

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

Held on June 15, 2009

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
Larry Smith, Senior Vice President – Chief Financial Officer
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
Sandra Sward, Executive Assistant

Those present for a portion of the meeting:

Dr. Ron Cohen, MD - Behavioral Health Services
Nancy Eveleth, LMHC – Behavioral 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 June 1, 2009. Motion carried.

Community Affairs Barbara Mitchell reported on various community outreach activities of the Public Relations and Marketing Department as follows:

VMC is an active sponsor of many outdoor events that will be taking place this summer and the Board of Commissioners are invited to attend at their convenience.

Valley Medical Center participated in Maple Valley Days June 12-14. There was good attendance at our booth and many community residents expressed their interest in our services and clinic locations.

The *Bellevue Reporter* published a story on June 8 regarding the upcoming "Valley Medical Center's 4th at the Lake" fireworks show that will be held at Lake Boren Park in Newcastle. 1500 people celebrated on the banks of Lake Boren last year and the city expects an even larger crowd this year.

Seattle Magazine's annual "Top Doctors" listing will be published in July. Eighteen (18) physicians on staff at VMC will be represented in this year's awards, which is a significant increase from previous years. Those physicians are Ira Allen, MD, Pathology; William Barrett, MD, Orthopedic Surgery; Carmen Berger, MD, Dermatology; Scott Bowen, MD, Radiology; Ronald Brazg, MD, Endocrinology; Lawrence DellIsola, MD, Hospitalist; John Hendrickson, MD, Orthopedic Surgery; Michael Hori, MD, Infectious Disease; Karl

Kaufmann, MD, Emergency Medicine; Wuaca Luna, MD, Family Practice; Michael Mena, MD, Hospitalist; John Nemanich, MD, Cardiology; William Park, MD, Critical Care; Kenneth Reger, MD, Radiology; Eamonn Swords, MD, Psychiatry; Dominick Toulouse, MD, Internal Medicine; Frank Thomas Jr., MD, Gastroenterology and Eric Waterman, MD, Otolaryngology.

The *YesSeminar* on Diabetes will be held in the Medical Arts Building on June 16 and feature Ronald Brazg, MD, Endocrinology.

Programs

Behavioral Health Services

Dr. Ron Cohen and Nancy Eveleth, LMHC provided an update on Valley's Behavioral Health Services which consists of psychiatry and counseling services, consultation for inpatient services and on-call psychiatric services. The medical center has the one of the largest psychiatric clinics in the state, currently serving over 1500 individuals monthly. Valley's practice of providing call coverage 365 days per year is not a typical standard for psychiatric practices. Ms. Eveleth noted that both community access and bed availability for psychiatric services remain in high demand in the South King County community. Because the high demand exceeds current service capacities, Emergency Department visits are often elevated due to underlying causes that require psychiatric treatment.

Medical Affairs

Medical Executive Committee

Dr. Beattie reported that during the Medical Executive Committee meeting held June 9th, a review of all Contracted Clinical Services Utilized in the Provision of Patient Care at VMC was presented. No issues were raised and the motion was approved. An updated Heparin Protocol, approved by the Pharmacy & Therapeutic Committee May 13, 2009 was reviewed. The protocol was approved as presented.

Credentials

MOTION

Recommendations dated June 9, 2009, from the Medical Executive Committee outlining appointments, reappointments, changes of staff status, change in privileges, and resignations were distributed and individually reviewed by Dr. Beattie. Following discussion, it was moved, seconded and unanimously carried to approve credentialing/privileging recommendations as presented. Copies are attached to and made part of these minutes.

Quality Management Update

Dr. Beattie reported that the Quality Improvement Council met June 2, 2009 and reviewed an annual performance improvement report on the Environment of Care. The committee reviewed a report from the Transfusion Committee which included blood utilization data and reported on overall compliance involving utilization criteria for transfusions.

