

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

Held on June 1, 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
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
Kim Blakeley – Public Relations Manager
Kris Tiernan, Assistant to CEO and Board of Commissioners
Sandra Sward, Executive Assistant

Those present for a portion of the meeting:

Sallie Neillie, Executive Director, King County Project Access

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 May 18, 2009. Motion carried.

Community Affairs

Ms. Mitchell informed the Board of Commissioners that Pamela Fowler, Director – Marketing and Community Affairs, has resigned effective May 29, 2009 to return to the high tech IT sector with which she had previously worked. Ms. Fowler accomplished remarkable achievements in her year with the medical center. Kim Blakeley, Public Relations Manager, will be providing the Community Affairs report at upcoming Board meetings.

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

Valley has been nominated for The Renton Chamber *Business Excellence Award*. The banquet is Thursday, June 4.

Two press releases were issued last week:

- Valley is the second medical center in the State to acquire the da Vinci *Si* Robotic Surgery System.
- Valley has received the Get With The GuidelinesSM–Heart Failure Silver Performance Achievement Award from the American Heart Association.

A story in the *Renton Reporter* featured Valley's Relay for Life team.

A successful Joint Seminar was held last week. Dr. Barrett's seminars continue to be well attended; 52 people attended, 34 of which had never attended a VMC seminar before. 10 of the participants came to the seminar specifically to meet Dr. Barrett.

Programs

King County Project Access

Sallie Neillie, Executive Director of King County Project Access (KCPA) provided an overview of their program which addresses health care problems facing low income and uninsured people in our community by providing access to specialty care services. KCPA builds on the safety net of primary care provided by the community health and public health clinics by providing access to needed specialty health care and donated ancillary care, including both in and outpatient hospital services. Valley is partnering with KCPA on both the provision of space for the Acute Specialty Access Clinic where orthopedic services are being offered to the uninsured and underinsured, as well as all needed hospital services for patients seen in local specialty practices who need inpatient or ancillary services.

Programs

Medical Affairs

Quality Management Update

Dr. Beattie reported the Medical Executive Committee would be meeting on June 9 and the Quality Improvement Council would be meeting on June 2. Dr. Beattie provided an overview of the recent monthly quality data. Due to patient acuity, Inpatient Average Length of Stay was below expected forecasts. Readmissions Within 15 Days for the first two (2) months of 2009 indicate only an increase in readmissions for ante-partum patients. The overall readmission rate was well below the 3% benchmark for the last month recorded, (January 2009). Hospital Acquired Infection Rates continue to be within control limits as hospital-wide efforts to reduce infections are ongoing. Valley's total incidents for the first quarter in 2009 was 27% less than the 2008 average, (based on 1,000 patient days). Inpatient Falls continue to track within control limits, although the incidents of reported falls are greater for the same period last year. Ongoing efforts to improve identification of fall risk and implementation of fall precautions are in place. Left Without Treatment from the Emergency Department rose above the 4% benchmark level in April for the first time in eight months; however it remained below the upper control limits.

Final preparations are in place for the anticipated disease specific survey for The Joint Commission of our Stroke Center for Excellence. Dr. Beattie indicated this survey is expected anytime between the end of June and mid-September.

Dr. Beattie reported the OBHG program is successfully in place and operations continue to expand to care for patients and provide support services for private physician groups. Finally, she reported on several quality related Board goals for 2009.

Reports

Reports from Administration

Financial Affairs

Mr. Larry Smith reported May statistics, noting that volumes are down by 3%, which is a relatively favorable variable considering the economic climate. Emergency Department volumes are up over the same period last year. Mr. Smith noted that concerted efforts to control purchased services, premium time, supplies and discretionary spending has resulted in a savings impact that is significant.

Charity care for the January-April timeframe was \$4.6M versus \$3.2M for the same timeframe last year. Mr. Smith noted that cash on hand is being maintained while the demand for charity care has increased significantly. He also gave an update on Board goals for 2009 related to financial targets.

As a component of our ongoing program of contract compliance, vendor relationships are being reviewed for billing, contractual and performance standards compliance to ensure all deliverables are being met. Various audits are being conducted to examine contractual compliance and performance of larger vendors. Correspondence was generated last week to all our vendors requesting a 10% reduction in invoicing to support cost sharing efforts during the economic downturn.

