



TRUE
COMMUNITY
MEDICINE

VALLEY GENERAL HOSPITAL
Public Hospital District No. 1, Snohomish County
MINUTES OF THE REGULAR MEETING OF MARCH 3, 2010

Present: Neil Watkins, Alice Cabe, John Hinchcliffe, Mike Liepman, Brenda Rogers, John Beltz

Guests: **VGH:** Monica Sylte
Public: Roberta Wampole

Minutes By: Norma Walker

CALL TO ORDER

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

CONSENT AGENDA

Commissioner Watkins asked for a motion to approve the Consent Agenda items.

On the motion of Commissioner Cabe and a second from Commissioner Hinchcliffe, the Consent Agenda items were approved as presented. Those items were:

- Minutes of January 27, 2010 Regular Meeting
- CEO Report
- CNE Report
- Marketing Report
- IT Report
- Foundation Report
- Vouchers:

Payroll vouchers	83420 – 83455	\$1,318,828.99
A/P vouchers	121381 – 122151, 210005	3,104,746.93
Wire transfer vouchers	110005 – 210005	1,070,505.23
American Express vouchers	0110025 – 0218210	412,061.79
Credits (voids)		(379,276.71)

PATIENT STORIES

PUBLIC COMMENT

There was no public comment.

BOARD QUALITY COMMITTEE

Due to a clerical error, the information was not readily available for Ms. Cabe to report from. The report will be included with next month’s discussion.

2009 Clinical Contract Review

Ms. Rogers reported the clinical contracts are reviewed yearly to ensure compliance and performance criteria are met. The managers and/or directors are required to complete a review checklist on each clinical contract. If the compliance and performance criteria are met, the contract is extended another year. If there are concerns or outstanding issues, then a decision is made whether to extend or discontinue the contract.

Commissioner Cabe asked to see the Contract Review policy to get an understanding of the depth of the analysis. Commissioner Cabe also recommended the 2009 Clinical Contract Review be approved as presented. Commissioner Hinchcliffe seconded the motion. Ms. Walker will provide the requested material to the Commissioners.

2010 Performance Improvement Plan Policy

Ms. Rogers presented the 2010 Performance Improvement Plan and Policy to the Board for their review and action. Commissioner Cabe indicated this document was reviewed at Board Quality. However, Commissioner Cabe requests additional language is incorporated to encourage staff to submit suggestions that they believe would improve patient satisfaction / care and/or employee satisfaction. A simple suggestion form could be developed as a vehicle for this process. Commissioner Cabe requests that be incorporated into the Plan before action is taken.

Ms. Rogers will work with Ms. Cook to get this developed and incorporated.

February 2010 Credentialing File Review

Mr. Liepman reported the credentialing files were reviewed thoroughly at Board Quality, following the review and recommendation for approval by the Medical Executive Committee. There were no concerns or negative background information on any of these applicants.

Commissioner Cabe recommends these files be approved as presented; Commissioner Hinchcliffe seconded the motion.

Emergency Credentialing Policy Revision

Ms. Rogers reported these changes were approved by MEC in December. With the change in Medical Staff Coordinators, presentation to the Board was delayed. Since December, one additional minor modification was made (highlighted in blue). That change was presented and adopted by MEC earlier this month.

On a motion by Commissioner Cabe and seconded by Commissioner Hinchcliffe, the Emergency Credentialing Policy revisions were approved as presented.

BOARD FINANCE COMMITTEE REVIEW

Commissioner Watkins stated Board Finance met as scheduled and reviewed the January 2010 financial reports, and other topics, as Mr. Beltz will discuss.

January 2010 Financial Summary

Mr. Beltz reviewed the January Financial Dashboard, which had many indicators reporting in the red. Administration is taking action to address salaries and benefits, which is the major area of concern. If we continue to operate without addressing these issues, we will struggle all year. Ms. Rogers and Mr. Beltz will meet today and further discuss next steps, which will include work force reductions and right-sizing departments. We will also begin discussions with the Union regarding slowing salary increases.

Gross patient revenues were \$314k below budget. Total deductions from revenues were under budget as were contractual adjustments. Charity care came in below budget. Total operating expenses were over budget by \$37k. Salaries were over by \$68k and agency expense was over

by \$17k. Productive FTEs were over budget by 3.5. The adjusted admissions increased to 604 and adjusted patient days increased to 1,601 for the month. The net loss for January was \$116k.

Gross days in accounts receivable increased to 55.4 and days operating cash on hand decreased to 1.6 days, with unrestricted days' cash on hand increasing to 43.1 days. Days in accounts payable increased to 48.8 days.

