



**Board of Commissioners
Business Meeting Minutes
September 19, 2018**

The regular meeting of the Board of Commissioners of Olympic Medical Center was called to order at 6:00 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, 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 Financial Officer Darry Wolfe; Risk and Compliance Officer Donna Davison; Chief Human Resource Officer/General Counsel Jennifer Burkhardt; OMP Chief Physician Officer Joshua Jones, MD; staff; public participants and Executive Assistant Patty Kennedy.

CONSENT AGENDA

- A. Minutes for August 15, August 24, September 5, and September 13, 2018;
- B. Bad Debt for August 2018 in the amount of \$240,845.58;
- C. Vouchers for August 2018 in the amount of \$8,089,983.26;
- D. Payroll for the period of July 29 through September 8, 2018 in the amount of \$8,100,974.35.

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

MEDICAL STAFF RECOMMENDATIONS – Scott Kennedy, MD, Chief Medical Officer/Safety Officer
The August 2018 Medical Staff Credentials Report was presented for approval as follows:

Appointment to the AHP Staff:

- | | |
|--------------------------------|---------------------------|
| 1. Churchill, Sherry Ann, ARNP | Jamestown Family Health |
| 2. Larsen, Paul, PA-C | OMP – Primary Care Clinic |
| 3. Squyres, Sara, PA-C | OMP – Urology |
| 4. Sterin, Robin, PA-C | OMP - Orthopedics |

Appointment to the Active Medical Staff:

- | | |
|--------------------------|-----------------------------------|
| 1. Dave, Amish, MD | Rheumatology |
| 2. Deyoe, Lane, MD | RADIA – Radiology |
| 3. DiBari, Jessica, DO | NOHN – Family Medicine |
| 4. Freezer, Jonathon, MD | OMP – Peninsula Children’s Clinic |
| 5. Kim, Minji, MD | OMP – Neurology |
| 6. Murphy, David, MD | OMP - Pulmonology |

MOTION: To approve the August 2018 Medical Staff Credentials Report as presented.

OLYMPIC MEDICAL PHYSICIANS UPDATE – Joshua Jones, MD, OMP Chief Physician Officer
Physician Employment Agreement for Medical Oncology

Dr. Jones presented the contract for Dr. Kevin Weeks, Medical Oncologist, for approval. Dr. Weeks will have a base salary of \$378,751, a \$35,000 signing bonus, \$10,000 of moving expenses, and a first year incentive payment of \$41,194 effective December 31, 2018, which will bring him up to around median compensation. He will begin in November 2018.

MOTION: To approve the OMP physician employment agreement with Kevin Weeks, DO, medical oncologist, at the annual salary of \$378,751 as presented. ***Motion carried unanimously.***

OMC FOUNDATION UPDATE – Bruce Skinner, Executive Director

Mr. Skinner presented two checks to Mr. Lewis. One check was for \$28,000 for the Cancer Center expansion and the other for just over \$6,600 to purchase a Spot Vision Screener for the Pediatric Clinic in Sequim. Amy Miller and her daughter, Sadie, demonstrated the vision screener. Laurel Henke, Supervisor at the Pediatrics Clinic, explained how this is used on children, and they are able to test babies as well.

SAFETY UPDATE – Scott Kennedy, MD, Chief Medical Officer/Safety Officer

Dr. Kennedy reported Rhonda Bowen is leading the work on in-patient falls. The goal is to reduce injuries from falls. Discussion ensued. The Board asked to revisit this when the analysis has been completed. See slides.

FINANCE REPORT – Darryl Wolfe, Chief Financial Officer

Resolution Authorizing OMC's Treasurer to Invest in the Local Government Investment Pool (LGIP)

Resolution 513 was introduced at the last Board meeting. This will allow OMC's Treasurer, Misty Shaw, to invest funds in the State's Local Government Investment Pool (LGIP).