Mr. Smith advised the medical center is continuing to negotiate with AETNA toward mutually-agreed contract renewal terms. During this interim, AETNA has agreed to review (on a case-by-case basis) services reimbursement for women in their third trimester as well as patients with long-term illnesses. Valley's contract with AETNA is scheduled to terminate June 14, although discussions are continuing.

Bills/Vouchers

MOTION

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

	WARRANT NUMBERS		DATED	AMOUNT
	FROM	TO		
ACCOUNTS PAYABLE	27534	27796	5/6/2009	93,442.09
ACCOUNTS PAYABLE	27797	27846	5/12/2009	19,583.93
ACCOUNTS PAYABLE	27847	27922	3/5/2009	114,511.07
ACCOUNTS PAYABLE	27923	27975	5/26/2009	52,727.37
ACCOUNTS PAYABLE	825502	825577	4/10/2009	7,539.46
ACCOUNTS PAYABLE	825604	825618	5/13/2009	1,914.06
ACCOUNTS PAYABLE	825628	825704	5/13/2009	9,323.25
ACCOUNTS PAYABLE	2121485	2121644	5/5/2009	846,809.36
ACCOUNTS PAYABLE	2121645	2121839	5/7/2009	665,481.11
ACCOUNTS PAYABLE	2121840	2122076	5/12/2009	1,076,378.14
ACCOUNTS PAYABLE	2122077	2122301	5/14/2009	1,753,364.39
ACCOUNTS PAYABLE	2122302	2122441	5/19/2009	1,987,146.48
ACCOUNTS PAYABLE	2122442	2122605	5/20/2009	780,400.05
ACCOUNTS PAYABLE	2122606	2122774	5/26/2009	1,305,802.98
TOTAL AP				8,714,423.74
WIRES OR EFT				5,702,128.66
GRAND TOTAL AP and EFT/WIRES				\$14,416,552.40

Resolution No. 910 – Surplus Property

MOTION

It was moved and seconded to approve Resolution No. 910 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 the statute. The motion was approved unanimously.

Operations Update

Mr. Hayes reported on the recent bi-annual meeting of first responders, a regional group including representatives from the Renton and Kent Fire Departments, TriMed Ambulance, King County Medic 1, Rural Metro and Valley Medical Center. First responder's charter is to develop and maintain emergency response services to meet community needs. He spoke to specific Board goals for 2009 pertaining to the medical center including enhanced communication of programs and development, collaboration on program design for the South Tower, coordination and planning for the move to the South Tower and education and performance improvement. At last weeks meeting, Dr's Buck, Murphy and Balousek provided an overview of the Stroke Center Program. Clinical education was provided to the group along with the distinct advantages of bringing stroke patients to Valley; the medical center is the third largest facility in the region that treats stroke patients. The information was well-received and we have been asked to provide follow-up information to individual staff groups within the first responders.

Mr. Hayes provided an update on the continuing work of Information Technologies to support delivery of safe patient care. Deployment of Electronic Medical Records for the Highlands and Valley Family Medicine Clinics are now complete. Testing has begun on a patient portal, a secure sight for patients to schedule appointments, request prescription refills, view lab and x-ray results and have contact with physicians who elect an "e-visit" approach to scheduling and related patient communication. The Help Desk operation is transitioning back to being sourced within the medical center, providing 24 hour, seven day a week technical support for equipment and software problems. The current outsourcing method has proven marginal on cost return, service and customer satisfaction. June 25 is the date for transition completion and an eighteen month return on investment is anticipated.

Preliminary discussions are underway to develop an improved model to address increased community needs for skilled nursing care. While this type of care was prevalent in the past, most of the facilities were closed or transitioned into long-term care in the mid-90's. Exploratory discussions have taken place with four facilities that currently provide skilled nursing care, (Wesley Homes, Chateau at Valley Center, Avamere Health Service and Providence). Valley has also developed a Request for Qualification to determine what types of services exist within the community. An in-depth analysis and recommendation to the Board of Commissioners is not anticipated until next year, due to the scarcity in real estate. All of this discussion is consistent with Board goals for 2009.

Significant attention is being placed on vendor performance and deliverables in the continuing effort to push overall patient safety and compliance with all clinical, patient care and regulatory protocols. Management is working with various vendors to make certain that contractual deliverables are being met and other corrective action is taking place. The Compliance Committee is currently reviewing ways to expand the compliance audit functions related to billing and coding.

