

VALLEY GENERAL HOSPITAL
Snohomish County Public Hospital District No. 1

MINUTES OF THE REGULAR MEETING OF April 27, 2005

Present: Mike Manley, Dennis Dinkla, Alice Cabe, Mark Judy, Sherry Stoll, Carl Knappe, Reza Dehkordi, M.D., William Thot, M.D., Norma Hanson

Public: Lin McIlrath, Stephen Mosher, Dr. Brunsman, Deborah Martin, Lisa Norton, Kathy Nelson, Brad Becker, Vicki Hesseltine

CALL TO ORDER

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 Regular Board Meeting of March 30, 2005 were approved as presented.

BOARD QUALITY COMMITTEE REPORT

Board Quality Meeting Review

Commissioner Cabe stated Ms. Boerger presented the 2004 IOP Annual Evaluation results, that indicated improvement in patient safety, quality of care and service. Ms. Boerger stated the 2005 emphasis will be on improving analysis of the data collected to ensure better conversion to useful information. Also presented at the meeting as the Medication Errors report, Clinical department indicator updates and pain assessment assessments.

Chief Operating Officer's Report

Ms. Stoll reported progress is continuing on the Internal Medicine Clinic. Dr. Doerner will be in today to discuss the beginning steps. Current targeted opening date is July 11, 2005. Ms. Stoll indicated work beginning on moving our services into the MOB. The Healing Garden's ribbon cutting ceremony is scheduled for May 11, 2005.

Medical Staff Report

Dr. Thot reported there were no of noteworthy matters from the medical staff.

Credentialing Files

Dr. Dehkordi presented the credentialing files for the Board to review and approve. On the motion of Commissioner Cabe and a second of Commissioner Dinkla, the credentialing files were approved as submitted.

BOARD FINANCE COMMITTEE REPORT

Board Finance Meeting Review

Commissioner Dinkla reported Board Finance Committee met as scheduled. Topics discussed included the financial review which indicated March was a tremendous month in regards to patient charges. The net revenue was \$39k positive.

Financial Summary and Related Reports

Ms. Hesseltine reported net operating revenue totaled approx. \$2.2 million, and net operating expenses totaling approx. \$3.1 million, resulting in a positive bottom line for March of \$39,222. Increased revenue resulted from increased volume, not pricing increases. Deductions from revenue were higher than budgeted. Hospital-wide occupancy increased to 69.2% AR days are down to 74, due to Revenue Cycle Committee's progress and the refocusing of the Business Office staff. Record high cash receipts were experienced in March. Ms. Hesseltine also reported a return of \$100,000 was made to District Funds in March.

Mr. Mosher reported the completion of the MOB is approx. 2 weeks ahead of schedule. Expenses will be occurring faster as we get closer to completion.

Bad Debt and Charity Care

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

Bad debt	\$ 171,790.06
Back from collections	(52,475.46)
Uncollectible	33,412.79
Charity care	275,223.99
Bankruptcy	77,785.62
Contract denials	10,071.68
Total:	\$ 836,606.26

Commissioner Cabe seconded the motion.

Commissioner Dinkla shared bankruptcies may spike in the near future due to new laws recently enacted which make it more difficult to obtain a bankruptcy. Overall impact is estimated to not be much higher than we are experiencing currently, as those accounts probably would have gone into bad debt regardless.

Vouchers

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

Chargemaster Adjustments

Mr. Becker stated the April adjustments were for room and board as well as surgery and implants. The adjustments proposed and accepted by the Board Finance Committee will target lower than average contractual allowances and higher than average department ratio of costs to charges.

CHIEF EXECUTIVE OFFICER'S REPORT

Mr. Judy introduced Ms. Nelson to the Board as the new Director of Marketing and Strategic Planning. Mr. Judy also noted Ms. Walters was hired as the Emergency Room Manager. The interim Business Office Manager is Kathy Kennett from AIMS Health Care. Steven Taylor from AIMS Health Care is conducting the revenue cycle audit by analyzing systems and processes as well as Case Management (more education for physicians, staff and management).

Sultan Clinic Update

Mr. Judy shared with the Board the clinic is very close to paying off the loan they obtained when they became independent. Clinic continues to be very successful. A tribute to the dedication of the Board and their concern for the community.

Intergovernmental Transfers

Mr. Judy reported with the changes in the Medicare program discontinuing the Intergovernmental Transfers, a complex alternative was proposed and has recently been approved without the Hospital Association's approval. More information to come as events unfold.

Year-end Audit

Mr. Judy reported the auditors report to Board Finance Committee and the Board is scheduled for the May meetings.

Budget Amendment

Mr. Judy indicated a budget amendment will be presented in June or July to adjust the budget as well as approve expenditures for services in the MOB, such as MRI, rehabilitation and Specialty Suites.

Regence / ED Physicians Update

Mr. Judy reported the ED visits are up from previous months, as indicated on the attached graphs. Premera is paying more than if the physicians had a contract. Regence payments are improving. Little to no interest on the physician's part to change at this point. Other ED physician groups are following suit.

Regence / VGH Contract Update

Discussions with Regence began in November and are continuing without much success. With our patient mix, the effect of Regence's reimbursement methodology on VGH is negative, compared to other area hospitals with higher inpatient visits. Cascade and United are in the same position and will be attempting to renegotiate with Regence in the same manner in the near future.

Public Forums

Mr. Judy stated considerations with arranging public forums with Fire District 4 and 7, possibly in the Resource Centre at the High School.

Chamber of Commerce Award

Mr. Judy reported the Monroe Chamber of Commerce awarded Valley General Hospital with the Outstanding Customer Service award. Congratulations to all of those working hard to provide the service to our patients and public.

OTHER REPORTS

Foundation

Ms. McIlrath reported working on a campaign to raise \$120,000 to purchase patient monitoring equipment is going strong. Approx. \$20,000 raised to date. Ms. McIlrath also reported efforts continuing on their Board member search. The STARR Award Committee nominated Sherie Servis as this quarter's STARR employee. Ms. McIlrath reminded the Board

to save June 10, 2005 for the Feek Memorial Golf Tournament. Raffle tickets are still selling for the car of the year – a Corvette.

Guild

Ms. Hesseltine reported the Guild recently held their elections. Brenda Rogers – President, Jan Dee – Vice President, Vicki Hesseltine – Treasurer and Cindy Inman – Secretary. Scholarship process ongoing. The Guild donated \$10,00 to the Health and Healing project – some to go to the garden, some to go toward purchasing tapes, etc. for patients benefit.

Marketing and Customer Service

Ms. Nelson reported business and marketing plans are coming along. Continuing research and data analysis – with out migration the focus. Redesigning publications to improve image and overcome perceptions.

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 7:20 a.m.

Chairman

Attest

Commissioner