicki Hesselstine, William Thot, MD, Carl Knappe

Guests: Lin McIlrath, Jeanne Bennetts, Kathy Nelson, Deborah Martin, Neil Watkins

Minutes Recorded by: Norma Hanson

CALL TO ORDER

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

PUBLIC COMMENT

Ms. Deborah Donnelly, RN .read a letter written to the Board describing the nurses' desire for an amicable conclusion to the on-going 1199 Union negotiations. A signed petition was handed to the Board.

APPROVAL OF MINUTES

On the motion of Commissioner Cabe and a second of Commissioner Manley, the minutes of the Regular Board Meeting of November 30, 2005 were approved as presented.

On the motion of Commissioner Cabe and a second of Commissioner Manley, the minutes of the Special Board meeting of December 8, 2005 were approved as presented.

OATH OF OFFICE

Having been successfully re-elected as Commissioner during the November elections, Commissioner Dinkla was administered the Oath of Office by Mr. Knappe.

BOARD MEMBER REPLACEMENT

Having publicly advertised the taking of applications to fill the vacancy on the Board of Commissioners created by Commissioner Manley's resignation, a public meeting was held for interviewing interested applicants. Having received only one application, and reviewing the applicant at the public meeting, Commissioner Manley, Commissioner Cabe and Commissioner Dinkla voted to appoint Neil Watkins to fill temporarily the vacated Commissioner position, effective January 1, 2006. During the next general election, Mr. Watkins will run for office.

On behalf of management, staff, the Hospital District, Mr. Judy expressed appreciation for all Commissioner Manley has done, and will continue to do for the hospital and this community. A recognition reception will be held Monday, December 19, 2005 in the Café Corner.

BOARD QUALITY COMMITTEE REPORT

Board Quality Meeting Review

Commissioner Cabe reported Board Quality med as scheduled. Ms. Cabe indicated continuing to develop a dashboard of quality indicators. Our small volumes make this process a challenge. Goal is the ability to benchmark against our peer hospitals.

University of Washington students presented their ideas and concepts for the second Healing Garden. They were very beautiful and inspirational.

Medical Staff Report

Dr. Dehkordi presented the credentialing files for review indicating there were no concerns to discuss.

On the motion of Commissioner Dinkla and a second of Commissioner Cabe, the credentialing files were approved as presented.

Dr. Thot indicated the Medical Staff Development Plan is being revised. It appears that physicians that residing in our community are more dedicated than those that do not. Some facilities use residency as criteria during the credentialing process.

BOARD FINANCE COMMITTEE REPORT

Commissioner Dinkla reported that due to the early timing of the December meetings, the regular financial reports were not yet available. The 2006 Budget was the focus of this meeting.

2006 Budget

Ms. Hesseltine presented the budget and reviewed the assumptions. With Dr. Swenson on deployment and the expense of the leases in the MOB, 2006 will be a challenging year.

On the motion of Commissioner Dinkla and a second of Commissioner Cabe, the 2006 Budget was approved as presented.

Bad Debt and Charity Care

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

| | |
|-----------------------|---------------|
| Bad debt | \$ 221,519 |
| Back from collections | (1,222) |
| Uncollectible | 7,366 |
| Charity care | 72,001 |
| Bankruptcy | 6,439 |
| Contract denials | <u>41,415</u> |
| Total: | \$ 502,155 |

Commissioner Cabe seconded the motion.

Vouchers

On the motion of Commissioner Dinkla and a second of Commissioner Cabe, voucher numbers 79592 – 79591 and 91534 – 92123 were approved as presented.

BOARD PLANNING COMMITTEE REPORT

Commissioner Manley reported the Board Planning committee did not meet in December; therefore, there is no report to present.

CHIEF EXECUTIVE OFFICER'S REPORT

Union Negotiations

Mr. Judy reported Administration wants to continue with a positive relationship with staff, balanced with the financial health of the hospital. The Union's proposal to adjusted salaries guided by a formula based on two other hospitals that are in unsettled situations in their union negotiations and to convert to a one-year bargaining agreement combining contracts to become co-terminus continue to be items of debate.

Ms. Martin stated consistency through the bargaining units with a proposal of a 2% salary increase across the board, adding one high step to the pay scale is keeping in line with budget constraints. Meeting again tomorrow night with no other meetings scheduled.

Mr. Bate, Union Negotiator, agrees that the contract language needs to be cleaned up and that some items need to be removed from the discussion. However, the Union's wage proposal is for a specific dollar figure. Moving toward combining contracts is a trend that is occurring throughout the industry and is the Union's goal.

Commissioner Cabe expressed her desires that the negotiations remain respectful while working toward a common ground.

Emergency Department / Providence Physician Group

Mr. Judy indicated Providence Physician Group had expressed their consideration of opening an urgent care clinic; however, they are now considering the development of a walk-in clinic instead. Great step forward, however concern remains as to the effect that may have on the hospital.

State Audit

Mr. Judy reported the recent State audit was very successful and no issues or concerns were noted. The hospital will remain on a two-year cycle. The exit conference will be held in January 2006.

Physician Recruitment Policy

Mr. Judy presented the Physician Recruitment Policy for the Board's review and consideration for approval. Mr. Judy noted there are no substantial changes were made.

On the motion of Commissioner Cabe and a second of Commissioner Dinkla, the Physician Recruitment Policy was approved as presented.

Management Perception Survey

Mr. Judy presented the summary of the results from the Moss Adams Management Perception Survey (attached).

REPORTS

Foundation

Mr. Watkins, President of the VGH Foundation Board, indicated 2005 was a challenging fund raising year with the worldwide disasters, and other events. However, due to the generosity of many, \$180,000 was raised. Mr. Watkins stated the Foundation would continue to support the Chaplin service, employee recognition activities, uncompensated medications, and more. Mr. Watkins added he was pleased to present a check in the amount of \$40,000 toward the purchase

of oximetry units and ventilators. The capital campaign continues for funding of the ER monitoring equipment. The campaign is just over half way to its goal. The Board extended their gratitude and the Foundation's many efforts and successes.

Guild

Ms. Hesseltine indicated there was nothing to report at this time.

Marketing and Community Relations

Ms. Nelson shared information regarding a WSHA statewide yearlong hospital campaign.

ADJOURNMENT

There being no further business to conduct, on the motion of Commissioner Dinkla and a second from Commissioner Cabe, the regular meeting of the Board of Directors was adjourned at 7:35 AM.

Chairman

Attest

Commissioner