



**Board of Commissioners  
Business Meeting Minutes  
November 21, 2018**

The special meeting of the Board of Commissioners of Olympic Medical Center was called to order at 12:30 pm by Board President John Beitzel in Linkletter Hall, and was opened with the pledge of allegiance. Also in attendance were Commissioners Thom Hightower, Jean Hordyk (via telephone), Jim Leskinovitch, John Miles, MD, John Nutter, Tom Oblak; Chief Executive Officer Eric Lewis; Chief Nursing Officer/Hospital COO Lorraine Wall, RN; Chief Medical Officer/Safety Officer Scott Kennedy, MD; Chief Human Resource Officer/General Counsel Jennifer Burkhardt; staff; public participants and Executive Assistant Gay Lynn Iseri. Chief Financial Officer Darryl Wolfe and Risk and Compliance Officer Donna Davison were excused.

**CONSENT AGENDA**

- A. Minutes for October 17, 2018, November 2, 2018, and November 7, 2018;
- B. Bad Debt for October 2018 in the amount of \$183,021.83;
- C. Vouchers for October 2018 in the amount of \$10,347,276.13;
- D. Payroll for the period of October 7 through November 3, 2018 in the amount of \$5,533,814.55;
- E. Surplus Property.

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

**MEDICAL STAFF REPORT – Scott Kennedy, MD, CMO for Alan Kowitz, MD, Chief of Staff**  
The October 2018 Medical Staff Credentials Report was presented for approval as follows:

***Appointment to the Medical Staff:***

- |                           |                                    |
|---------------------------|------------------------------------|
| 1. Diallo, Oumou, MD      | Envision – Anesthesiology (Locums) |
| 2. Marino, Rick, MD       | Hospitalist – (Locums)             |
| 3. Rostapshov, Victor, MD | OMP – Medical Oncology             |

***Appointment to the Telemedicine Staff:***

- |                          |                      |
|--------------------------|----------------------|
| 1. Alter, Mark, MD       | InSight – Psychiatry |
| 2. Callahan, Richard, MD | InSight – Psychiatry |
| 3. Lampen, Rhonda, MD    | InSight – Psychiatry |

**MOTION:** To approve the October 2018 Medical Staff Credentials Report as presented. *Motion carried unanimously.*

**OMC FOUNDATION UPDATE – Bruce Skinner, OMC Foundation Executive Director**

Mr. Skinner reported on the successful Harvest of Hope fundraiser in October. He announced the Foundation had reached their fundraising goal for the cancer center expansion project of over a million dollars, and more had been raised to furnish the new space.

**SAFETY REPORT – Scott Kennedy, MD, Chief Medical Officer/Safety Officer**

Dr. Kennedy presented an update on the clostridium difficile bacteria that causes inflammation of the colon and diarrhea. It is 7-10 times more likely to contract c-diff if an antibiotic has been administered within the past month. The CDC is very worried about this, and is one out of three issues they are monitoring closely. Spores are spread to surfaces and equipment, and transmission can occur by touch. OMC remains below the benchmark, and it was noted most of the c-diff comes out of the community, not the hospital. See attached presentation.

**OLD BUSINESS**

***340B Drug Discount Program Pledge – Jennifer Burkhardt, Chief Human Resource Officer / General Counsel***

OMC has been requested to support and to commit to use savings from the 340b drug discount program wisely. The AHA and WSHA presented the opportunity to adopt this pledge to note how important savings are for program. Savings are used to provide labor and delivery services, diabetes education, and maintaining Trauma Level III designation. The pledge entails communication, disclosure of annual savings, and continued oversight of the program.

***MOTION:*** To approve Olympic Medical Center taking the American Hospital Association 340b Drug Discount Program Pledge as presented.