MOTION: To approve the resolution authorizing OMC's Treasurer, Misty Shaw, to invest in the Local Government Investment Pool (LGIP) as presented. ***Motion carried unanimously.***

Post-Retirement Medical Benefits

The Government Accounting Standards Board (GASB) has issued GASB 45 and GASB 75 on post-retirement benefits that may have a potentially significant effect on OMC financials. The issue stems from post-retirement benefits in OMC's medical insurance plan with the Public

Employees Benefit Board (PEBB) called the Uniform Medical Plan. Based on a qualified actuarial study, the GASB rules require the booking of a non-cash financial liability of \$23M as of December 31, 2017, and to annually expense \$2.3M in 2017, 2018, and beyond. OMC benefit documents clearly does not offer post-retirement benefits so this liability does not exist if OMC changes plans. Booking a liability that does not really exist and distorts the financials is not recommended by management. Management's recommendation is to not book the liability and actively search for medical insurance alternatives with intent to change effective January 1, 2020 or sooner. This was discussed at the Board Audit, Budget and Compliance meeting in detail and the committee was in agreement with our proposed accounting for this issue. See slides

Agreement with Quality Reimbursement Service (QRS)

OMC would like to hire Quality Reimbursement Services (QRS) to appeal some Medicare settlements that could yield \$2-\$3M in additional Medicare payments. At issue are past payments made at Federal Specific Rates vs Hospital Specific Rate. QRS would retain 15% of any settlements. There is no other fee.

MOTION: To authorize the CEO to sign an Agreement with QRS to appeal certain Medicare reimbursement with a contingency fee of 15% as presented. ***Motion carried unanimously.***

PUBLIC COMMENT

OLD BUSINESS

None

Consider Bid for Sequim Cancer Center and Primary Care Expansion Project – Darryl Wolfe, Chief Financial Officer

We are still gathering information and trying to get additional construction companies interested. Based on current information, we think it is best to reject all bids received and rebid the project. Our construction costing consultant feels we need three bids, including three bids in each sub-contractor area to have a fully competitive bid process. His review of the market conditions and construction costs give him an opinion that the project should cost between \$8.5 and \$9.0 million. The Cancer Center construction will be the base bid, with the Sequim Primary Care Clinic having a separate bid.

MOTION: To reject the bids received September 11, 2018 for the Sequim Cancer Center and Primary Care Expansion Project, and authorize Administration to rebid the project as presented. ***Motion carried unanimously.***

ADMINISTRATOR'S REPORT – Eric Lewis, Chief Executive Officer
Medicare Physician Clinic Reimbursement Cuts

Comments are coming in from different organizations and the community here in Clallam County regarding Site Neutral. OMC has been having forums for both the community and staff so they understand about these cuts. Met with CMS and was told these comments will make a difference.

Operations Update

The 2019 Capital Budget is due by September 28, 2018. We will manage the budget as if Site Neutral will not happen. We will make the necessary adjustments if it does.

Board Safety Rounds

Rounding has been scheduled for Friday, September 21 from 9:30 a.m. to 11:00 a.m. in both Sequim and Port Angeles. Hand hygiene will be reviewed during these rounds.

Discussion ensued of using TalentCentral for the CEO's evaluation. Ms. Burkhardt explained how this can be done. If the Board preferred doing a hard copy instead, the form can be printed, completed, and then given to HR to load into TalentCentral. Education can be scheduled, if needed, before the October 17 Board Business meeting.

NEW BUSINESS

None

Executive session to discuss current or potential litigation pursuant to RCW 42.30.110(1)(i)

There being no further business the meeting was finally adjourned at 7:50 p.m.

APPROVED AND ADOPTED this 17th day of October, 2018.

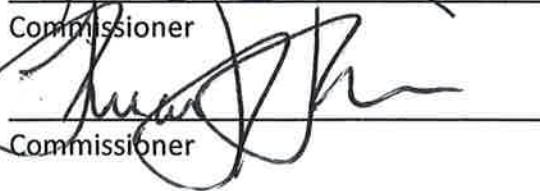
ATTEST:



Secretary



Commissioner



Commissioner



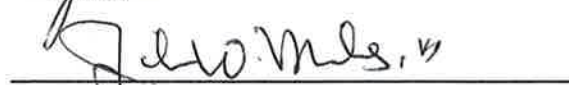
President



Commissioner



Commissioner



Commissioner