

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

MINUTES OF THE REGULAR MEETING OF FEBRUARY 28, 2007

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

Medical Staff: William Thot, M.D., Michael Eickerman, M.D.

Guests: Kathy Nelson, Brenda Rogers, Lauren Barber, Marcy Nicol, Jeanne Bennetts, Joan Catlett, Lisa Norton, Lin McIlrath, Vicki Hesselstine

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 Regular Board Meeting of January 31, 2006 were approved as submitted.

REVISED BOARD BYLAWS

On the motion of Commissioner Watkins and a second of Commissioner Dinkla, the Amended and Restated Board Bylaws were approved as submitted.

PUBLIC PERCEPTION SURVEY PRESENTATION

Ms. Nelson presented results of the VGH public perception survey conducted by APCO Worldwide recently. Ms. Nelson indicated the marketing plan will be guided by these results. In conclusion, those polled want access to quality healthcare locally, lack awareness of our key services, and believe we need a major expansion (especially in the Emergency Department), and believe strategic partnerships with other hospitals would be key.

Ms. Rogers reported a review of the Emergency Department was recently conducted by Dr. Kaplan, Medical Director for The Studer Group. Dr. Kaplin recommends system improvements before addressing personnel improvements. Data such as "door-to-doctor" average times needs to be compiled and analyzed in order to be competitive with other area facilities, matching national standards, where available.

Commissioner Cabe supported the efforts and requested everyone to support this initiative, as projects such as this are vital to the future success of the hospital.

BOARD QUALITY COMMITTEE REPORT

Board Quality Committee Report

Ms. Cabe indicated Board Quality did not meet in February, so there was no report.

CNE Report

Ms. Rogers reported efforts continue on the Joint Commission grid activity. Additionally the Pharmacy Manager resigned as her family is relocating to Oregon, and the Chaplin resigned

as his family is relocating to Boise. Candidates are being interviewed for the Pharmacy Manager's position, and A replacement has been located for the Chaplin position.

Medical Staff Report

Dr. Eickerman noted there were no issues to bring to the Board's attention. Dr. Eickerman then presented the credentialing files, noting no items of concern to report.

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

BOARD FINANCE COMMITTEE REPORT

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

January 2007 Financials

Mr. Beltz reviewed January's financial results, indicating net patient services revenue for the month was \$110,000 under budget, with total operating expenses under budget by \$127,000. FTEs decreased to 346.26 in January. Adjusted admissions increased to 501 and adjusted patient days increased to 1,539 for the month. Supplies were under budget due to lower prosthetic costs. Gross days in accounts receivable increased to 59.5 days; days operating cash on hand decreased to 4.8 days, with unrestricted days cash on hand decreasing to 54 days. Days in accounts payable increased to 35.9 days.

Bad Debt and Charity Care

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

	<u>January</u>
Bad debt	\$ 122,952
Back from collections	(33,861)
Uncollectible	13,700
Charity care	570,675
Bankruptcy	(0)
Contract denials	<u>17,851</u>
Total:	\$ 691,317

Commissioner Dinkla seconded the motion.

Vouchers

On the motion of Commissioner Watkins and a second of Commissioner Dinkla, voucher numbers 99261 – 99844 and 80395 – 80444, 80951 (out of sequence due to the wrong box of checks being opened) and credits totaling \$235,688.24 were approved as presented.

Wound Care

Ms. Bennetts reported Medical Multiplex, a nationwide provider of wound care services, approached VGH about the possibilities of a wound care program here, which would be the only such program in this region. Medical Multiplex believes there are enough patients for the program to be financial beneficial. Currently we provide a limited wound care service in-house, which does not cover the need of our patient community. Medical Multiplex's program includes medical oversight, marketing and capital, in addition to the equipment and experience.

Mr. Belts reported, based upon Medical Multiplex's assumptions on the attachment, the pro forma indicates in year 1 the hospital would gain \$250,000 from the program, plus additional ancillary service income of approx. \$200,000. If we were to pursue development of a similar program, cost would be approximately \$1.3 million. With Medical Multiplex's program, our expense is limited to approximately \$200,000, limiting our exposure with a return on investment in the first year. The program being offered is a 3 year agreement, allowing for review of the program at that time. Medical Multiplex has a vested interest in the success of this program, with approximately \$1.1 million dollars invested.

On the motion of Commissioner Dinkla and a second of Commissioner Watkins, the continued investigation into the feasibility of establishing a wound care program was approved. Mr. Beltz indicated he will take the consideration to MEC tomorrow for their input and to gain their support of the program.

Surplus Equipment

Mr. Beltz indicated with the installation of the new CT Scanner, the tube upgrade previously purchased for the prior scanner is no longer necessary, yet there remains \$30,886 in book value. The system was used as a trade-in on the new scanner.

On the motion of Commissioner Watkins and a second of Commissioner Dinkla, the surplusing of the CT scanner tube upgrade was approved as submitted.

CHIEF EXECUTIVE OFFICER'S REPORT

2006 Organizational Strategic Objectives

Mr. Judy reported this document summarizes five focused objectives for 2006 that were approved by the Board last year. As indicated on the document, 60% achievement of goals was obtained. Mr. Judy asks the Board for their approval of this document.

On the motion of Commissioner Watkins and a second of Commissioner Dinkla, the 2006 Organizational Strategic Objectives were approved as presented.

2007 Organizational Strategic Objectives

Mr. Judy reported this document summarizes five focused objectives for 2007, noting the focus on safety / quality and financial stability. Mr. Judy indicated the productivity measurement will be discussed through Board Finance to better define the measurement. It was noted the weighted values for the objectives were not indicated. Further Board action on this document is deferred to the March meeting.

Multispecialty Group Planning – Steering Committee Update

Mr. Judy reported the October Board / MEC retreat resulted in a mutual interest in pursuing the feasibility of developing a Multispecialty Group. ECG was engaged to facilitate that research, with a lot of effort and time invested by all parties of the steering committee. Some data has been received, but not enough to effectively analyze feasibility. Dr. Thot stated this has been a great effort on the hospital's part and is very appreciated.

REPORTS

Marketing / Community Relations

Ms. Nelson indicated the annual report to employees and physicians was mailed, keeping them more informed about the hospital's activities and progress. An OB advertisement in *La Rosa* (a local Spanish publication) was published recently, receiving positive responses. Dr.

Congdon, Ms. Rogers and Ms. Nelson presented to the Snohomish Family Medical Group last month, with favorable response. Dr. Congdon also plans to present at Providence's Cancer Board. Next issue of *True Community Medicine* will be published in about two weeks.

Health & Healing

Ms. Rogers indicated the music program is moving forward with a mid-March installation projected.

Foundation

Ms. McIlrath reported the Foundation is currently in the midst of three major fund raising campaigns, with a goal of raising \$200,000 by year-end. New mailings will be out shortly advertising the car raffle. With the assistance of Marketing, developed a Foundation page on the VGH intranet.

Guild

Ms. Rogers reported the remodeled Joyce Stewart Gift Whop will hold a re-opening ceremony next Wednesday from 2 – 4pm, also celebrating Mable Coon's 88th birthday.

IT Update

Ms. Norton shared a status report on the IT projects. The server room size / location is a continuing issue. Reorganized projects without hardware needs up to front of the list while that issue is resolved.

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 7:55 a.m.


Chair

Attest


Commissioner


Commissioner