

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

Held on August 4, 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 Carolyn V. Parnell, Secretary, Commissioner District No. 2
Richard D. Roodman, Administrator/CEO – Superintendent
Paul Hayes, R.N., Executive Vice President
Scott Alleman, R.N., Senior Vice President – Patient Care Services
Michael Bernstein, Senior Vice President - Chief Financial Officer
Barbara Mitchell, Senior Vice President – HR and Marketing
Paul Larson, Senior Vice President – Clinic Network
Mike Glenn, Senior Vice President – Business Development
Bob Thompson, MD, Vice President – Physician Relations
Kathryn Beattie, M.D., Senior Vice President – Chief Medical Officer
David Smith, General Counsel
Jeannine Grinnell, Vice President, Finance
Kris Tiernan, Executive Assistant
Carol Hamel, Executive Assistant
Sandra Sward, Executive Assistant

Those present for a portion of the meeting:

Todd Thomas, Vice President – Facilities and Engineering
Carol Wagner, RN, MBA, WSHA
Elaine Lobdell, Director, Outcomes Management
Pam DeVol, Health Care Data Analyst
Kathryn Kessler, Infection Control Coordinator
Karen Young, Case Manager

This meeting of the Board of Commissioners of Public Hospital District No. 1 of King County was opened by President Jacobson at 3:33 pm in the Board Room of Valley Medical Center.

Recess President Jacobson acknowledged a request for a recess at 3:35 pm, following which the Board convened in Executive Session for approximately 5 minutes for the purpose of discussing the real estate issue scheduled for public hearing.

Reconvened The meeting reconvened at 3:40. President Jacobson stated that the public hearing would be delayed until later in the meeting.

It was moved and seconded to approve the minutes of the meeting of July 21, 2008. Motion carried unanimously.

Community Affairs Ms. Mitchell reported on activities of the Public Relations and Marketing Department as follows:

On August 9 the Children's Therapy Department will participate in the Autism Days event in Carnation. On August 22 the Renton Chamber of Commerce is sponsoring a New Teachers' Breakfast. Commissioners are invited to attend.

The fourth annual Safety Camp will be held on August 30. This has always been well attended. There is a capacity of 75 children.

The opening of Urgent Care in Newcastle will correspond with Newcastle Days on September 6 and 7. A banner will be hung on the clinic building from August 23 through the festival to showcase the opening.

Capital Expenditures/Clinical Equip/Programs

Award of Contract – Birth Center 1B Overflow Project

Mr. Thomas reported bids were opened on July 17, 2008. He recommended that the project be awarded to the low bidder, Regency NW. They have completed the ER Triage and the Kitchen/Dishwasher remodel projects at VMC and their work has been acceptable. Recent reference checks with other clients including Meydenbauer Center and Harborview Medical Center, have been positive. The construction estimate for this project is \$317,402.

MOTION

It was moved and seconded to award the Birth Center 1B Overflow Project to the low bidder, Regency NW in the amount of \$317,402, including taxes and contingencies. Motion carried unanimously.

Lobby Espresso Bar Remodel Project

On June 17, 2008, bids were opened for the Lobby Espresso Bar Remodel Project on the VMC campus. It was decided to remove that project from consideration for re-examination. It will be reconsidered in some form at a later date.

Call for Bids – Radiation Oncology Finish Upgrade Project

Mr. Thomas requested authorization from the Board to advertise the Radiation Oncology Finish Upgrade Project for bid. The scope of this project includes upgrades to the Radiation Oncology Center floor and wall finishes throughout the 6,300 square foot building to make its appearance consistent with the current hospital standards and to match the work being done in the ROC Linear Accelerator installation project. The estimated total cost for this project is \$465,600 including construction, contingencies, furniture and fees. The dollars to be utilized for this project are included in the FY 2008 capital budget.

MOTION

It was moved, seconded and approved to advertise the Radiation Oncology Finish Upgrade Project for bid.

Recess

President Jacobson acknowledged a request for a recess at 4:00 pm, following which the Board convened in Executive Session for approximately 5 minutes for the purpose of discussing the real estate issue scheduled for public hearing.

Reconvened

The meeting reconvened at 4:05 p.m. President Jacobson again stated that the public hearing would be delayed until 5:00 p.m.