Dr. Beattie noted highlights of the Culture of Patient Safety survey which was recently completed. Of the 398 survey participants, 81% had direct interaction or contact with patients in the hospital and 46% were nurses. 74% rated the overall culture of patient safety to be either excellent or good. Teamwork Within Units received a 81% positive response, Supervisor/Manager Expectations Promoting Patient Safety was rated 72% positive. Two areas that will need work are Non-Punitive Response to Error and Hospital Hand-offs and Transitions. Managers will be developing action plans to improve in these areas and ensure staff awareness is elevated.

The Department of Health will be conducting an unannounced Recertification Survey later this summer.

Reports

Reports from Administration

Financial Affairs

Mr. Smith reported that May volumes were under budget, primarily in Primary Care, Obstetrics and the Emergency Department. The financials are not complete for May and expenses are being carefully reviewed.

Mr. Smith provided an update on the positive outcome of recent AETNA negotiations. The new four (4) year contract was settled late Saturday June 13. Continuity of care was preserved during the negotiation period and Mr. Smith noted the excellent work performed by VMC staff to communicate with our AETNA patients and affected physicians to ensure all parties were kept apprised of the negotiations progress.

Vendor relations continue to be scrutinized for costs savings and efficient utilization of purchased services. Perot, our vendor for billing inpatient and physician services, is currently under review with the aid of a consulting firm. Improved customer service and efficiency with working patient accounts will be the focus in this area. Medical supplies, currently purchased through MedAssets, will be reviewed for enhanced cost savings through a formal request-for-proposal bid, with an agent acting on VMC's behalf.

Mr. Smith noted that our vendor relationships are critical at this time due to the anticipated significant reductions in Medicaid and Medicare reimbursement.

Bills/Vouchers

MOTION

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

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| Lydig Construction Co. (VMC Emergency Tower - Application No. 18) | \$2,695,668.67 |
| Regency NW VMC ROC Interior Upgrade - Application No. 4) | 9,334.49 |

| | WARRANT NUMBERS FROM | TO | DATED | AMOUNT |
|------------------|-------------------------|---------|-----------|--------------|
| ACCOUNTS PAYABLE | 27976 | 28187 | 6/3/2009 | 128,808.68 |
| ACCOUNTS PAYABLE | 28188 | 28390 | 6/9/2009 | 50,403.06 |
| ACCOUNTS PAYABLE | 825705 | 825794 | 5/28/2009 | 7,742.77 |
| ACCOUNTS PAYABLE | 825795 | 825796 | 6/1/2009 | 179.95 |
| ACCOUNTS PAYABLE | 825797 | 825825 | 6/9/2009 | 3,202.08 |
| ACCOUNTS PAYABLE | 2122775 | 2122990 | 5/28/2009 | 1,371,940.67 |
| ACCOUNTS PAYABLE | 2122991 | 2123175 | 6/2/2009 | 1,215,087.60 |
| ACCOUNTS PAYABLE | 2123176 | 2123386 | 6/4/2009 | 1,310,213.46 |
| ACCOUNTS PAYABLE | 2123387 | 2123622 | 6/8/2009 | 1,480,531.02 |
| ACCOUNTS PAYABLE | 2123623 | 2123691 | 6/9/2009 | 177,179.71 |
| WIRES OR EFT | | | 5/29/2009 | 125,074.86 |

| | | |
|---|-----------|-----------------|
| WIRES OR EFT | 6/15/2009 | 1,690,799.28 |
| GRAND TOTAL CONSTRUCTION, AP AND EFT/WIRES | | \$10,266,166.30 |

Resolution No. 911 – Surplus Property

MOTION

It was moved and seconded to approve Resolution No. 911 declaring certain equipment in the District's hospital as surplus to the needs of the District and directly the Superintendent of the district's hospital or his designee to effect proper disposal of such surplus property, as provided by the statute. The motion was approved unanimously.

