

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

Held on January 19, 2010

Attendance:

Commissioner G. Sue Bowman, Commissioner-at-large
Commissioner Aaron Heide, M.D., 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 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
Amin Hakim, M.D., Vice President/Chief Medical Director – Clinic Network
Robert L. Thompson, M.D., Vice President – Physician Relations
David E. Smith – General Counsel
Kim Blakeley, Public Relations Manager
Sandra Sward, Assistant to CEO and Board of Commissioners

Those present for a portion of the meeting:

Cory Cappelletti, Citizen
Shannon Gilbert, UW MHA Program
Laura Noan, Good Samaritan Hospital

This meeting of the Board of Commissioners of Public Hospital District No. 1 of King County was opened by President Bowman at 3:35 p.m. in the Board Room of Valley Medical Center. It was moved and seconded to approve the minutes of January 4, 2010. Motion carried.

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

Ms. Blakeley presented a montage of pictures and videos of press coverage surrounding the VIP ribbon-cutting event on Monday, January 11 and the community open house on Saturday, January 16. The ribbon-cutting was well represented by local and state representatives, mayors from most cities in the District, first responders and healthcare professionals in the region. State Senator Margarita Prentice, the keynote speaker, was honored with a plaque in her honor noting her contribution to health care. The trauma area in our new emergency department has been dedicated as the Margarita Prentice Trauma Center.

The community open house drew unprecedented interest in the new emergency department, lines formed before 9:00 a.m. on Saturday and over 2600 people toured the facility. This is in addition to the hundreds of people who had a sneak preview tour when they came to VMC in October for their flu shot. The open house featured a Health Fair including booths from Women's Health, Birth Center, Pediatrics, Cancer Center, Heart & Vascular, Sleep Center, Eye Center, Fitness/Healthy Images, Primary Care and Urgent Care Clinics, Joint & Spine, WNI, Diabetes and Children's Therapy. Free H1N1 vaccinations were given to over 600 community residents, along with entertainment for children and

free pasta and pizza from Romeos. Media coverage for both events included news clips from KIRO, KOMO, KING, KONG and KCPO. The *Renton Reporter* ran an article online and in the newspaper; the Seattle-i.com reprinted the *Renton Reporter* story, and various local blogs covered the event as well. Spirit 105.3FM broadcast live from the open house on Saturday afternoon.

Programs

Board Bylaws

Mr. Smith provided a comprehensive review of the Board Bylaws and explained each governing article as it relates to Washington Administrative Codes, the Board of Commissioners role and the programs and operations of the medical center. The bylaws call for periodic review no less frequently than every four (4) years and were last updated in late 2005. Mr. Smith explained the revision process, encouraging careful review of the document for possible revisions. President Bowman has requested the Board act as a Committee of the whole to review the current bylaws and consider any changes.

Commissioner Hemstad suggested having the Municipal Research and Services Center of Washington review the Board Bylaws.

Recess

President Bowman called for a recess at 4:50 p.m.

Reconvened:

The meeting reconvened 5:00 p.m.

Medical Affairs

Quality Management Update

Dr. Beattie provided information discussed at the January Quality Improvement Council meeting. Top clinical performance improvement priorities for 2010 were presented and discussed. Valley's rank order in Washington State for perfect care measures for AMI, heart failure and pneumonia is now number one as of mid-2009, up from 41st place in mid-2006 when results were last published.

Medical Executive Committee

Dr. Beattie advised the Medical Executive Committee approved an observation policy for review by the Medical Staff. The policy provides a process for physicians to allow medical student's to shadow them while they provide patient care. This policy will be brought to the Board for final review and adoption after thirty (30) days review by the Medical Staff.

Annual Medical Staff nominations are currently being submitted. Elections will take place at the annual Medical Staff meeting, February 23, 2010.

Credentials

Recommendations dated January 12, 2010, 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. (Dr. Heide abstained from voting on Practitioners with Supervised Privileges Reappointments). Copies are attached to and made part of these minutes.

Reports

Reports from AdministrationFinancial Affairs

Mr. Smith reported on anticipated changes to federal payment structures under the new healthcare reform policies. It is possible that hospitals will be at risk for post-acute care, such as nursing homes and hospice care, within ninety (90) days of hospital stays.

