



**Board of Commissioners
Business Meeting Minutes
Linkletter Hall
July 20, 2016**

The regular meeting of the Board of Commissioners was called to order by Board Secretary Jean Hordyk in Linkletter Hall and was opened with the pledge of allegiance at 6:00 pm. Also in attendance were Commissioners Jim Cammack, Jim Leskinovitch, John Miles, MD, Tom Oblak; CEO Eric Lewis, CMO Scott Kennedy, MD, CFO Darryl Wolfe, General Counsel Jennifer Burkhardt, OMP Physician Counsel Chair Chief Bill Kintner, MD, Marketing Manager Jeff Anderson; staff; public participants and Executive Assistant Gay Lynn Iseri. Board President John Nutter and Commissioner John Beitzel were excused.

CONSENT AGENDA

- A. Minutes for June 15, 2016, June 24, 2016, June 29, 2016 and July 6, 2016;
- B. Bad Debt for June 2016 in the amount of \$350,923.61;
- C. Vouchers for June 2016 in the amount of \$8,956,149.13;
- D. Payroll for the period of June 5, 2016 through July 2, 2016 in the amount of \$4,162,420.80;
- E. Surplus Property.

MOTION: To approve the Consent Agenda as presented. *Motion carried unanimously.*

**OLYMPIC MEDICAL PHYSICIANS UPDATE - Bill Kintner, MD, OMP Physician Council Chair
*General Surgery Professional Services Agreement***

The agreement with Andreas Schneider, MD, general surgery, was presented for consideration. The annual base salary is the same as the other surgeons, and will cover vacations per diem at approximately 20 days per year.

MOTION: To approve the professional services agreement for general surgery services with Andreas Schneider, MD at the cost of ONE THOUSAND FIVE HUNDRED DOLLARS (\$1,500) per 24-hour day as presented. *Motion carried unanimously.*

Pediatrician Employment Agreements

Dr. Kintner introduced the pediatrician employment agreements that will be brought to the board for consideration at the next meeting. All five physicians and two advanced practice clinicians have signed agreements with Olympic Medical Physicians. All are board certified. The base salary for physicians is \$198,899, based on 90% Sullivan and Cotter compensation survey data, and the base salary for the APCs is \$105,000 per year. The agreements include neonatal and inpatient hospitalist services for pediatric patients.

Dr. Kintner also introduced the physician employment agreement with Joshua Jones, MD, at the annual base salary of \$246,000. The full time position would be .6 as the OMP Chief Physician Officer, and .4 clinical practice. Dr. Jones is boarded in general and forensic psychiatry, and will continue inpatient psychiatric rounding at the hospital. Commissioners Oblak and Beitzel were among the interview team. After a brief discussion, the board determined they would take action.

MOTION: To approve the OMP physician employment agreement with Joshua Jones, MD, at the base salary of TWO HUNDRED FORTY SIX THOUSAND DOLLARS (\$246,000) as presented. ***Motion carried unanimously.***

FINANCIAL UPDATE – SECOND QUARTER 2016 – Darryl Wolfe, Chief Financial Officer

- 83% government payor mix
- \$85 million operating revenue
- A/R days at 38 days, compared to the benchmark of 54 days
- Epic has been a huge improvement to the revenue cycle
- Days cash on hand is 111 days, dropping a bit due to construction expenses. That benchmark is to remain above 90 days
- Net margin trend for the last five years indicated 1.6%, lower than goal of 2%
- See attached presentation for detail

PUBLIC COMMENT

None.

OLD BUSINESS

Georgiana Playground Equipment – Eric Lewis, Chief Executive Officer and Bruce Skinner, Executive Director Olympic Medical Center Foundation

Mr. Lewis presented the inter-local agreement with the City of Port Angeles to purchase the Playcraft Systems playground equipment for the Georgiana Street Park. OMC would help fund the project with the City of Port Angeles, and private donations.

