

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

Held on June 7, 2010

Attendance:

Commissioner G. Sue Bowman, President; Commissioner-at-large
Commissioner Aaron Heide, M.D., Commissioner-at-large
Commissioner Anthony R. Hemstad, Commissioner, District No. 3
Commissioner Donald O. Jacobson, Secretary; Commissioner, District No. 1
Commissioner Carolyn V. Parnell, Vice-President; 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
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:

Dennis Box, Editor – *Covington/Maple Valley Reporter*
Shannon Gilbert – Multicare
Laura Noon – Multicare

This meeting of the Board of Commissioners of Public Hospital District No. 1 of King County was opened by President Bowman at 4:00 p.m. in the Board Room of Valley Medical Center. It was moved and seconded to approve the minutes of May 24, 2010. There were no suggested corrections or additions. Motion was approved with three in favor (Bowman, Jacobson, Parnell), and one against (Heide). (Commissioner Hemstad arrived at 4:15 p.m. after the motion and vote.)

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

Recent Media coverage included a June 1 article in the *Renton Reporter* highlighting the move of Valley's Critical Care Center to the South Tower, and June 7 articles in *The News Tribune* and *The Bellingham Herald* regarding a VMC mammographer who is undergoing treatment for breast cancer.

Valley participated in the second annual Free Sports Physicals at Kent-Meridian High School on June 5 where seventy-eight physicals were provided.

Programs

Clinic Network Update

Dr. Hakim presented an update on aspects of the Clinic network, including workforce projections, health care reform, the medical home model, health information technology (HIT) and quality improvement efforts. A ten-year forecast on US workforce projections indicate there will be an overall increase in physician demand with a shortfall in supply. Mr. Hakim addressed several aspects of health care reform, including the payment reform timeline and the impact this will have on providers, particularly undervaluation of primary care. He reviewed two care models for which payment types are being designed in the reform bill. The Medical Home Model of care is a concept developed by primary care specialty societies which focuses on quality outcomes, patient experience and cost of care efficiencies. Covington Clinic participants in the Washington State Medical Home Collaborative. Medical Home is the core of the other care model, Accountable Care Organizations (ACO), which entails formal relationships with other provider types, e.g. hospitals, acute rehabilitation, hospice, skilled nursing facilities, etc., to provide enhanced outcomes through clinical and data integration. The ACO payment model is bundled for the entire care experience. Dr. Hakim reported progress in the clinic HIT roadmap, including a specialty electronic medical record (EMR), provider portal to EMR (Web View is now in two specialty clinics and several non-clinic areas). He noted that integrating health information supports optimization of quality care.

Core quality measures were presented. The Clinical Practice Guideline Committee is currently reviewing and updating existing guidelines and adding new ones. The committee uses national recommendations to ensure Valley's clinical protocols are current. He reported on several quality measures and noted that primary care meets the regional benchmark on most measures. Dr. Hakim noted that overall patient satisfaction scores were close to 91% and that The Joint Commission recognized Valley's Clinic Network for seasonal-flu vaccinations.

Discussion ensued regarding anticipated shortages of providers, increased vacancy rates in family practice residency programs and the corollary need for more family medicine physicians to facilitate the Medical Home model of care. Mr. Roodman noted there are three contributing factors to the shortage of providers and the increased demand on health care reform: 1) an aging population that will rely on Medicare coverage for healthcare costs, 2) providers increasingly closing their practices to Medicare covered patients and 3) newly graduating physicians are balancing lifestyle with career which results in less time seeing patients.

Medical Affairs

Quality Management Update

Dr. Beattie provided an update on quality improvement measures. Left-without-treatment from the Emergency Department has decreased consistently and remains below the 4% benchmark. Healthcare acquired infection ratios, per patient days for the first quarter 2010, are well below the established goal. Other quality measures involving quality of care parameters, discharge instructions, medication selections and vaccination compliance were all above the 90% threshold.

Medical Executive Committee

Recommendations dated May 11, 2010 from the Medical Executive Committee outlining changes in privileging forms were presented by Dr. Beattie

MOTION Dr. Beattie presented changes to the Orthopedic Surgery Core Privileges, Orthopedic Spine Surgery Core Privileges, Infusion Center and Outpatient Privileges and Sleep Medicine Privileges. It was moved, seconded and unanimously carried to approve the Privilege forms as submitted. Copies are attached to and made part of these minutes.

