

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

Held on December 1, 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
Commissioner Carolyn V. Parnell, Secretary, Commissioner, District No. 2
Richard D. Roodman, Administrator/CEO – Superintendent
Paul S. Hayes, R.N., Executive Vice President
Kathryn D. Beattie, M.D., Senior Vice President - Chief Medical 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
Jeannine Grinnell, Vice President – Finance
Pamela Fowler, Director – Marketing and Community Affairs
Kris Tiernan, Assistant to CEO and Board of Commissioners

Those present for a portion of the meeting:

Ron Williams, Director of Pharmacy
Jonathan Rosenblum, SEIU 1199NW

This meeting of the Board of Commissioners of Public Hospital District No. 1 of King County was opened by President Jacobson at 3:34 p.m. in the Board Room of Valley Medical Center. It was moved and seconded to approve the minutes of November 17, 2008. Motion carried with Parnell, Miller, Bowman and Jacobson voting. Commissioner Hemstad arrived at 3:40 p.m. after the vote.

Community Affairs Ms. Fowler reported on various community outreach activities of the Public Relations and Marketing Department as follows:

The 24th Annual Jingle Bell run for the Arthritis Foundation is December 14th at Westlake Center. Valley is an event sponsor with tent and promotional items. Approximately 40 individuals are expected to participate on the Valley team. The race draws over 10,000 people.

An op-ed by Dr. Kathryn Beattie was published last week in the *Renton* and *Kent Reporter* newspapers in response to the three-part MRSA story that ran in the *Seattle Times* November 16-18. The Marketing Department and the Infection Control Team also developed FAQs and Talking Points which were made available to all inquiries. The VMC website and intranet (Valley Times) were also updated on November 17th with patient and employee information.

The *Seattle Times* recognized VMC and participating providers on Thanksgiving Day, including Dr. Bob Thompson, for their contribution to the King County Project Access. Partners and physicians provided over \$3.5M in donated care and services to low income citizens of King County during 2008.

KING-5 TV will run a story sometime in December on MRI use in the detection of breast cancer and will feature VMC's Breast Center and Valley Radiologists.

Capital Expenditures/
Clinical Equipment/
Programs

Pharmacy Services

Ron Williams, Director of Pharmacy, presented an overview of VMC Pharmacy Services, highlighting The Joint Commission's medication management standards, explained the role of the P & T Committee in the drug selection process, explained the Pharmacy's role in medication management safety, and addressed the pharmacy's impact in reducing pharmaceutical expenses. Pharmacy Services include the Prescription Pad retail pharmacy, a Monday through Friday operation with one pharmacist and two technicians; the Anticoagulation Clinic which also operates Monday through Friday seeing 60-90 patients per day; and the Inpatient Pharmacy which operates 24/7 with 40 FTE's. The VMC Pharmacy also has five UW pharmacy interns, two post-graduate year-one residents and six to eight first and second year pharmacy students from the UW, WSU and other universities each year. Activities of the clinical pharmacists were reviewed as well as pharmacist prescriptive authority. Joint Commission standards, the drug selection process, drug storage, ordering and transcribing process, preparation and dispensing, medication administration, medication monitoring, pharmacist's impact on expense, and safety initiatives, including future plans, were all reviewed. Formulary control has saved approximately \$5.5 million over the past six years. Plans to add a pharmacist position to the ED is in process. Mr. Hayes commented that Valley has a very well-respected clinical pharmacy program which enhances patient care and safety.

Medical Affairs

Quality Management

The Board Quality Report was distributed and discussed. Average Length of Stay for all Inpatients continues to be less than expected and has been below the mean for three of the past four months reported. Readmissions within 15 Days is below expected rates, but is continually monitored. Inpatient Mortality remains well below expected rate. Core Measures Perfect Care: We are seeing steady improvement in perfect care for heart failure and pneumonia and are maintaining performance for AMI patients. The sharp decline in surgical care measure was the result of a documentation change which has been corrected and improved data is expected for Q4. The number of Hospital Acquired Infections, although within control limits, are increasing slightly (this is being addressed actively in Infection Control Committee as discussed subsequently). Inpatient Falls are within control limits. Left without Treatment from the ED has dropped significantly which is in direct correlation to the new REACT program implemented to improve patient throughput.

