

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

Held on January 20, 2009

Attendance:

Commissioner G. Sue Bowman, Commissioner, Commissioner-at-large
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
Larry Smith, Senior Vice President – Chief Financial Officer
Scott Alleman, R.N., Senior Vice President – Patient Care Services
Paul Larson, Senior Vice President – Clinic Network
Robert L. Thompson, M.D., Vice President – Physician Relations
David E. Smith – General Counsel
Kris Tiernan, Assistant to CEO and Board of Commissioners

Those present for a portion of the meeting:

Frank Fox, Ph.D., HealthTrends
Jerri Yeoman, Physician Relations Coordinator

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 January 5, 2009. Motion carried.

Introduction of New Chief Financial Officer

Mr. Roodman introduced Larry Smith, Senior Vice President/Chief Financial Officer, who joined Valley January 12th. Mr. Smith briefly summarized his prior work history including healthcare facilities in Phoenix, Hawaii, San Francisco, and a district hospital in Concord, California.

Community Affairs

A list of various community outreach activities of the Public Relations and Marketing Department was distributed and included:

Dr. David Lundin, WNI Neurosurgeon, will be introduced to the medical community at a special event on January 22nd in Newcastle.

Seattle Business Monthly will hold a healthcare awards banquet on February 26th. Valley Medical Center and Rich Roodman have been nominated for an executive leadership award.

The Puget Sound Business Journal will feature VMC's new Chief Financial Officer, Larry Smith, in the Spotlight/Career Moves section in an upcoming issue.

Later this month or early in February, The EverydayHealth.com online website will feature Dr. Mark Piker, Medical Director of the WNI Headache Clinic, with information on migraines.

The *Renton Reporter* is doing a story on the Lego Group project in Children's Therapy.

Programs

Physician Manpower Needs Assessment

Dr. Thompson introduced Frank Fox, Ph.D., health care economist. During the past decade Dr. Fox has completed numerous manpower studies for VMC. He recently finished an updated in-depth Physician Manpower Assessment which projects growth and demand for physicians. Dr. Fox presented an executive summary of a larger report which is available upon request. He explained the purpose, methodology and key findings. Dr. Fox also summarized immediate and intermediate recommendations resulting from the data and information collected and identified specific areas of physician shortages.

A recruitment summary for 2008 was presented by Dr. Thompson. During 2008 a rheumatologist was retained, a neurosurgeon and two neurologists were brought on, and a second urologist, a vascular surgeon and new ophthalmologist joined VMC. There are some critical gaps to fill in 2009 including cardiology, urology, critical care, obstetrics/gynecology, podiatry and primary care. Dr. Thompson said there are currently many challenges to successful recruitment, including the cost of living in the Seattle area, housing market and similar physician shortages in other areas of the country.

Medical Affairs Medical Executive Committee

Credentials

MOTION Recommendations dated January 7, 2009, from the Medical Executive Committee outlining appointments, reappointments, changes of staff status, change in privileges and resignations were reviewed by Mr. Alleman. It was moved, seconded and unanimously carried to approve credentialing/privileges recommendations as presented. Copies are attached to and made part of these minutes.

Privileging Forms

MOTION New privileging forms for Orthopedic Surgery, Cervical/Lumbar Artificial Disc Replacement, Digit and Limb Replantation, Kyphoplasty, Percutaneous Vertebroplasty and Conscious Sedation, as recommended by the Medical Executive Committee, were reviewed. It was moved, seconded and unanimously carried to approve the privileging forms as recommended.

Reports Reports from Administration

Financial Affairs

Mr. Larry Smith reported that December and year-end data is not yet available.

