

MINUTES OF THE MEETING OF  
THE BOARD OF COMMISSIONERS  
PUBLIC HOSPITAL DISTRICT NO. 1  
OF KING COUNTY, WASHINGTON

Held on July 21, 2008

Attendance:

Commissioner G. Sue Bowman, Commissioner, Commissioner-at-large  
Commissioner Anthony R. Hemstad, Commissioner, District No. 3  
Commissioner Donald O. Jacobson, President, Commissioner, District No. 1  
Commissioner Michael W. Miller, Vice President, Commissioner-at-large  
Richard D. Roodman, Administrator/CEO – Superintendent  
Kathryn D. Beattie, M.D., Senior Vice President - Chief Medical Officer  
Michael I. Bernstein, Senior Vice President - Chief Financial Officer  
Scott Alleman, R.N., Senior Vice President – Patient Care Services  
L. Michael Glenn, Senior Vice-President – Business Development  
Paul Larson, Senior Vice President – Clinic Network  
Barbara Mitchell, Senior Vice President – HR and Marketing  
Robert L. Thompson, M.D., Vice President – Physician Relations  
David E. Smith – General Counsel  
Jeannine Grinnell, Vice President – Finance  
Pamela Fowler, Director – Marketing and Community Affairs  
Kris Tiernan, Assistant to CEO and Board of Commissioners  
Sandra Sward, Executive Assistant

Those present for a portion of the meeting:

Rand Strobel, Vice President – Information Technology  
Diana Kraemer, MD, WNI  
Pat Vincent, Director, Occupational Health Services  
Grace Casey, Account Manager, Occupational Health Services

This meeting of the Board of Commissioners of Public Hospital District No. 1 of King County was opened by President Jacobson at 3:35 p.m. in the Board Room of Valley Medical Center. It was moved and seconded to approve the minutes of the meeting of July 7, 2008. Motion carried unanimously.

New Technology Success

Dr. Kathryn Beattie introduced Dr. Diana Abson-Kraemer who practices neurosurgery and specializes in epilepsy at the Washington Neuroscience Institute at Valley Medical Center. Dr. Kraemer demonstrated, with visuals, a new surgical technique involving Deep Brain Stimulation (DBS), while the patient is awake, for treatment of essential tremor. She introduced a patient who was able to vividly demonstrate how the unilateral procedure eliminated a lifetime tremor on the treated side and discussed how her life has improved immeasurably since the procedure. A second procedure to lessen the tremors on the patient's other side is scheduled for later this year.

Community Affairs      Pamela Fowler reported on activities of the Public Relations and Marketing Department as follows:

Valley participated in a Pediatric Interim Care Center fundraising event on July 18<sup>th</sup>.

July 23<sup>rd</sup>-27<sup>th</sup> is Renton's annual Renton River Days. Valley will participate in the pre-event banquet on July 22<sup>nd</sup>; Children's Therapy will conduct bike helmet fittings from 11 – 4:30 at Liberty Park on July 23<sup>rd</sup>, and Valley will provide introductions for the Wenatchee Youth Circus performances for Kids Day on July 23<sup>rd</sup>.

Valley will participate in Covington Days July 25<sup>th</sup>-27<sup>th</sup> with a booth and promotional items. Judith Puzon, Clinic Manager at Covington, will be primary host.

On August 9<sup>th</sup>, Valley will participate in Autism Days hosted at Jubilee Farms in Carnation, with a tent and promotional items. Children's Therapy is primary host.

Upcoming events include Newcastle Days September 6<sup>th</sup>-7<sup>th</sup> which will tie in with the opening of Newcastle Urgent Care. Also, the MS 150 Bicycle Ride in Mount Vernon is slated for September 6<sup>th</sup>-7<sup>th</sup>. Pat Vincent from OHS is leading a VMC team in this two-day event. September 18<sup>th</sup>, Valley is sponsoring the Renton Chamber Legislative Reception in the Healing Garden.

Recent press includes a July 12<sup>th</sup> story in the Renton Reporter on our upcoming Annual Safety Camp for kids scheduled for August 30<sup>th</sup>.

Capital Expenditures/  
Clinical Equipment/  
Programs

Request for Purchase- IMPAC Radiation Oncology EMR and Image Archive System

Rand Strobel requested Board approval for purchase of the IMPAC Radiation Oncology Electronic Medical Record and Image Archive system. He said that the current Radiation Oncology EMR is a shared system arrangement which does not allow VMC to develop integration to other VMC clinical and business systems needed for an integrated patient centered clinical record. The shared system arrangement is also not capable of supporting the imaging needs of the new linear accelerator. The costs associated with this purchase will not exceed \$874,597, including hardware, software, archive storage, interfaces, implementation and taxes and are contained in the 2008 Capital Budget.

MOTION

Following discussion, it was moved and seconded to approve purchase of the IMPAC Radiation Oncology EMR and Image Archive System at a cost not to exceed \$874,597, as presented. Motion carried unanimously.