Hospital Acquired Infection Update

Healthcare acquired infections including MRSA, C.Difficile, central line sepsis, ventilator associated pneumonia and catheter associated urinary tract infections were all reviewed by Dr. Beattie. Detailed data was presented and PI efforts discussed. Dr. Beattie pointed out that there have been zero cases of ventilator associated pneumonia or central line sepsis for four months. An increase in catheter-associated UTI's is being addressed by the performance improvement team.

Reports

Reports from Administration

Operations Update

A complimentary note from the partner of a birth center patient, received through the Get Well Network, was read by Mr. Hayes.

Transition planning for the Emergency Services Tower is underway. This includes Emergency Department patient through-put, location of equipment, interaction and staffing of support services, security, materials management, lab and food services. For the CCU clinical program, transition planning includes the monitoring of cardiac patients, step-down integration and patient flow from the main hospital. Med/Surg flow is yet to be defined. There have been numerous requests for space in the new building. In addition, with the capital budget limitations, Mr. Hayes and Mr. Alleman are completing an in-depth review of all equipment required for the new space.

The Building Committee will meet tomorrow and will be reviewing future patient bed need, project status, urgent care, signage, and birth center expansion.

Recess President Jacobson called for a brief recess at 4:42 p.m.

Reconvened The meeting reconvened at 4:58 p.m.

Patient Care Services

Mr. Alleman updated the Board on the status of the Nurse Staffing Committee, which was mandated by the legislature earlier this year to develop a staffing plan. The Nurse Staffing Committee formed in October and has several times. A staffing plan has been created, based on the existing plan, and has been approved by each unit. The plan will now go the Operations Council and then to the CEO for approval.

HR & Marketing

Cancer Services and the Marketing Department are jointly working on promoting a CME event scheduled for Tuesday, December 9 on *Advances in Detection and Treatment of Lung Cancer*.

Ms. Mitchell also reported that Stuart Elway of Elway Research, Inc. will present the results of the 2008 Community Opinion Survey at the next Board meeting.

The Operating Engineers contract includes a wage opener for January 1, 2009. There will be additional discussion in Executive Session.

SEIU 1199NW has indicated some concern regarding recruitment of registered nurses from the Philippines.

Financial Affairs

Ms. Grinnell referenced Governor Gregoire's recent comments concerning the state budget shortfall which will likely affect health care and possibly the performance audits mandated by I-900. Recent noteworthy headlines were reviewed including official announcement of a nationwide recession beginning in December 2007; King County mandate to close offices for ten days during 2009; 80 percent of WAMU jobs cut in Seattle; and Medicare actuaries predicting the program will be out of money by 2016, three years earlier than past predictions.

Financial statements and statistics for October, as well as other financial reports including key ratios and analytics. were emailed to commissioners last week, along with several financial articles on recessionary trends, and several articles about bond rating agencies that have downgraded the healthcare section from stable to negative Ms. Grinnell also mentioned that the rating agencies (Moody's and Standard and Poor's) have downgraded all of the bond insurers' rating, which, in turn, has impacted the bond ratings of any debt issues insured by those companies (including VMC's). As we have fixed rate debt, there is no impact to our interest expense, but as Ms. Grinnell explained, it is a reflection of the overall economic downturn. November financials and statistics are not available yet but preliminary information indicates that both volume and gross revenue were below target.

Mr. Roodman reviewed financials (with taxes below the line) year-to-date, noting that January to July showed a loss of \$4.4 million. There was some positive gain in September and October, but there is still a YTD loss of \$1.8 million on October 31, 2008. November started out positive, but crashed midway through the month.

