

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

Held on July 20, 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
Kris Tiernan, Assistant to CEO and Board of Commissioners

Those present for a portion of the meeting:

Todd Thomas, Vice President - Facilities
Paul Carr, CB Richard Ellis
Steve Perovich, CB Richard Ellis
Phil Wood, Trammell Crow Company
Judd Jacobs, Trammell Crow Company

This meeting of the Board of Commissioners of Public Hospital District No. 1 of King County was opened by President Jacobson at 3:32 p.m. in the Board Room of Valley Medical Center. It was moved and seconded to approve the minutes of July 6, 2009. Motion carried unanimously.

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

Over 400 participants attended the annual *Joint Center Reunion* last Friday, July 17th. The event was held outdoors in our parking area which allowed us to double the attendance capacity.

The *Hope at Valley Medical Center* Cancer Fundraiser, held Saturday, July 18th, was also very well-attended, including Commissioners Jacobson, Parnell and Hemstad.

Valley participated in Kent Cornucopia Days July 10-12 and Covington Days July 17-19, with booths staffed primarily by physicians and staff from the Kent and Covington Clinics.

Renton River Days is scheduled for July 22-26. Valley will be conducting bike helmet fittings, as well as distributing literature and promotional items throughout the event.

Four students from the Kent School District are creating a video as their summer project, showcasing ways that technology is used in society. Valley has set up a variety of interviews for them to meet with our departments and review IT, EMR and possibly the da Vinci Robotic System.

A feature on Valley's new da Vinci Si Robotic Surgical System has been published in the Renton and Bellevue Reporter Newspapers.

The August issue of *Seattle Magazine* includes 19 physicians on staff at VMC in the annual "Top Doctors" listing. This is a significant increase from previous years. Copies were distributed to the Board.

Renton Magazine plans to run a feature on Valley's annual "Safety Camp" in the August issues.

Valley will be hosting the show *Mystery Diagnosis* (the learning channel) as they film the TV program for their opening program launching their 8th season. *Mystery Diagnosis* tells the stories of patients with "real-life medical mysteries". This show will feature a patient of Dr. David Christopher (Valley Children's Clinic). Filming will take place July 30th.

Capital Expenditures/
Clinical Equipment/
Programs

Call for Bids – Renton Landing Clinic Project

Mr. Thomas requested Board authorization to advertise for bid the Renton Landing Clinic Project. The primary focus of this project includes tenant improvements to an existing undeveloped shell building at the Renton Landing site for use as a Primary Care and Urgent Care Clinic. The scope of the project includes the design and construction of 4,600 SF of shelled medical office space, including exam rooms, procedure rooms, radiology room, lab and ancillary spaces required to support the clinic. Construction is estimated to take 90 days to complete with occupancy approximately mid-January, 2010. The estimated cost for this project is \$1,834,000 including construction, contingencies, furniture, equipment and fees to prepare the space for the clinic.

MOTION

Following discussion, it was moved and seconded to approve advertising for bids the Renton Landing Clinic Project. Motion carried unanimously.

Resolution No. 913 – Authorizing Lease-Purchase Agreement for Radiology PACS

Mr. Hayes requested Board approval of Resolution No. 913, Radiology PACS Lease. He stated that the Radiology Picture Archiving and Communication System (PACS) was installed in 1999. The limitations of the current aging system are detailed in the policy memo attached to the Resolution. The leasing company is requiring a Resolution authorizing the Superintendent or his designee to enter into a Master Lease agreement for the PACS system, which includes payments not to exceed \$2,449,753.24. Mr. Smith noted that, by statute, the Superintendent of the District has the responsibility to manage district day-to-day operations, including executing necessary contracts. The Board inherently delegates this responsibility to the Superintendent. From time to time, Resolutions have been adopted authorizing the Superintendent to enter into specific transactions. Consideration might be given to adopting a resolution in the future which addresses superintendent authority.

During discussion it was clarified that the PACS system is being acquired through a lease versus outright purchase in order to preserve cash in the current economic environment.