Reports Reports from Administration

Financial Affairs

Mr. Larry Smith provided a status update on the revenue bond financial transaction that was approved at the May 24 Board meeting. The investment bankers completed their interviews with VMC staff today and bond pricing is anticipated within the week. Mr. Smith provided a written status update, provided by Mr. John Bonow, PFM Group, outlining the credit ratings of Valley with Fitch and Standard and Poor's.

Bills/Vouchers

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

- **CONSTRUCTION**

H. S. Builders Inc SPD In fill Renovation - Retainage \$20,031.97

- **WARRANT REGISTER**

	WARRANT NUMBERS		DATED	AMOUNT
	FROM	TO		
ACCOUNTS PAYABLE	39274	39337	5/18/2010	72,806.63
ACCOUNTS PAYABLE	39338	39484	5/25/2010	84,305.67
ACCOUNTS PAYABLE	39485	39644	6/02/2010	78,742.98
ACCOUNTS PAYABLE	826901	826935	5/11/2010	3,374.30
ACCOUNTS PAYABLE	826936	827010	5/18/2010	6,751.60
ACCOUNTS PAYABLE	827011	827058	5/25/2010	4,068.75
ACCOUNTS PAYABLE	2143106	2143300	5/13/2010	1,019,342.39
ACCOUNTS PAYABLE	2143301	2143447	5/18/2010	758,417.81
ACCOUNTS PAYABLE	2143448	2143656	5/20/2010	928,967.81
ACCOUNTS PAYABLE	2143657	2143657	5/20/2010	187.23
ACCOUNTS PAYABLE	2143658	2143659	5/21/2010	4,860.14
ACCOUNTS PAYABLE	2143660	2144018	5/26/2010	2,952,427.97
ACCOUNTS PAYABLE	2144019	2144024	5/26/2010	205.90
ACCOUNTS PAYABLE	2144025	2144055	5/27/2010	471,863.20
ACCOUNTS PAYABLE	2144056	2144298	6/02/2010	1,125,546.09
TOTAL AP				7,511,868.47
ACH/EFT	5000653	5000705	6/02/2010	2,219,957.89
EFT/WIRES				4,678,802.89
TOTAL AP and EFT/WIRES				\$14,430,661.22

<ul style="list-style-type: none"> • PAYROLL 		
NET PAYROLL FOR MAY 2010		\$8,636,787.43
<hr/> <ul style="list-style-type: none"> • ACCOUNTS RECEIVABLE WRITE-OFF 		
	HOSPITAL	
BANKRUPTCY	76,017.20	76,017.20
COLLECTION		
REFERRALS	2,141,484.44	2,141,484.44
TOTAL WRITEOFF		\$2,217,501.64
<hr/> <ul style="list-style-type: none"> • CORRECTION TO 5/24/10 WARRANTS 		
Warrant numbers 2142700 and 2142701 should net to \$0.00		
Total AP warrants submitted should now read:		
		\$5,169,045.15
Total AP and EFT/WIRES should now read:		
		\$7,858,773.74

Mr. Smith provided background information pertaining to minor technical changes recommended for Valley’s Employee Pension Plan. The Plan was last amended in January, 2008. Subsequent review by the Internal Revenue Service recommended minor modification to three (3) clauses.

Resolution No. 945 – Second Amendment to Restated Employees’ Pension Plan

- MOTION** It was moved and seconded to approve Resolution No. 945 adopting and approving the second amendment to Valley’s restated Employee Pension Plan. The motion was approved unanimously.
- RECESS** President Bowman acknowledged a request for recess at 5:00 p.m.
- RECONVENED** The meeting reconvened at 5:10 p.m.
- President Bowman noted a change in the meeting sequence to ensure agenda items were covered prior to Commissioner Hemstad’s anticipated departure at 5:30 p.m.
- Superintendent Comments:** Superintendent Roodman provided an overview of the various medical centers in the Puget Sound area. He described the growing trend for joint ventures and collaborating partnerships between medical centers and noted the many changes that have occurred within the past several years.
- Executive Session:** President Bowman notified the Board that Executive Session would be held to discuss various matters involving legal or financial risks in accordance with RCW 42.30.110(1)(i)(c) and discussions may also include matters involving real estate lease options in accordance with RCW 42.30.110(1)(c). The time estimate is expected to be thirty (30) minutes and there will not be formal action following Executive Session.
- RECONVENED** The meeting reconvened at 5:45 p.m.