Occupational Health Update

Pat Vincent, Director, presented an overview of services provided by OHS, which opened in 1992. OHS assists employers in managing and reducing healthcare costs associated with work-related injuries and accidents, pre-employment screening, on-site consultations and training for accident prevention, work-site health promotion, assisting with regulation compliance, consultation and ergonomic analyses, as well as training for specific safety and health needs. OHS is also nationally certified for correctional healthcare and provides healthcare services to several jails in the south King County area. Grace Casey, Account Manager, said that OHS currently has over 3,000 customers. She described the various services provided to employers. The injury care clinic is open Monday through Friday from 6:00 a.m. to 6:00 p.m. Both appointments and walk-ins are welcome. The focus is on timely intervention with communication with all parties. The clinic has on-site radiology (moving to digital), on-site physical and occupational therapy and in-clinic specialty

consultants. Second year Family Medicine Residents from Valley's program rotate through the clinic.

In 2001 OHS responded to an RFP for the COHE (Center of Occupational Health & Education) Project. This project was initiated to improve health outcomes of injured workers in Washington State. A primary objective was to enhance communication between physicians, patients and employers. The project has developed into a successful long-term relationship with the Department of Labor and Industries (which is currently conducting an audit of OHS billings) and the University of Washington. Some of the best practices which have resulted from this project include early submission of claim forms, early intervention and referral, coordination of all health services, assessment of barriers to return to work and consistent communication with patients and employers. Long-term impact has been significant with an effect on disability incidence, prevention of long-term disability, reduced days of long-term disability, etc. The success of the COHE project has gained national and international notice. A statewide meeting and celebration is planned for December 16<sup>th</sup> and commissioners will be invited.

OHS began providing services to correctional facilities in 1996. Services are currently provided to Renton, Kent and Issaquah city jails. Currently, initiatives include working with the State Board of Pharmacy on medication management.

Medical Affairs

Medical Executive Committee

Dr. Beattie noted that all of the commissioners had now attended Medical Executive Committee meetings over the past few months and asked for feedback on attendance at the MEC meetings. Commissioners present all indicated that they found the meetings very interesting and were impressed with the physicians' commitment to quality. Dr. Beattie said the MEC welcomed the opportunity to get to know the commissioners and were encouraged by the Board's attendance.

Credentials

MOTION

Recommendations dated July 8, 2008, from the Medical Executive Committee outlining appointments, reappointments, changes of staff status, change in privileges, and resignations were individually reviewed by Dr. Beattie. It was moved, seconded and unanimously carried to approve credentialing/privileging recommendations as presented. Copies are attached to and made part of these minutes. Dr. Beattie noted that Dr. John Bondi, who is retiring after 34 years of service at VMC as both a dedicated active member of the Medical Staff and a valued educator as an attending for the Family Medicine Residency Program, is appointed to the Honorary Medical Staff and has had the Medical Library named in his honor.

Amendment to Medical Staff Policies

An amendment to the Medical Staff Policies recommended by the Medical Executive Committee, concerning attendance at Medical Staff committee meetings, was presented by Dr. Beattie.

MOTION

Following brief discussion, it was moved and seconded to approve the amendment to the Medical Staff Policies as recommended. Motion carried unanimously. A copy of the amendment is attached to these minutes.

### Quality Management Update

Dr. Beattie reported on gradually increasing medical record delinquency rates and action by the Medical Executive Committee to maintain standards compliance. She also noted that The Joint Commission is changing its scoring methodology in 2009. There will no longer be Supplemental Findings – essentially every finding will be an RFI requiring Evidence of Standards Compliance response. She also reported that Risk Management Director, Steve Haton, presented the Evaluation of Environment of Care annual report to the Quality Improvement Council at the July meeting.

### Reports

#### Reports from Administration

##### Patient Care Services

Mr. Alleman updated the Board on the Patient Throughput initiative. A McKesson electronic bed-board system has been assessed which will track patients within the hospital. This system tracks patients thus assisting with admitting, moving, transferring and discharging patients. The assessment has been very enthusiastic. A discussion followed regarding past issues with McKesson software and the resulting settlement.

Resident Nurses (new graduates) are being hired on a regular basis which helps decrease premium time (agency nurses and overtime).

##### Clinic Network

Mr. Larson reported that the new Lake Sawyer Primary Care clinic opened today at Sawyer Village in Maple Valley. A tour of the new clinic for commissioners will be arranged in the near future.

Newcastle Urgent Care is slated to open August 23<sup>rd</sup>. Plans to share information on the new urgent care clinic are being developed.

Clinic volumes have decreased in both May and June and the trend is continuing this month. To compensate for lower volumes replacement hiring is being delayed until the fall when it will be reassessed, with the exception of direct patient caregivers. Also, cost reductions for are being explored with vendors.

### Recess

President Jacobson called for a brief recess at 5:25 p.m.

### Reconvened

The meeting reconvened at 5:40 p.m.