Patient Care Services

Mr. Alleman reported new Hospira Sumbiq Infusion Pumps are currently being procured. These pumps have wireless network capability that transmits information to the Electronic Medical Record, (EMR). Additionally, the pumps contain a medication library that will connect to the Pharmacy; providing medication bar-coding to ensure pump limits are managed for exact dose administration. This feature will help reduce medication errors and contribute to patient safety. Mr. Alleman reported that the Cardiac Monitoring System will also be replaced when services transition to the South Tower. This monitoring system will feed directly to the EMR to enhance data sharing and patient safety.

The recent re-bid for all Patient Care Services nursing personnel will begin again as units are reconfigured to support occupancy in the new tower. This process is underway now to ensure the re-bid process is complete by October, 2009. Mr. Alleman explained that the re-bid process is handled on a seniority basis.

The H1N1 influenza continues to be evident within the community. To safeguard infection control measures, twenty-five kiosks have been placed within the medical center that contain tissue, hand sanitizer and masks for patients and families.

Mr. Alleman also commented on several Board goals for 2009.

HR & Marketing

Ms. Mitchell reported that Valley Team Month concluded last week with all staff receiving an umbrella with VMC logo. Valley Team Month gifts are chosen with an awareness to the practicality of the item. Additional umbrellas will be distributed at the previously planned GoldenCare events to be held in the fall.

September/October events are currently being scheduled to support sneak previews of the Emergency Services South Tower before it officially opens in February 2010. GoldenCare Flu Shots are scheduled for the week of October 12 in the main lobby, where a shuttle will be available to take groups over to the new tower. Similarly, we are exploring other groups who may benefit from preview tours of the tower, such as medical staff, key community leaders and first responders. All of these types of events were discussed at the Board Retreat this past December and are reflected in the Board goals for 2009.

The Association of Washington Businesses has awarded 31 companies in a statewide effort to recognize excellent community service. Valley Medical Center is an award recipient and the only healthcare entity on the list. Ms. Mitchell noted that the awards Valley receives are helpful in reminding our valuable staff that they are working on the right team and are helpful for recruitment and retention.

A preliminary copy of the summer issue of *Valley Voices* was distributed to the Board of Commissioners. This summer edition will feature our 2008 annual report, published for the first time in an effort to enhance communication with our entire service area.

Volunteers in Action (VIA) Board of Directors met recently and recommended cancelling their annual dinner recognition in light of the current financial challenges. Based on a discussion with Commissioners and the executive management team, a luncheon recognition has been planned for October. President Jacobsen noted that recognizing the medical center's volunteer group is integral to the mission of the medical center.

Coinciding with a Board goal, Ms. Mitchell reported that a Cultural Diversity Committee has been launched to advance the medical center's efforts to support and effectively communicate with the diverse cultural and ethnic populations within our community. Three areas of focus will be initially addressed: 1) welcoming and way-finding communiqué will be expanded to include other languages, 2) patient booklets currently available in every room will be translated into the top 6-8 major languages of our patient population, and 3) focus groups (meeting in community venues) will be developed for the purpose of providing outreach to diverse cultures to promote better dialogue regarding healthcare.

Business Development

Mr. Glenn reported on the Project in Covington; a conversion of the current clinic into a stand-alone Emergency Department. An architect is working with the existing floor plan and preliminary assessments indicate the footprint can be converted into an 8-10 room stand-alone ED facility. Mr. Glenn has met with Covington city officials who indicate their support of enhancing healthcare services in long-range city planning.

Discussions are underway with Swedish Heart Institute regarding our ten-year affiliation agreements which are drawing to conclusion. Additionally, Seattle Cancer Alliance and Harborview have initiated neuroscience discussions.

Mr. Glenn addressed several items mentioned in the Board Goals for 2009.

Recruitment Update

Dr. Thompson noted that all new recruitment positions have been placed on hold due to recent economic challenges. Positions will be filled only as attrition occurs. Recruitment matters related to the Board Goals for 2009 were also referenced.

2009 Goals

Mr. Roodman provided a summary of the progress to date involving the ten (10) Board Goals for 2009 and referenced many of the comments made by others during the meeting. After concluding his remarks it was noted that the Administration is making remarkable progress toward attainment of the Board Goals, especially given the overall economy and its effects on the healthcare industry. Mr. Roodman credited the entire management, staff and medical staff for the success experienced so far this year.

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| Recess | President Jacobson acknowledged a request for a recess at 6:00 p.m. following which the Board convened in Executive Session for approximately thirty 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 6:45 p.m. |
| Adjournment | There being no further business, motion was made to adjourn this meeting at 6:45 p.m. |