Replacing the outdated equipment would benefit patients, employees, and the community and remain inclusive and accessible to everyone. Executive Director of the OMC Foundation, Bruce Skinner, announced the Foundation would also participate in fundraising. He then introduced the parents of Quinn Kintner, Dr. Bill Kintner and Kelsey Redlin, who announced the Quinn Redlin Kintner endowment fund would donate \$20,000 toward the purchase of the playground equipment.

MOTION: To approve the inter-local agreement with the City of Port Angeles to purchase playground equipment for the Georgiana Street Park, and for OMC to provide funding of SIXTY NINE THOUSAND DOLLARS (\$69,000) as presented. **Motion carried unanimously.**

Heart Center Nuclear Camera Equipment Maintenance Agreement – Darryl Wolfe, Chief Financial Officer

Approval was requested for the maintenance and support agreement for the heart center nuclear camera.

MOTION: To approve the four-year maintenance and support agreement with Digirad for the Heart Center nuclear camera at the cost of TWENTY TWO THOUSAND FIVE HUNDRED DOLLARS (\$22,500), plus tax per year as presented.

Medical Office Building IT Equipment and Phone System Phase I Capital Purchases – Sean Johnson, Information Services Manager

Approval was requested for the following:

MOTION: To approve Telecom Phase One purchases that includes hardware and licensing for ONE HUNDRED FIFTY FIVE THOUSAND EIGHT HUNDRED SIXTY SEVEN DOLLARS AND NINETY THREE CENTS (\$155,867.93), maintenance for TWENTY EIGHT THOUSAND ONE HUNDRED FIFTY NINE DOLLARS AND NINETY NINE CENTS (\$28,159.99), and professional services for FIFTY FIVE THOUSAND SIXTY FIVE DOLLARS (\$55,065.00) for a total cost of TWO HUNDRED THIRTY NINE THOUSAND NINETY TWO DOLLARS AND NINETY TWO CENTS (\$239,092.92), plus sales tax, as presented. **Motion carried unanimously.**

MOTION: To approve the purchase of the infrastructure and desktop technology services for the Port Angeles Medical Office Building at the total cost of THREE HUNDRED SIXTY ONE THOUSAND FORTY SEVEN DOLLARS AND TWENTY FIVE CENTS (\$361,047.25), plus sales tax, as presented. **Motion carried unanimously.**

Anesthesia Machines Purchase – Scott Kennedy, MD, Chief Medical Officer

The six current anesthesia machines purchased in 2004 are at end of life. Eight new machines will be purchased due to increased volumes. Two additional monitors and gas analyzers will also be needed. Training is included in the purchase, and Epic has already built this interface, but a connection needs to occur. Providence Epic is currently updating their entire system, and we are asking to be first on their list with a hopeful September or October date.

MOTION: To approve the purchase of 8 Aespire View Anesthesia Systems from GE Healthcare at the cost of TWO HUNDRED TEN THOUSAND NINE HUNDRED AND FIFTY TWO DOLLARS (\$210,952), plus sales tax; two monitors and two gas analyzers from Nihon Kohden at the cost of FIFTY FIVE THOUSAND SIX HUNDRED SIXTY DOLLARS (\$55,660), plus sales tax; and 5-years of service following the first year warranty for the anesthesia systems at a total cost not to exceed SEVENTY FIVE THOUSAND SIX HUNDRED FORTY EIGHT DOLLARS (\$75,648), plus sales tax. ***Motion carried unanimously.***

MRI Mobile Service – Scott Kennedy, MD, Chief Medical Officer

Mobile MRI service is necessary to upgrade the two current machines at the hospital and medical office building in Sequim. These upgrades should be finished the week of August 26th.

MOTION: To approve the rental of the Mobile MRI Service from Alliance Radiology at the cost of FIFTY SIX THOUSAND DOLLARS (\$56,000), plus sales tax, and transportation fee as presented.