***Discussion:*** Only safety net hospitals qualify for the 340b program, and the Cancer Center in Sequim relies heavily on this discount for chemotherapy drugs. ***Motion carried unanimously.***

***Resolution 515 - Increasing the Tax Levy – Eric Lewis, Chief Executive Officer***

The resolution to increase the current tax levy by 1% was presented for consideration. Funds will be used to maintain Trauma Level III services for the community, maintain birth center services, and provide services to uninsured patients. Costs are increasing 2.5-3% as labor shortages, drug costs, and supplies are causing rate increases. Medicare and Medicaid are not increasing reimbursement levels.

***MOTION:*** To approve Resolution 515 to increase the tax levy by 1% as presented. ***Motion carried unanimously.***

***Resolution 516 - Adopting the 2019 Budget – Eric Lewis, Chief Executive Officer***

The resolution adopting the 2019 budget was presented for consideration. This was an unusual year as two budgets were completed. Site neutral cuts were determined to begin in 2019 so the budget was reworked to address the \$1.7 million reduction in reimbursement.

Commissioner Hordyk commended staff for their hard work amending the budget at the last minute. It is important to note that services will be maintained for the community and also work force will remain intact with no lay-offs.

***MOTION:*** To approve Resolution 516 to adopt the 2019 Budget as presented.

***Discussion:*** Commissioner Beitzel thanked staff for their work on the budget, and the last minute adjustment due to the site neutral rule.

***Motion carried unanimously.***

***Routine Contracts Included in 2019 Operating Budget – Eric Lewis, Chief Executive Officer***

Approval was requested for the routine contracts included in the operating budget as attached.

***MOTION:*** To approve the list of routine contracts included within the 2019 Budget as presented. ***Motion carried unanimously.***

***Sequim Campus Expansion Project Bids – Eric Lewis, Chief Executive Officer***

It was announced that JMG Constructors was the lowest, qualified, responsible bidder for the Sequim Campus Expansion Project. The other bids came in between \$4.9-\$5.4 million. The primary care project was an alternate, but the recommendation was to defer the project until OMC has a more sustainable revenue stream in light of the recent site neutral rule. Construction would begin in February and completion would occur in early 2020.

***MOTION:*** To authorize the Chief Executive Officer to enter into an agreement with JMG Constructors, LLC for the Sequim Cancer Center Expansion Project for FOUR MILLION FOUR HUNDRED TWENTY NINE THOUSAND DOLLARS (\$4,429,000), and to allow him or his designee to sign all other related contracts as presented. ***Motion carried unanimously.***

**ADMINISTRATOR'S REPORT – Chief Executive Officer**

***Operations Update***

The 2020 Transformation Plan is being developed to address operational challenges and to increase efficiencies due to Medicare and Medicaid reimbursement issues. The plan will be presented to the Board at the February 6 Board Meeting for consideration. The Board's input will be critical, and the plan will be implemented over the remainder of 2019. DNV accepted the Plan of Correction and OMC is now MIR (Managing Infection Risk) certified, accomplishing another Strategic Plan goal. OMC is the first hospital in Washington State to achieve this

certification, and the first in the nation to achieve certification including physician clinics. The goal is to get better, implement best practices, and to maintain this certification. A new patient transfer agreement with Forks Community Hospital has been completed and will include quarterly meetings to ensure smooth transfers due to a different EHR. The MOB generator project came in at an estimated cost of \$568,000 dollars, and approval will be sought at the next board meeting. The disaster preparedness program staffing has increased with the addition of a new coordinator. Moss Adams is auditing the 2017 financial statements, and the state audit begins the end of November.

**Advocacy Update**

At the Federal level, the Senate remains controlled by the Republicans, but the House is now controlled by the Democrats. This may be good for healthcare policy. Site neutral reimbursement and the 340b drug discount program remain important issues.

At the State level, key issues include the behavioral health delivery system, difficult to discharge patients and other policy issues such as prescheduled rest breaks.

There being no further business, the meeting finally adjourned at 1:33 pm.

**APPROVED AND ADOPTED** this 19th day of December, 2018.

**ATTEST:**

  
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Secretary

  
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Commissioner

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Commissioner

  
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