MOTION It was moved and seconded to adopt Resolution No. 913, Authorizing Lease-Purchase Agreement for the Radiology PACS. Motion carried unanimously.

Future Real Estate Development

Mr. Smith introduced representatives of CB Richard Ellis and Trammell Crow Company, who provided information on the current state of the real estate market in our area. Paul Carr compared medical office building occupancy levels and vacancy rates. Phil Wood discussed local medical office building opportunities in the current economy. Judd Jenkins gave a high level overview of medical office building development in today's market. Steve Perovich reported on the Covington area market, including potential opportunities to assemble parcels near our existing clinic as well as other land opportunities in the area.

Medical Affairs

Medical Executive Committee

Dr. Beattie reported on the July 14th meeting of the Medical Executive Committee. New Chief Residents for 2009-10 were welcomed to the Committee.

The Consent to Care and Treatment revision implemented to meet new legal standards was reviewed. The revision adds a statement requiring notification in the event a healthcare worker is exposed to patient's blood or body fluid in a manner that may pose a risk for transmission of a blood-borne infection. Consent is included in the care for treatment to allow for testing of the patient for HIV, Hepatitis B and C.

Amendment to Medical Staff Policies

A Confidentiality Policy was approved by the Medical Executive Committee April 14, 2009, and posted for comment, as required, for at least 30 days. As no comment was received, Board approval of the policy is requested.

MOTION Following brief discussion, it was moved and seconded to approve the Medical Staff Confidentiality Policy as requested. Motion carried unanimously.

Credentials

MOTION Recommendations dated July 14, 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 also reported on the July 7th meeting of the Quality Improvement Council. Clinical Pathology Mismatches and Autopsy Report Audits were discussed. The Medical Records Delinquency Report confirmed that performance continues above TJC standards. There was a Quality Measures Dashboard presentation on Acute Myocardial Infarction, Pneumonia, Congestive Heart Failure, and Surgical Care Initiatives. Infection Control reported on Hand Hygiene surveillance. There was an update on advances in standardizing Universal Protocol and Safe Surgery Forms and Checklists.

Reports

Reports from Administration

Financial Affairs

Larry Smith reported that volumes in June were good and net revenue from operations was positive compared to budget. Labor costs remain down from last year due to reduced premium time (agency and overtime).

Various versions of healthcare reform continues to be a major topic at the state and federal level. There continues to be controversy over the fairness of the Medicare payment structure between states, as western states are historically more efficient. The possibility of a hospital tax is being considered. These funds would be redistributed within the health care system as a way of offsetting cuts.

Bills/Vouchers

MOTION

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

Lydig Construction Co.	\$2,350,601.96
VMC Emergency Tower (Application No. 20)	

	WARRANT NUMBERS		DATED	AMOUNT
	FROM	TO		
ACCOUNTS PAYABLE	28973	29217	6/30/2009	132,088.44
ACCOUNTS PAYABLE	29218	29411	7/7/2009	61,937.00
ACCOUNTS PAYABLE	29412	29462	7/14/2009	22,872.93
ACCOUNTS PAYABLE	825849	825865	6/30/2009	1,198.53
ACCOUNTS PAYABLE	825866	825866	7/7/2009	60.00
ACCOUNTS PAYABLE	825867	825895	7/7/2009	1,406.21
ACCOUNTS PAYABLE	825896	825907	7/14/2009	763.42
ACCOUNTS PAYABLE	2124961	2125207	6/30/2009	1,693,073.36
ACCOUNTS PAYABLE	2125208	2125440	7/7/2009	1,600,011.78
ACCOUNTS PAYABLE	2125441	2125668	7/9/2009	944,812.91
ACCOUNTS PAYABLE	2125669	2125669	7/9/2009	300.00
ACCOUNTS PAYABLE	2125670	2125671	7/10/2009	2,856,934.81
ACCOUNTS PAYABLE	2125672	2125889	7/14/2009	1,962,589.54
WIRES OR EFT				1,412,849.59
WIRES OR EFT				1,739,272.43
APRIL PAYROLL				8,219,329.40
MAY PAYROLL				7,961,253.30
JUNE PAYROLL				8,065,033.58

GRAND TOTAL

\$39,026,389.19

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 \$1,920,687.93, of which \$1,903,663.05 has been referred to Collection. The balance of \$17,024.88 represents bankrupt accounts and cancellations.