Mr. Smith noted that patient activity for the first eighteen (18) days of January, 2010 were below prior year and budgeted activity. Management will monitor expenses, especially staffing.

Mr. Smith noted the possibility of upcoming changes to Regence Blue Shield's method of operations. Boeing's corporate move to Chicago has resulted in Blue Cross of Illinois taking on the management of benefits for Boeing employees who are insured by Regence. Commissioner Heide asked about the possibility of reviewing a MSO type insurance relationship.

Public Comment

Public Comment

At 6:00 p.m. President Bowman called for public comment.

Cory Cappelletti, citizen, addressed the recent letter he sent to the Board of Commissioners. He questioned why the response was being formulated by Administration, stating that he feels the response should come directly from the Board of Commissioners. Mr. Cappelletti noted the bylaws presentation also indicates correspondence to the Board would be responded to by Administration. Mr. Cappelletti said he would like to hear the "thought process" of the Board of Commissioners rather than Administration. David Smith, General Counsel, said that staff would be responding on behalf of the Board in a manner consistent with the Bylaws, past practices and President Bowman's direction. Mr. Smith also commented that he felt confident that the staff's reply to Mr. Cappelletti would answer all his questions.

Bills/Vouchers

MOTION

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

	WARRANT NUMBERS			
	FROM	TO	DATED	AMOUNT
ACCOUNTS PAYABLE	36059	36236	1/5/2010	155,243.31
ACCOUNTS PAYABLE	36237	36275	1/12/2010	18,868.66
ACCOUNTS PAYABLE	826034	826051	8/26/2009	1,384.89
ACCOUNTS PAYABLE	826572	826596	1/5/2010	2,088.05
ACCOUNTS PAYABLE	2134675	2134703	12/30/2009	639,720.27
ACCOUNTS PAYABLE	2134704	2134705	12/30/2009	189,139.49
ACCOUNTS PAYABLE	2135180	2135654	1/5/2010	2,995,245.07
ACCOUNTS PAYABLE	2135655	2135872	1/7/2010	1,859,864.99
ACCOUNTS PAYABLE	2135873	2135873	1/8/2010	20,625.00
ACCOUNTS PAYABLE	2135874	2136076	1/12/2010	1,340,154.22

ACCOUNTS PAYABLE	2136077	2136077	1/13/2010	34,457.00
TOTAL AP				7,256,790.95
WIRES OR EFT				4,690,565.49
WIRES OR EFT				<u>1,322,046.06</u>
GRAND TOTAL AP and EFT/WIRES				\$13,269,402.50

Resolution No. 934 – Surplus Property

MOTION

It was moved and seconded to approve Resolution No. 934 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.

The current policy for disposing of surplus property was discussed briefly. Mr. Smith indicated he would review the possibility of distinguishing materials eligible for donation to neighboring agencies.

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 \$,2,618,279.35 of which \$2,617,240.46 has been referred to Collection. The balance of \$1,038.89 represents bankrupt accounts and cancellations.

Operations Update

Mr. Hayes provided an informational report on the decrease in influenza occurrences being seen in the hospital. Both inpatient and ED patient activity has continued to decrease. Currently, there are no patients hospitalized with the flu. Our ample stock of H1N1 vaccine allowed us to provide vaccinations as a part of our community open house on Saturday, January 16. Hand hygiene vigilance continues to be maintained, along with alerting visitors to ensure patient safety precautions are maintained.

Flood preparation continues with the completion of an evacuation plan for every department located on Lind Avenue and vulnerable to the risk of flood. Mr. Hayes explained the evacuation process briefly and noted that vulnerable equipment and all staff will be relocated to ensure safety, in the event of a flood.

Mr. Hayes provided an update on continuing efforts to transition patient care operations to the South Tower. Hundreds of critical components coalesce to ensure readiness for the first patient on February 25. Beta and process testing for patient flows, IT infrastructure and equipment installations are being monitored closely. Unit shifting and program expansions have necessitated a nursing re-bid for Registered Nurses in the Medical-Surgical unit and Ambulatory Treatment Unit, which will take place Monday, January 25. Patient Care Assistants and Unit Secretaries will re-bid on February 3.