Patient Safety – Benefiting Our Community

Carol Wagner, Vice President of Patient Safety for the Washington State Hospital Association, explained that she staffs the Patient Safety Committee consisting of 25 hospital CEO's and CMO's who meet on a regular basis to help shape and drive quality initiatives for hospitals. The committee was developed when WSHA identified a need to play a more central role in patient safety. They began in 2005 and their work is now being noticed across the country.

The committee provides tools and techniques to integrate research and best practices in the community. A current project involves reducing variation in practices among the hospitals.

Currently, providers moving from one hospital to another need to learn new codes, etc. This adds to training costs, resource consumption and possible harm to patients. A draft of standards has been developed which includes uniform color coding for wrist bands and code calls for all facilities. The committee is addressing the overwhelming data requirements for all hospitals. Other areas of concern are reducing readmissions, cost reduction and efficiency.

Elaine Lobdell was asked to speak to Valley's work on consolidating data from various programs. She explained that in the last two years there have been large numbers of new populations and an increase in required data elements, up to 200 in some cases. We have been challenged to leverage our resources. Dr. Beattie explained that Washington State has one of the lowest admission rates for Medicare. Those with higher rates get more federal funding which is a big hurdle.

Paul Hayes advised that VMC's culture has been moving toward more awareness of patient safety. This has been true for both staff and the patients. Investment in this area needs to continue. The GetWell Network will be another avenue to support these efforts. The SAFE program will provide another opportunity for recommendations to be provided anonymously from patients, family members and staff. Mr. Hayes believes there is a good foundation, but it needs to be built upon.

Medical Affairs

Quality Management Update

Dr. Beattie distributed a report on various quality measures. The number of patients leaving the Emergency Department without treatment has decreased noticeably. Since mid-June compliance for discharge instructions has been at 100% for heart failure. Most of the core measures are doing well. The next emphasis will be on pneumonia care.

Reports

Updates From Administration

Operations Update

Mr. Hayes reported that following the comments at the last meeting regarding the current operating loss for June of \$1 million and \$1.9 million year to date (excluding taxes), initiatives have been under way for a 4% reduction plan. This will include a selective hiring slow down and a request for use of vacation time to reduce the liability. The June target for reduction was \$709,000. Savings achieved were \$764,179 exceeding the goal by 8%.

Aspen Healthcare helped define other areas to be explored for additional savings:

Reprocessing: The FDA has approved re-use of some OR instruments if processed according to strict rules.

Laboratory Outreach: We work with an outside lab which couriers specimens and provides billing services.

Transcription: This program is under evaluation.

Telecom: Possible new providers for conference calls and toll free calls are being explored.

Bone Cement: Historically 100% of the bone cement used in joint replacement is antibiotic, adding \$600 to each procedure with hundreds of procedures per year. This adds significant expense. Specific uses could be done without the antibiotic.

Anticoagulants: Substitution of drugs may provide savings while retaining the clinical efficiency.

Cardiac Care: Renegotiated purchasing of pacemakers, defibrillators, etc.

Spinal Implants: Standardization will be emphasized.

The above cost reductions are estimated at \$750,000 beyond the 4% savings initiative as targets of utilization and implementation are achieved.

Patient Care Services

Mr. Alleman reported that another piece of the electronic medical record went live last week. There is now a flow sheet that provides a single source that is accessible to any clinic location for all data. The system will force standardization by only accepting specific formats. Mr. Alleman also explained that the population as a whole is now more computer literate so the EMR is more acceptable to more people. Users are still required to go through training before accessing the system.

Human Resources and Marketing

Ms. Mitchell reported that Golden Care is continuing to grow. Seventy-five attendees participated in the July cholesterol screening. They are planning a Fall Prevention program with the Renton Firefighters and the Rehabilitation Department to be held September 26.

Flu shots will be given October 8 through 11 and October 15 through 18. A Golden Care calendar is being prepared for distribution at that event. Board members are invited to participate.

The Healthcare Workforce Institute, a subsidiary of WSHA, has been working on the workforce shortage in healthcare. They have raised funds for training entry level patient care assistants. Valley will participate in this program to train 10 employees. The individuals will be coached in clinical work here on campus to help expand the number of people who are certified in healthcare fields of work.

Public Hearing to Consider Sale of Real Property Belonging to the District

President Jacobson stated that a hearing is required prior to the sale of unneeded real property belonging to the District. He noted that the Board, by resolution, has declared the vacant property located at SE 240th and Witte Road, Maple Valley, Washington, 98038, as surplus to the needs of the District and has directed the Superintendent or his designee to effect proper disposal of the surplus property, as provided by the statute.