Operations Update

Mr. Hayes noted that patient safety is the number one priority at VMC. Efforts have been "hardwired" across the system to meet National Patient Safety Goals, including verbal read-back of orders, "Do Not Use" abbreviations, hand-off communications, fall prevention, management of critical test results, use of universal protocol for invasive procedures, hand hygiene, vaccines for flu and pneumonia and medication reconciliation. He also summarized utilizing the *Get Well Network* as a way of engaging patient commitment to safety.

Valley has begun implementing a computerized physician order entry and management (CPOE) program which will take two years to complete. Evidence supports that CPOE enhances patient safety, prevents inadvertent, delayed or redundant treatment, reduces turn-around times in ancillary testing and helps with communication, patient assessment, and availability of information, procedural compliance and preventing of errors. Next steps include completion of an organizational readiness assessment and development of a work plan.

The issue of potential winter flooding of the Green River resulting from problems at the Howard Hansen Dam is being addressed through meetings with the Public Health Department and community partners. Valley is doing an assessment and gap analysis as well.

Recess

President Jacobson called for a brief recess at 5:15 p.m.

Reconvened

The meeting reconvened at 5:30 p.m.

Patient Care Services

Mr. Alleman reviewed a matrix illustrating transition planning for the move to the South Tower. The matrix included timelines for staff rebid, relocation of various units, first admissions to the new units, etc. A schematic of unit placement was also reviewed.

HR & Marketing

The GoldenCare annual flu shot event is scheduled for the week of October 12-17 in the main lobby of the medical center. A "sneak preview" of the new Emergency Services South Tower will be available each of these days for GoldenCare members to tour the new area.

Ms. Mitchell reported that, consistent with previous discussions at prior Board meetings and at the Commissioners' request, plans have been developed for several additional "sneak preview" events to publically showcase the new Tower. Events now planned include:

October 6 – early morning event for Medical Staff
October 7 – early morning event for night shift employees
October 7 – afternoon for day and evening shift employees and volunteers
October 8 – early morning event for First Responders, Fire Chiefs and Key community leaders.

Commissioners were invited to contribute names to the invitation list for the October 8th event. Save the date postcards will be mailed during the next three weeks.

Ms. Mitchell provided average pay rate comparisons for various VMC job classifications and briefly discussed the reality that pay increases continue unabated by the economy for the hospital industry still plagued by dramatic staff shortages.

Clinic Network

Mr. Larson reviewed the recently published Puget Sound Health Alliance evaluation of clinics and hospitals in the Puget Sound Area. Following discussion, he suggested that a representative of the Puget Sound Health Alliance make a presentation at a future Board meeting.

Business Development

It was reported by Mr. Glenn that a second seminar has been held to learn about cardiovascular services models. A business development manager will be added to develop the cardiovascular services department as well as to assume administrative responsibilities for WNI. A marketing campaign for CV services is being developed.

RFQ requests from nursing home operators have been received and discussions with potential partners are underway. More information should be available in the fall.

Public Comment

Public Comment

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

Recruitment Update

Dr. Thompson discussed specialist shortages, specifically in OB/GYN and outlined recruitment efforts in this area.

Recess

President Jacobson acknowledged a request for a recess at 6:08 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) and real estate issues permitted by RCW.42.30.110(b) and (c).

Reconvened

The meeting reconvened at 6:22 p.m.

OPEIU Local 8 Clerical Unit Agreement

MOTION

Following review of the key elements of the agreement, it was moved and seconded to authorize and direct the Superintendent, or his designee, to sign an agreement with OPEIU

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Local 8 Clerical Unit, effective July 1, 2009 through June 30, 2012. Motion carried unanimously.

Adjournment

There being no further business, motion was made to adjourn this meeting at 6:24 p.m.