

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

MINUTES OF THE REGULAR MEETING OF SEPTEMBER 7, 2005

Present: Michael Manley, Dennis Dinkla, Mark Judy, Sherry Stoll, Reza Dehkordi, M.D.

Public: Lin McIlrath, Stephen Mosher, Brenda Rogers, Kathy Nelson, Vicki Hesseltine, Jeanne Bennetts, Deborah Martin, Lisa Norton

Minutes Recorded by: Norma Hanson

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 August 10, 2005 were approved as presented.

BOARD QUALITY COMMITTEE REPORT

Board Quality Meeting Review

Commissioner Cabe reported Board Quality met on August 3, 2005 and reviewed Adult Behavioral Health indicators, MSTU / CCU restraints and falls data as well as clinical pathways that are being designed and implemented.

Chief Operating Officer's Report

Ms. Stoll reported the opening of our areas within the Sky River Medical Office building has been successful and went smoothly. New leases were provided to the tenants of the Multi-Specialty suites bringing the terms of the leases to current standards. Their lease rates will not be changed until September 2005, however they will be presented with the new lease rates shortly to help them prepare for the eminent increases.

Medical Staff Report

Dr. Dehkordi stated there were no credentialing files for review and no medical staff issues to discuss today.

BOARD FINANCE COMMITTEE REPORT

Board Finance Meeting Review

Commissioner Dinkla reported Board Finance Committee met as scheduled.

Financial Summary and Related Reports

Ms. Hesseltine reported net operating revenue totaled approx. \$2.87 million, and net operating expenses totaling approx. \$3.10 million, resulting in a negative bottom line for July of \$138,254. Deductions from revenue were higher than budgeted. Hospital-wide occupancy increased to 64.3%. A/R days are down slightly at 73.4 days. Cash receipts totaled \$2.76 million, decreasing cash on hand to 99.3 days. Accounts payable days decreased to 33.4 days.

LTGO Expenditures

LTGO expenses for July totaled \$203,144, which includes some expenses incurred in August.

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

Bad Debt and Charity Care

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

Bad debt	\$ 298,794.77
Back from collections	(34,133.04)
Uncollectible	5,781.33
Charity care	105,094.60
Bankruptcy	17,355.52
Contract denials	<u>20,809.24</u>
Total:	\$ 413,702.42

Commissioner Cabe seconded the motion.

Vouchers

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

BOARD PLANNING COMMITTEE REPORT

Commissioner Manley reported the topics of the Board Planning meeting included topics such as a potential bond attempt next year, Western Washington Medical Group’s expansion into Monroe and the community diversity discussions currently underway with an evening Board Hearing scheduled for Thursday September 22 at 7:00 p.m. in the Godard Room of the hospital.

CHIEF EXECUTIVE OFFICER’S REPORT

Board of Commissioner’s Bylaws

Mr. Judy stated that he Ms. Hanson and Mr. Knappe will be meeting to draft changes needed to update the current bylaws..

Medicaid CPE Update

Mr. Judy indicated Mr. Brad Berg was still working on the details to this program. May be October before it’s finalized.

September 22, 2005 Diversity Meeting

Mr. Judy stated community leaders and representatives are expected to attend this meeting which will have a presentation by Dr. Prenevost, Superintendent of the Monroe School District.

Western Washington Medical Group

Mr. Judy stated continued discussions with WWMG regarding their desire to expand their coverage into the Monroe area.

Malpractice Insurance

Mr. Judy stated our coverage was renewed with Western Washington Casualty. Errors and Omissions coverage increased significantly this year. Anticipates testing the market in Spring 2006.

Evergreen

Mr. Judy stated Evergreen's malpractice insurance provider has stated Evergreen's employed physicians cannot work outside Evergreen Hospital. Mr. Judy stated this should not have an effect on our negotiations with them.

Initiatives 330 and 336

Mr. Judy distributed information regarding these two initiatives and the considerations a Board must make before deciding to endorse any of the initiatives. The Board will review and discuss what, if any, endorsement they wish to make.

CFO Recruitment

Mr. Judy indicated recruitment efforts continue for the CFO position. Four phone interviews are scheduled for this week.

Boeing Strike

Mr. Judy shared the possibilities of the Boeing strike continuing past the second month, possibly affecting our Regence patients, as we have seen in the past.

OTHER REPORTS

Foundation

Ms. McIlrath reported campaign continues for the Emergency Department, for which Western Washington Medical Group made a substantial commitment. The Classic Car Raffle is September 28, 2005 at 6:00 p.m., right after the ribbon cutting ceremony at the Sky River Medical Center. Revenues for this event have been the lowest in five years so far.

Guild

Ms. Rogers reported working on a brochure to interest new membership. A questionnaire sent to members requesting suggestions on where to spend their funding monies – response indicates the Gift Shop is favored.

Marketing and Strategic Planning

Ms. Nelson reminded the Board the Neighborhood Breakfast is Saturday and the Grand Opening of the Sky River Medical Center is on September 28, 2005. The new web site will be launched by the end of September (samples distributed).

Commissioner Cabe expressed a need for a traveling promotional display. Ms. Cabe stated this was essential before any bond campaigning is considered and would also be useful for Foundation, Gift Shop and Marketing meetings or events. Ms. Nelson will develop.

EXECUTIVE SESSION

On the motion of Commissioner Dinkla and a second from Commissioner Cabe, an Executive Session was convened at 7:15 a.m. for the purpose of discussing and reviewing

Quality Assurance / Compliance material. The participants of the Executive Session were Commissioner Manley, Commissioner Dinkla, Commissioner Cabe, Mr. Judy, Ms. Norton and Ms. Martin. Ms. Hanson recorded the minutes. The Executive Session would be for approximately 30 minutes.

At 7:35 a.m. the Regular Session reconvened. Mr. Judy indicated the Revenue Cycle Assessment line item will be deferred to next meeting.

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 7:40 a.m.

Chairman

Attest

Commissioner