Bills/Vouchers

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

Lydig Construction	\$	4,641,612.02
Emergency Tower – Application No. 14		
PCL Construction Services, Inc.		1,991.60
Linear Accelerator – Application No. 5		

	WARRANT NUMBERS	DATED	AMOUNT
	FROM TO		

ACCOUNTS PAYABLE	26790	26827	1/6/2009	12,244.69
ACCOUNTS PAYABLE	2114266	2114486	12/29/2008	1,108,688.33
ACCOUNTS PAYABLE	2114487	2114487	12/30/2008	1,000.00
ACCOUNTS PAYABLE	2114488	2114489	12/31/2008	1,159.68
ACCOUNTS PAYABLE	2114490	2114831	1/6/2009	3,216,490.17
ACCOUNTS PAYABLE	2114832	2115040	1/8/2009	1,445,161.36
TOTAL AP				5,784,744.23
WIRES OR EFT				1,860,364.13
GRAND TOTAL AP and EFT/WIRES				\$12,288,711.98

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 \$2,489,992.51, of which \$2,258,142.47 has been referred to Collection. The balance of \$231,850.04 represents bankrupt accounts and cancellations.

Resolution No. 899 – Authorizing the Use of Facsimile and/or Logo Signatures in Relation to Deposit Accounts – Wells Fargo

A policy memo explaining Resolution No. 899, which was included with the Board packets, was reviewed. Resolution No. 899 authorizes the use of computer generated and/or logo signatures in relation to deposit accounts.

MOTION

Following brief discussion, it was moved, seconded and unanimously carried to adopt Resolution No. 899, authorizing the use of computer generated and/or logo signatures and updating banking account information.

Resolution No. 900 – Recognizing the Change in District Auditor and Chief Financial Officer

Board approval was requested to adopt Resolution No. 900 recognizing the change in District Auditor and Chief Financial Officer to Larry Smith, who as of January 12, 2009, assumed all functions of the District's Chief Financial Officer, and will, upon appointment, assume all functions as Auditor for the District.

MOTION

It was moved, seconded and unanimously carried to adopt Resolution No. 900.

Resolution No. 901 – Increasing the Levy to a Rate above the Rate of Inflation

A policy memo explaining Resolution No. 901, which was included with the Board packets, was reviewed. Resolution No. 901 specifically identifies the percentage increase in the regular property tax levy for 2009, exclusive of new construction and prior year refunds. The King County Assessor's Office notified VMC in late December that it now requires a resolution with this specific percentage increase be adopted prior to January 31, 2009.

MOTION

Following brief discussion, it was moved and seconded to adopt Resolution No. 901. Motion carried unanimously.

Resolution No. 902 – Surplus Property

MOTION

It was moved and seconded to approve Resolution No. 902 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.

Patient Care Services

Mr. Alleman referenced the Nurse Staffing Committee, mandated last year by the legislature and tasked with creating a staffing plan. The Staffing Committee created and approved a staffing plan in 2008, meeting all requirements. Due to the severe economic downturn, anticipated reduction in reimbursement as well as decreased patient volumes, the budget and staffing plan now require some revision. Mr. Alleman explained the current staff/patient ratio for each shift as well as the proposed changes to the staffing grid, as developed by the Nurse Staffing Committee. The staff is aware that there will be changes to the grid which will probably result in a re-bid. There are enough open nursing positions to absorb the eliminated shifts. Agency time will be reduced before any staff reductions. A FAQ sheet is being developed by the Nurse Staffing Committee and will be released in the next few days.

Clinic Network

Mr. Larson stated that the new Benson Urgent Care Center is scheduled to open February 16th. It is anticipated that having an Urgent Care Center located close (within a mile) to the medical center will reduce over-crowding in our Emergency Department.

The future of Kent Primary Care Clinic has been discussed over the past several months with several scenarios considered. At this time, the clinic will remain at the current location, with enhanced marketing efforts to communities to the east and north. The interpreter may be relocated to Valley Family Medicine on the main campus in an effort to increase utilization of this service.

Recess

President Jacobson acknowledged a request for a recess at 5:20 p.m. After a ten minute break, the Board convened in Executive Session for approximately 50 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 6:25 p.m.

MOTION

Commissioner Excused

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

Adjournment

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