Operations Update

Mr. Hayes reported efforts to adjust staffing levels to accommodate decreased patient volumes is nearing completion. It is anticipated that staffing refinements in Patient Care Services will be complete by next week, with only minor adjustments being made.

The many transitions involved with moving into the South Tower came to completion at the end of May with the Neurosciences Unit moving into the main hospital. The lower floor of the Northwest Pavilion now solely serves Outpatient Services. Final stages of construction in the Emergency patient drop-off area, the patient/visitor parking access, the Winter Garden and pedestrian access to/from the main hospital are underway with an expected completion in August.

Lastly, Mr. Hayes reported that Valley received a special award from the Association of Washington Businesses for our efforts and outcomes related to supporting and adopting sustainable community practices. Efforts to manage and recycle consumable products, along with choosing construction and building materials that support environmental health will remain a commitment at Valley. Mr. Hayes indicated in the coming weeks our recycling efforts of bottles, cans and papers will be further advanced by the addition of an on-site compactor.

Patient Care Services

Mr. Alleman reported coordination with managers and staff is currently underway to adjust staffing positions and finalize the rebidding of union positions. He noted most of the changes involve staffing movement, rather than position elimination. Mr. Alleman then presented a video produced by NBBJ, architect and facility planner for the South Tower. The video chronicled the transition from the old location to the new tower, along with the multiple interfaces and practice changes that were involved in the relocation. The video highlighted the live 'patient care' simulation practices that were carried out for several days preceding the actual 'go live' date in the Tower. Mr. Alleman stated that the simulation practices were extremely helpful in enhancing the protocols of care in the new location.

Public Comment

Public Comment

At 6:00 p.m. President Bowman called for public comment. There was none.

Business Development

Mr. Glenn provided an information update on recent community meetings. Covington City Council met May 25, where President Bowman, Mr. Roodman and Mr. Glenn provided a presentation on construction plans for the Free Standing Emergency Department. Mr. Glenn indicated it was evident that the presentation provided the Council members with a clearer understanding of Valley's intention with design and build plans. Covington City Planning Commission met last week, where Mr. Glenn and several independent (non-employed) physicians spoke in favor of the project. Multicare representatives were present and spoke against the project. The Planning Commission will make their decision by July 13 and City Council will vote by the first of August. Mr. Glenn remarked that several other health care organizations are interested in Valley's upcoming expansion in Covington. We will continue to discuss plans with other organizations to whatever extent those discussions meet and promote Valley's mission within the District.

Recruitment Update

Dr. Thompson commented on the importance of patient safety and high quality control. He indicated Valley's commitment to maintaining vigilant quality of care standards is impressive and reflects on the genuine mission of health care organizations. He noted the effort that is required, both operationally and clinically, to support high quality standards and reiterated the importance of quality standards cannot be overstated.

HR & Marketing

Ms. Mitchell provided informational comments on the one-day strike scheduled for June 10th for 12,000 nurses in the fourteen (14) hospitals in the Minneapolis-St. Paul area and 13,000 nurses in eight hospitals in California, which would be the largest nursing strike in this nation's history. Discussion continued regarding the possibility of a nursing strike at VMC. Ms. Mitchell clarified there were legal limitations that prevent nurses from striking at Public Hospitals.

An evening "Business After Hours" event with the Maple Valley Chamber of Commerce and Valley representatives went extremely well last week. NBBJ and Lydig Construction (general contractor on the South Tower) sponsored the evening, which included an early evening gathering in Maple Valley followed by a bus ride to Valley and tour of the new Emergency Services South Tower. Similar events may be planned in the future with other Chambers in our District.

Ms. Mitchell reported surveying residents in the Covington area will commence soon. With several health care organizations interested in joining Valley's expansion in Covington, it's important to understand how the residents feel regarding the pros and cons of potential partnerships.

Commissioner
Comment:

Commissioner Jacobson noted the Senior Fair (May 28) was well attended with over 800 participants. Dr. Johnston, VMC Eye Center, spoke at the event and was well received.

President Bowman mentioned the excellent job Mr. Roodman and Mr. Glenn did when presenting material to the Covington City Council. She indicated the council members were very responsive. The Maple Valley Chamber of Commerce event was a great opportunity to build relationships and meet community leaders.

Commissioner Parnell indicated she was in favor of exploring a joint venture in Covington with a tertiary partner. Expansion will provide the opportunity to promote quality of care for the residents in the area.

Adjournment

There being no further business, motion was made to adjourn this meeting at 6:21 p.m.