Mr. Hayes noted concern for decreased volumes experienced in January. Expenses will need to be reviewed and reduced if the volumes continue to be lower than anticipated. Superintendent Roodman commented that while management would pay close attention to decreased volumes, he was hesitant to do anything extreme based on two (2) weeks of activity.

Clinic Network

Mr. Larson provided an overview of the planning work accomplished to determine what action is necessary to generate additional patient volumes in both Primary and Urgent Care in 2010. The Electronic Medical Record (EMR) has significantly impacted the appointment time for Primary Care clinics, causing a shift in patient volumes to Urgent Care clinics. Refinement work continues on software and work pattern to improve EMR use and physician efficiency.

Mr. Larson noted that efforts are underway with physician staff to develop clinical practice guidelines that are evidence-based, identified through quality groups, to isolate and treat specific cases that will then provide a model for standardized and improved care. Mr. Larson concluded with an update on the new Code of Conduct policy for the Medical Staff, noting all physicians in the specialty, urgent and primary care clinics are currently reviewing the revised policy.

Business Development

Mr. Glenn provided an informational report on the Certificate of Need status, explaining the historic bed license that Valley has had, consisting of 303 licensed beds, forty (40) of which were allocated to behavioral health and twenty (20) to NICU. Recently, the State advised these sixty (60) beds were removed from our medical-surgical bed license, reducing our licensed beds to 243. The Department of Health has confirmed that forty (40) behavioral health beds have been returned to our medical-surgical bed count, bringing our licensed beds to a total of 283. The twenty (20) NICU beds are not included in our medical-surgical bed count, but are included in our 303 total licensed beds. Mr. Glenn noted we have need for additional beds within the medical center and will be petitioning The Certificate of Need office for sixty (60) additional beds. Superintendent Roodman explained the planning areas, how community need is defined and the strategy that determines how beds are allocated within planning areas. Additionally, he noted the cost of each of the competing Certificate of Need applications, (MultiCare, Auburn Regional, St. Francis and VMC) and indicated there would be a comparative review analysis by the Department of Health.

Recruitment Update

Dr. Thompson noted we are currently interviewing one Primary Care physician this week and three (3) next week, to address the four (4) positions currently open in Primary Care. Additional physician needs are in Internal Medicine, ENT and Urology. Valley Women's Clinic has signed two (2) candidates, one will start next month and one later in the summer. Dr. Thompson noted his patients have had favorable responses to the community open house held January 16.

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| Recess | President Bowman acknowledged a request for a recess at 6:36 p.m. following which the Board convened in Executive Session for approximately 15 minutes for the purpose of discussing 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 6:50 p.m. |
| Commissioner Comment | Commissioner Heide recommended developing a recognition system for physicians who have been with Valley for ten (10) years or more. Superintendent Roodman explained the |

annual Service Awards luncheon (which recognizes employees, including physicians) and noted Dr. Beattie would look into this request.

Commissioner Hemstad requested the subject of taping Board minutes be reviewed again. Commissioner Heide noted that several people in the community have brought the subject up to him as well. David Smith indicated he would research the matter in terms of communication practices among public hospitals and other junior taxing districts. Mr. Smith then explained the difference between a meeting open to the public and a public hearing, noting public comment is not meant for verbatim transcript recapturing in any meeting minutes that he was familiar with.

Commissioner Jacobson commented on a statement read at a recent Renton School District Board meeting regarding public comment. Sandra Sward was asked to locate a copy of this statement and provide it to the Board for informational purposes and possible adoption.

Commissioner Jacobson noted the State Auditor's Office report indicated Evergreen is similar in size and his experience has been that Evergreen's hospice program provides exceptional care. Two (2) Evergreen Commissioners attended Valley's community open house January 16 and Commissioner Jacobson visited with one of them about the possibility of doing some things with another hospital district that could be mutually beneficial. Commissioner Jacobson suggested Sue Bowman, as President, consider accompanying him to Evergreen for a tour of their hospice, noting the possibility of exploring potential opportunities to work together.

Adjournment

There being no further business, motion was made to adjourn this meeting at 7:00 p.m.