Operations Update

Mr. Hayes indicated Mr. Roodman was instrumental in establishing a Memorandum of Understanding (MOU) between south-end hospitals to provide patient care in the event one or all facilities are struck by disaster. This MOU provides for sharing of information relative to the nature, extent and location of the disaster, sharing in the distribution of supplies and equipment, coordination of transport activities for patients from one facility to another, cooperation with federal and state authorities, coordination for medical staff coverage between facilities and coordination for all aspects of patient care. While much has been done to continue to coordinate disaster response at both the federal, state and local levels, VMC will be formally reconvening with the participating members (Auburn, St. Francis, Highline, Regional, Good Samaritan and Enumclaw) to renew our agreement. The Board of Commissioners will be receiving a report on this agreement in the coming months.

The Building Committee met recently and discussed the Pneumatic Tube System Upgrade. There is a significant amount of work currently being coordinated to ensure the 20,000 daily transactions normally routed through the pneumatic messaging/delivery system will be effectively transmitted in other ways while the existing tubes are shut down for upgrade and integration into the new South Tower system.

Mr. Hayes reported progress on transitioning laboratory services from Qwest to PacLab is nearing completion. Effective Wednesday, June 17, all lab sites will have converted to PacLab Patient Service Centers. An additional six (6) weeks will be necessary to finalize the information technology conversions which will allow orders and results to be transmitted electronically. Mr. Hayes noted this was a sizeable endeavor and the transition has been stellar. Commissioner Miller and Mr. Hayes will attend the PacLab governing retreat next week.

The Clinical and Laboratory Standards Institute (a global, nonprofit, standards-developing organization that promotes the development and use of voluntary consensus standards and guidelines within the healthcare community) provided special recognition to Dr. Stephen Sarewitz, Special Services/Pathology, who chaired the working group on Assessment of Laboratory Tests When Proficiency Testing is not Available.

Patient Care Services

Dr. Beattie reported on H1N1 (Swine Flu) case investigations as reported by World Health. 18,000 cases have been confirmed in the United States as of June 11, of which 45 resulted in death. Washington State has reported 584 cases, of which 506 cases were reported in King County. Valley has processed 50 tests, 25 of which were positive for the virus. Generally, the illness continues to show in mild-to-moderate symptoms with full recovery.

HR & Marketing

Ms. Mitchell provided an update on the Training Trust negotiated in 2008 between SEIU 1199NW and Swedish, Northwest, Highline, Stevens and Valley. Ms. Mitchell is acting as trustee representing Valley. After many months of bi-weekly meetings, the Taft-Hartley Trust will be activated effective July 1. An executive director and other staff have been hired to manage the trust. VMC is eager to help our staff utilize this fund not only as a means of career advancement for our staff, but also as the only way to see a financial ROI on our Trust contributions.

Clinic Network

Mr. Larson reported on the ongoing search for a Chief Medical Director. Candidates are currently meeting with executive staff. North Benson Urgent Care had a near incident with attempted robbery last week. All staff members are safe and security measures are being reviewed to ensure emergency and safety protocols are effective.

Washington State has embarked on a primary care collaborative, "Medical Home". Part of the Medical Home vision is to shift some elements of healthcare traditionally provided by a Primary Care Physician to other clinical staff who can safely address those issues. This would create a more efficient use of physician time and improve patient access. Valley has applied to participate in the collaborative venture. Planning work will begin in September and go through March 2011.

Business Development

Mr. Glenn provided an update on the possible Emergency Department satellite plans for the Covington clinic. Real estate, clinical services and community needs are being assessed to help develop a possible project plan. Mr. Glenn noted that several South King County businesses are interested in a comprehensive medical model for the South King County region.

Recruitment Update

Mr. Thompson noted Valley is positioned well for whatever is developed as a practice model for the Medical Home program.

Economic Forecast

Mr. Roodman reminded the Board of Commissioners that once the economic recovery begins, the healthcare industry will typically trail by 6-9 months. For every 1% rise in unemployment there is a corollary 3% collective increase from uninsured, underinsured and/or Medicaid.

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- Recess President Jacobson acknowledged a request for a recess at 5:45 p.m. following which the Board convened in Executive Session for approximately 15 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).
- Reconvened The meeting reconvened at 6:00 p.m.
- Adjournment There being no further business, motion was made to adjourn this meeting at 6:05 p.m.

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