Bills/Vouchers

MOTION

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

Regency NW Construction Inc. (VMC Birth Center – Application No. 2)	\$ 43,628.00
Regency NW Construction Inc. (VMC Birth Center – application No. 3)	80,392.00

	WARRANT NUMBERS		DATED	AMOUNT
	FROM	TO		
ACCOUNTS PAYABLE	26511	26545	11/13/2008	39,696.69
ACCOUNTS PAYABLE	26546	26634	11/20/2008	59,030.79
ACCOUNTS PAYABLE	825287	825290	11/05/2008	198.80
ACCOUNTS PAYABLE	825291	825291	11/06/2008	231.50
ACCOUNTS PAYABLE	825292	825301	11/12/2008	155.00
ACCOUNTS PAYABLE	2111900	2112224	11/13/2008	3,732,191.62
ACCOUNTS PAYABLE	2112225	2112358	11/18/2008	1,478,333.59
ACCOUNTS PAYABLE	2112359	2112359	11/18/2008	6,655.00
ACCOUNTS PAYABLE	2112360	2112588	11/20/2008	6,553,730.65
ACCOUNTS PAYABLE	2112589	2112589	11/21/2008	19,885.92
 TOTAL AP				 <u>11,890,109.56</u>
 WIRES OR EFT				 881,658.55
 GRAND TOTAL AP and EFT/WIRES				 <u>\$12,895,788.11</u>

Write-off of Accounts Receivable

12/01/08(5)

MOTION

It was moved and seconded to approve write-off of hospital and clinic accounts receivable in the amount of \$3,247,495.93, of which \$ 3,244,997.22 has been referred to Collection. The balance of \$2, 498.71 represents bankrupt accounts and cancellations. Motion carried unanimously.

Resolution No. 894 – Surplus Property

MOTION

It was moved and seconded to approve Resolution No. 894 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 unanimously approved.

Clinic Network

Mr. Larson announced that the Practice Partner EMR went live today at Renton Highlands Clinic. Practice Partner will roll out in the rest of the primary care network by September and will eventually include specialty care clinics as well.

A recruitment dinner was held last week for third year Family Medicine Residents and their spouses.

Perot and the CBO are working diligently to decrease the time it takes to get fee slips turned in. There are now two clinics that submit fee slips electronically which greatly speeds up the billing cycle.

Future plans for the Kent Primary Care Clinic were discussed. Various possibilities have been explored including acquisition by Healthpoint, as well as moving the Residency Program or Occupational Health Services to the site. Administration will continue exploring alternatives. The interpreter-employee currently based at Kent will move back to Valley Family Medicine (Residency Clinic). It is anticipated this may have a positive affect on the Kent Primary Care patient population.

Business Development

Mr. Glenn reported that Breast Center volumes have increased since an initiative began November 1st to increase screening mammography awareness within our primary care clinic network.

A meeting was held recently with Chateau LLC representatives to discuss the possibility of leasing our SNF beds to the Chateau at Valley Center. They are assessing and will respond by mid-January.

Meetings with Southlake Clinic cardiologists continue regarding development of a heart and vascular center.

Recruitment Update

Dr. Thompson reported that the Physician Needs Assessment currently being updated by Frank Fox, should be ready by the end of December or early January.

He briefly noted that recruitment planning today is mostly focused on filling primary and urgent care openings. Assistance is also being given to Ob/Gyn group practices that are expanding to meet community needs. On-going recruiting includes cardiologists, intensivists, general surgery and podiatrists.

Southlake Clinic is now donating services to King County Project Access, which provides access to specialists for low income uninsured patients. Other specialists are being solicited to work with KCPA, especially orthopedists.

Commissioner
Comment

Commissioner Comment

In follow-up to his comments at the last meeting, Commissioner Hemstad said that he has decided not to run for Director of King County Elections.

Recess

President Jacobson acknowledged a request for a recess at 5:45 p.m. following which the Board convened in Executive Session for approximately 40 minutes for the purpose of discussing specific personnel issues permitted by RCW 42.30.110(g) and real estate issues permitted by RCW.42.30.110(b) and (c).

Public Comment

Public Comment

At 6:00 p.m., President Jacobson returned to open session and called for public comment. There was none. Executive Session then continued.

Reconvened

The meeting reconvened at 6:28 p.m.

Adjournment

There being no further business, motion was made to adjourn this meeting at 6:30 p.m.