Discussion on finances continued regarding ways the Community Advisory Board, Commissioners and staff can participate in marketing efforts. The low levy rate is a definite impact on the hospital. Of 95 hospitals in Washington State (43 are District hospitals), we are 43rd in the state for revenue, but 32nd in the state for bad debt and charity care. VGH has been laden with high FTE for some time. With the current economic situation, we can no longer sustain the impact of that as we had in the past. Salaries and benefits are very generous; however, we cannot sustain that with the reduction in revenue. Provided we were experiencing Seattle revenues, we could continue to provide Seattle wages and benefits. That is not the case. The physician's practices are not full either, eliminating the argument that more physicians are needed in the area. Physicians need to become involved in promoting their practice and the hospital, as the physicians are the attractors of the patients.

Charity Care

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

	<u>January 2010</u>
Bad debt	\$ 432,779
Back from collections	(20,340)
Uncollectible	12,239
Charity care	332,903
Bankruptcy	3,672
Contract denials	<u>9,457</u>
Total:	\$ 770,709

Commissioner Hinchcliffe seconded the motion.

Resolution 2010-01

Mr. Beltz reported the credit card distribution that was approved by Resolution 2009-23 is in need of modification. Mr. Beltz no longer requires a card, and Ms. Hatala is no longer employed here. As the Executive Assistant to Administration, Ms. Walker is asked to make purchases frequently on their behalf, and would benefit by having a card issued in her name for that purpose.

On the motion of Commissioner Cabe and a second from Commissioner Hinchcliffe, Resolution 2010-01 was approved as presented.

CHIEF EXECUTIVE OFFICER'S REPORT

Mr. Liepman reported there were a few items in addition to the report provided in the Board's packets.

Ms. Soderberg, the newly hired Medical Staff Coordinator, is doing an excellent job. She is quickly taking on her role and acquainting herself with the medical staff.

Employee forums were very successful. Encouraged staff to ‘think outside the box’ and to feel comfortable asking their managers questions about their responsibilities, concerns and / or suggestions. If the staff doesn’t receive the response to their question / comment, they have been encouraged to ask the director over their department, or one of the Administrators. Employees are ‘in the trenches’ and know what works and what doesn’t work, and often times have solutions that should be discussed and considered.

Commissioner Hinchcliffe is participating in the Mission / Vision / Commitment update. The committee has had excellent suggestions and comments. Currently the process is stuck in ‘Acronym-land’, but making great progress.

Marketing is doing a great job. New billboards were posted on 522 and Highway 9. Additionally the HeraldNet web site features our advertisement, which rotates a three-paneled Wound Healing ad.

Our curb appeal is still on the top of the list for easy to do fixes. We’ve made a good start cleaning out the beds, now the challenge is to locate groups that would like to ‘adopt’ the grounds or part of the grounds with landscaping. The Foundation is working with high schools, Lowe’s, etc. to solicit those donations.

Mr. Liepman met with Ms. Sarri Gilman from Leadership Snohomish this week. They have invited Mr. Liepman to join their Board as a representative from East Snohomish County. Mr. Liepman had participated in Leadership Spokane, and looks forward to working with the Snohomish chapter.

Mr. Scott Olson, our contracted community outreach partner, held two town hall type meetings, which were not well attended. The feedback received so far was a desire for more communication to the public in those areas (Snohomish), which is currently being addressed. The next meeting will be held in Monroe on Monday March 8.

Mr. Beltz shared VGH’s participation at the Sky Valley Health Fair on February 20, where 40 osteo screens were provided to attendees.

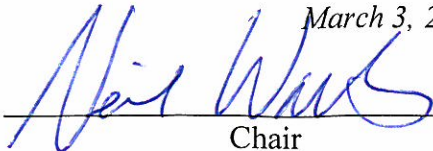
EXECUTIVE SESSION

At 7:05 a.m. on the motion of Commissioner Watkins and a second from Commissioner Cabe, the Board convened into Executive Session for the purpose of discussing and reviewing qualifications of the CEO. The participants will be Commissioners Watkins, Cabe, and Hinchcliffe, and Mr. Liepman. The Executive Session is expected to last 60 minutes.

At 8 a.m., the Executive Session was called to an end, and the open meeting was returned.

ADJOURNMENT:

With no other business to address, at 8:05 a.m., with the motion of Commissioner Watkins and a second from Commissioner Cabe, the regular meeting of March 3, 2010 was adjourned.


Chair

Attest:


Secretary


Commissioner