Discussion: The mobile unit will be located outside the annex to the west of the hospital, and behind cancer center in Sequim to the east. ***Motion carried unanimously.***

DR PACS Maintenance Agreement – Scott Kennedy, MD, Chief Medical Officer

OMC is still using DR to transfer images to the new system until moving to the Infinitt System. This contract is for June 1, 2016 to May 31, 2017, and the first month has been paid through extension.

MOTION: To approve the one-year support services agreement for the DR PACs System with Merge Healthcare Solutions, Inc. at the cost of ONE HUNDRED TWENTY FIVE THOUSAND FOUR HUNDRED EIGHTY FOUR DOLLARS (\$125,484.00), plus sales tax, as presented.

ADMINISTRATOR'S REPORT – Eric Lewis, Chief Executive Officer

Operations and Advocacy Update

An update was provided on 2016-2018 Strategic Plan (attached). A meeting with all departments will occur by the end of the year with direction to focus on the Strategic Plan to remain locally owned and operated while maintaining access to services, and providing local jobs. One important key issue remains recruitment and retention of the workforce as there is a shortage of trained professionals.

Managing Infection Risk Certification needs to occur by December 31, 2017, for the hospital, clinics, and home health. There are 18 standards, and 18 staff members were trained. In November 2016, a DNV inspection team will be onsite to look at the 18 standards, and we will have one year to work on those standards. DNV will return in late 2017 for final inspection.

The Medicare Access and CHIP Reauthorization Act (MACRA) passed by Congress in 2015 has replaced Sustainable Growth Rate (SGR) for physician reimbursement by Medicare. Final regulations will be released in September. Reductions in reimbursement are possible based on quality, resource usage, clinical practice improvement, and meaningful use of EHRs.

Site neutral legislation was also passed in November 2015. Regulations were issued on July 5, and more information will be released by early September. These regulations are more urban focused, compared to Clallam County. This grandfathered existing clinics (outpatient surgery center planned for the Sequim campus) as hospital based instead of free standing clinics. As drawings and planning was underway, OMC is beginning an advocacy effort for the Sequim campus. A trip to DC is planned for September.

A major focus on opioids at the federal level and pain management measures is underway. Grants and other programs will hopefully be available to Clallam County.

Exam rooms at the OMP Primary Care Clinic at 8th and Vine Street have undergone major upgrades. New automatic rising exam tables, computer stations, paint and wall board improvements will help improve patient flow and staff safety and satisfaction.

OTHER

Commissioner Hordyk noted the move of the Security Department to the front lobby for patient and staff safety.

Commissioner Cammack complimented staff on the continuous reference to the Strategic Plan to ensure the success of OMC.

EXECUTIVE SESSION

After a five minute recess, the meeting was moved to executive session to discuss the performance of a public employee pursuant to RCW 42.30.110(1)(g) for fifteen minutes with no action to follow.

At 7:30 pm, the executive session concluded and the meeting was moved back to open session and finally adjourned.

APPROVED AND ADOPTED this 17th day of August, 2016.


ATTEST:



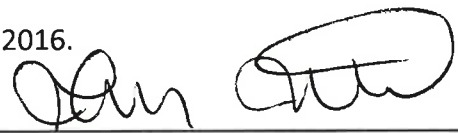
Secretary



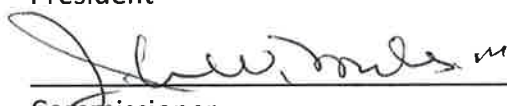
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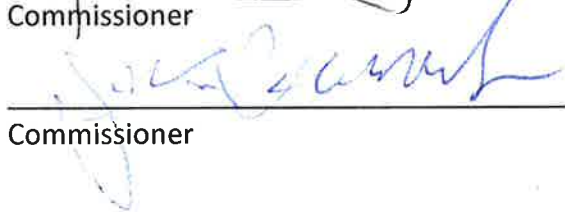
President



Commissioner



Commissioner



Commissioner