#### Business Development

Mr. Glenn reported that the Department of Health's elective PCI Rulemaking process is making progress. A hearing was held in Olympia earlier this month at which he provided comment as did a large number of interested parties. The issue involves how the state determines which hospitals may develop new PCI programs. The Department of Health will announce the final decision any day. The ruling will be effective 30 days following the announcement.

ECG, Executive Consulting Group, has been engaged to do an assessment of Valley's service lines.

Finance

Mr. Bernstein reported a June operating loss of approximately \$1 million with losses of \$1.9 million YTD. A plan is in place to reduce expenses that includes a 4% overall reduction for each department, a hiring freeze (excluding essential personnel such as registered nurses and those giving direct patient care) and encouragement for managers to take additional vacation days. Uncompensated care, including charity, bad debts and self-pay, continues to rise and is expected to reach a cumulative figure of \$40 million in 2008.

Contract negotiations with payers continue. The goal is to negotiate rates that are comparable to other hospitals in our area. The possibility of canceling a contract with one payer who reimburses at a rate lower than costs was discussed.

Bills/Vouchers

MOTION

The Board, by motion, approved payments of the following bills and vouchers:

Absher Construction (Surgery Project – Application No. 28)	\$ 251,321.68
Lydig Construction (Emergency Tower, Application No. 8)	3,225,936.19

	WARRANT NUMBERS		DATED	AMOUNT
	FROM	TO		
ACCOUNTS PAYABLE	2104182	2104195	7/1/2008	458,922.65
ACCOUNTS PAYABLE	2104196	2104202	7/3/2008	4,935.56
ACCOUNTS PAYABLE	2104203	2104441	7/8/2008	1,549,296.49
TOTAL AP				<u>2,013,154.70</u>
WIRES OR EFT				1,525,157.69
GRAND TOTAL AP and EFT/WIRES				<u>\$7,015,750.26</u>

Write-off of Accounts Receivable

MOTION

It was moved and seconded to approve write-off of hospital and clinic accounts receivable in the amount of \$4,216,808.07, of which \$4,214,853.35 has been referred to Collection. The balance of \$1,954.72 represents bankrupt accounts and cancellations.

Resolution No. 885 – Surplus Property

MOTION

It was moved and seconded to approve Resolution No. 885 declaring certain equipment in the District's hospital as surplus to the needs of the District and directing the

Superintendent of the District's hospital or his designee to effect proper disposal of such surplus property, as provided by statute. The motion was approved unanimously.

#### Public Comment

At 6:00 p.m., President Jacobson said the Board would hear public comment at this time.

Brian Warner, PACU employee for eight years and member of SEIU bargaining team, addressed the negatives of subcontracting. He said that Valley is a family and it is comforting to staff and the community to work in an environment that does not subcontract.

Beverly Giannetti, DSC employee for eight years and SEIU member, also addressed subcontracting. She stated that subcontracting erodes sense of community, job stability and confidence in the employer.

Leona Walters, Environmental Services employee for 10 years, stated that subcontracting has a negative affect on the quality of worker performance. Teamwork also suffers.

Elaine Hinkson, Environmental Services employee for four years, also addressed subcontracting. She said that she needs her job and benefits, there are medical needs among her family members and that she would like to continue working at Valley until she retires.

Jason Klumb, SEIU 1199NW, said that contract negotiations for the 1200 Valley employees have been going on since May. SEIU is looking forward to reaching a fair settlement this week. Part of the goal is for a commitment from Valley on no subcontracting. The hospital has done amazing things for the Valley staff and at the same time workers have committed to providing care, kept rooms clean, provided top rate food. SEIU members would like the same commitment from Valley to ensure that VMC is providing the very best quality care for its patients.

President Jacobson thanked the group for coming. He stated that the Board does not directly negotiate on subcontracting or any issues, but also looks forward to a speedy conclusion that works well for both parties.

#### Recruitment Update

Dr. Thompson briefly updated the Board on recruitment, noting that specialist recruitment was the primary focus during 2007 and primary care providers are the focus for 2008. Recruitment in cardiology, ophthalmology, oncology, epilepsy and neurosurgery continue. He added that interviews are underway this week for the OB Laborist group.

#### HR & Marketing

Ms. Mitchell deferred her comments to Executive Session.

#### Recess

President Jacobson acknowledged a request for a recess at 6:20 p.m. following which the Board convened in Executive Session for approximately 30 minutes for the purpose of discussing specific personnel issues permitted by RCW 42.30.110(g), litigation issues permitted by RCW.42.30.110(1) and real estate issues permitted by RCW.42.30.110(b) and (c).

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Reconvened            The meeting reconvened at 6:57 p.m.

MOTION                Commissioner Excused

It was moved, seconded and carried to excuse Commissioner Parnell from this meeting.

Commissioner Comment

Commissioner Hemstad announced that he has resigned his position as City Manager of Maple Valley, but will have a relationship with the city for a period of time.

Adjournment            There being no further business, motion was made to adjourn this meeting at 7:01 p.m.