

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

MINUTES OF THE REGULAR MEETING OF FEBRUARY 23, 2005

Present: Commissioner Manley, Commissioner Cabe, Commissioner Dinkla, Mr. Mark Judy, Ms. Sherry Stoll, Reza Dehkordi, M.D., Mr. Carl Knappe, Ms. Norma Hanson

Public: Ms. Lin McIlrath, Mr. Brad Becker, Ms. Vicki Hesseltine

Commissioner Manley 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 Cabe, the minutes of the January 26, 2005 meeting were approved as presented.

BOARD QUALITY COMMITTEE REPORT

Board Quality Meeting Review

Commissioner Cabe reported Mr. Stephen Mosher presented the EOC annual evaluation to the Committee indicating that staff education and performance indicators were completed in all areas. All goals were met except the secure door project, which will be completed in 2006, once HRSA funding is available. Additionally, data through the third quarter, 2004 on the ORYX core measures indicates that VGH scored below the predicted rate in most areas. In comparison of heart failure, pneumonia, and antibiotic data, VGH exceeded national statistics in all areas. The Leadership Team Strategic Objectives were reviewed, specifically those related to safety, quality, regulatory compliance, and the health and healing initiative. It was also reported that accreditation has been granted to VGH after successful submission of the responses to recommendations made at the survey. An additional submission of data to verify compliance is due in May.

Chief Operating Officer's Report

Ms. Stoll indicated approximately April 1, 2005 a website (www.hospitalcompare.com) would be available to the consumer. This is a joint effort between ASH and Washington State, reporting area hospital's quality data. Ms. Stoll also reported that January and February have been very busy months and that staff has done an excellent job in turning patients around in a timely manner. Additionally, patients brought the Noro virus into the Senior Behavioral Health Unit twice since December. It was necessary to close the unit for a couple of hours in order to clean and disinfect. In order to accomplish that, as patients were discharged, new patients could not be admitted. This had an impact on the census for that period, directly affecting the Unit's profitability in January.

Medical Staff Report

Dr. Dehkordi reported the hospital is close to hiring an outpatient physician. This candidate comes with extremely high recommendations by her colleagues.

Credentialing Files

Dr. Dehkordi presented the credentialing files reviewed and previously approved by the Medical Executive Committee and Board Quality.

Commissioner Cabe motioned for the Board to approve the credentialing files as presented. The motion was seconded by Commissioner Dinkla.

Medical Staff and Allied Health Practitioner Orientation Plan

Dr. Dehkordi presented the MEC recommended revisions to the Orientation Plan for the Board to consider.

Upon review and on the motion of Commissioner Cabe and a second from Commissioner Dinkla, the recommended revisions to the Orientation Plan were approved.

Medical Staff Rules and Regulations – Medical Records Section

Dr. Dehkordi presented the proposed changes to the Rules and Regulations indicating these changes would benefit the ER physicians as well as others, by allowing an alternate physician to sign the charts.

After review and on the motion of Commissioner Cabe and a second from Commissioner Dinkla, the recommended revisions to the Rules and Regulations were approved.

BOARD FINANCE COMMITTEE REPORT

Board Finance Meeting Review

Commissioner Dinkla stated the Board Finance met as scheduled and were elated to learn of a positive bottom line for January.

Financial Summary and Related Reports

Ms. Hesseltine reported net operating revenue totaled approx. \$3.1 million and expenses totaled approx. \$3.1 million, generating a positive bottom line for January of \$7,737. Deductions from revenue were higher than budgeted mainly due to new contracts, which are not yet in place. Hospital-wide occupancy increased to 69.08%. Total cash on hand decreased to 103.3 days. FTE’s (including agency) for January totaled 341.65 – approximately 10.7 FTE’s above the target of 330.95.

Ms. Hesseltine indicated no transfers were made to or from District Reserves in January.

Bad Debt and Charity Care

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

Bad debt	\$	168,454.12
Back from collections		(3,437.65)
Uncollectible		9,996.48
Charity care		72,970.94
Bankruptcy		494.46
Contract denials		11,403.24
October total:	\$	259,881.59

Commissioner Cabe seconded the motion.

Vouchers

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

BOARD PLANNING COMMITTEE

Board Planning Committee Meeting Review

Commissioner Manley reported Board Planning did not meet in January.

CHIEF EXECUTIVE OFFICER'S REPORT

Premera / Regence Update

Mr. Judy reported there is not much movement from either side toward resolution. Community comments have declined.

CPM

Mr. Judy stated Ms. Kathy Nelson, newly hired Director of Marketing and Strategic Planning and Ms. Lisa Norton are in Wisconsin receiving training by CPM, our marketing consultants. Mr. Judy indicated CPM will be present at the Board Planning meeting on March 23, 2005. CPM will be making a presentation of data collected and working with attendees on possible future marketing strategies.

Community Health Care of Snohomish County

Mr. Judy reported this organization is considering coming to Monroe as healthcare providers for low income patients.

2004 Leadership Team Annual Summary

Mr. Judy presented the Leadership Team's 2004 Annual Summary to the Board for their review and approval.

With the motion of Commissioner Cabe and a second of Commissioner Dinkla, the document was approved as submitted.

2005 Leadership Team Proposed Strategic Objectives

Mr. Judy shared with the Board his recommendation for quarterly Board review of these objectives. This would provide the Board better tracking and visibility of the Leadership Team's progress in meeting their objectives.

Mr. Judy also suggested adding a compliance measurement to the Quality section of these objectives. Mr. Judy recommends the addition of "complete audits of professional charges and bills, and implement any identified revisions" as the measurement, as this correlates to the Strategic Plan.

As an additional update to the document, Mr. Judy reminded the Board of a two page document regarding facility expansion and issues around financing was reviewed and discussed last fall. This led to further analysis around potentially seeking another bond issue on the

ballot. Practicality suggests this analysis will extend beyond 2005, therefore an extension to the target date of 18 months is recommended for resolution of the bond issue.

With the motion from Commissioner Cabe and a second from Commissioner Dinkla, the addition of the compliance measurement and the 18-month extension to the target date of the resolution of the bond issue were approved.

OTHER REPORTS

Foundation

Ms. McIlrath stated the Sky Valley Chamber of Commerce recognized Sky Valley Family Medicine Clinic for their contribution to the community and VGH's efforts in keeping the clinic alive. The Foundation Board met last night. All Board members will now be participating in the fund raising campaign for ED equipment. Ms. McIlrath also shared that on February 14, 2005 the 2005 raffle car was unveiled – a 1969 Corvette Roadster. Ms. McIlrath reminded the Board that the Feek Memorial Golf Tournament is on June 10, 2005.

Guild

Ms. Hesseltine reported the Guild met in February. \$700 in CDs, tapes, etc. were purchased for the Health and Healing Cart. Nominations for officers were made; Brenda for President and Vicki for Treasurer. Additionally, Ms. Joan Catlett, Manager of Volunteer Services, provided Life Line education to the Guild.

On the motion of Commissioner Cabe with a second of Commissioner Dinkla, the Board went into Executive Session with Counsel to discuss compliance reporting for approximately 30 minutes.

Upon returning to regular session, on the motion of Commissioner Dinkla, with the second of Commissioner Cabe, with 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 8:00AM.

Chairman

Attest

Commissioner