President Jacobson called for public comment. There being no input from members of the public, it was moved and seconded to authorize and direct the Superintendent, or his designee, to sign the necessary documents effecting the sale of the real property located at SE 240th and Witte Road, Maple Valley, Washington 98038.

President Jacobson stated that two offers had already fallen through on the property and the District should take advantage of this opportunity.

Commissioner Hemstad noted that interest in the property had been expressed by another party earlier today and he would like the Board to investigate all avenues to ensure of the maximum return for the property.

Mr. Smith stated that there was an expression of interest by someone just today, but that the broker for the property confirmed that this party had no knowledge of the asking price, nor did he have a potential offer today, nor any specific intended use for the property.

MOTION

The motion was approved with three votes for and one against.

Finance

MOTION

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

H.S. Builders	\$	20,901.56
(3N Nursing Station – App. No. 5)		

PCL Construction 182,325.52
 (Linear Accelerator – App. No. 2rev)

	WARRANT NUMBERS		DATED	AMOUNT
	FROM	TO		
ACCOUNTS PAYABLE	25545	25606	7/11/2008	46,526.46
ACCOUNTS PAYABLE	25607	25686	7/18/2008	47,201.11
ACCOUNTS PAYABLE	2104442	2104687	7/10/2008	4,506,836.81
ACCOUNTS PAYABLE	2104688	2104880	7/15/2008	1,988,569.92
ACCOUNTS PAYABLE	2104881	2105073	7/17/2008	1,250,895.80
ACCOUNTS PAYABLE	2105074	2105074	7/18/2008	475.00
ACCOUNTS PAYABLE	2105075	2105293	7/22/2008	2,007,962.22
ACCOUNTS PAYABLE	2105294	2105500	7/24/2008	4,521,883.85
TOTAL AP				<u>14,370,351.17</u>
WIRES OR EFT				1,402,435.86
GRAND TOTAL				<u><u>\$15,976,014.11</u></u>

Clinics Update

Mr. Larson described the implementation progress with the Practice Partner system for electronic medical records. Recently a problem was discovered with the version we have been installing. The vendor advised discontinuing the interfaces and installing a newer version that has not yet been released, but will have been tested by the time we go live. This will set back the project until the end of the year or the first part of 2009.

Mr. Larson explained that when the decision was made to outsource business functions to Perot it was based on the fact that hundreds of other hospital sites were in their clientele. It has become apparent that they have less experience with physician practices. As a result they now have a new physician practice manager on site. Perot has also hired two on-site coders to provide needed coding expertise to support the growing number and complexity of specialists employed in the clinic network.

Related to clinic financial statements, Mr. Larson explained that contractual agreements include discounts for insurance carriers and a reserve amount which is based on the number of days in Accounts Receivable. Because of the increase in this year's Accounts Receivable days, we have had to increase the reserve calculation causing a \$1 million negative variance year to date.

New Business Development

Mr. Glenn reported on the progress of installation of the new linear accelerator in Radiation Oncology. The new equipment will direct the radiation to a smaller target to allow for less damage to neighboring tissue and fewer side effects. It also has the capability to do the emerging VMAT treatments which will require less time per treatment. Installation should be complete in two to three weeks after which the physicists will begin commissioning. By mid-October they should begin treating patients.

As an update for the Board, Mr. Glenn reported that the elective PCI application is still with the State Secretary of Health. Governor Gregoire has asked the legislature to accept input from communities about the process.

Recruitment Update

Dr. Thompson reported that the new ophthalmologist, Dr. Johnston, started this week with Dr. Solomon. He also reported on the addition of a urologist, a neurosurgeon and an oncologist.

Comments From Commissioners

President Jacobson asked if there were any comments from commissioners. There were none.

Recess President Jacobson acknowledged a request for a 30-45 minute recess at 5:40 p.m. following which the Board convened in Executive Session for approximately 45 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).

Public Comment At 6:00 p.m., President Jacobson returned to open session to ask for public comment. There being none, he returned to Executive Session with the rest of the Board of Commissioners.

Reconvened The meeting reconvened at 6:26 p.m.

Approval of Labor Contract

MOTION It was moved and seconded to approve the three labor agreements between Valley Medical Center and SEIU 1199NW (RN Unit, LPN Unit and Service Unit) and to authorize the Superintendent or his designee to execute such documents. Motion carried unanimously.

Commissioner Excused

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

Adjournment There being no further business, motion was made to adjourn this meeting at 6:29 p.m.