



**Board of Commissioners
Business Meeting Minutes
October 18, 2017**

The regular meeting of the Board of Commissioners of Olympic Medical Center was called to order at 6:00 pm by Board President Jim Leskinovitch in Linkletter Hall, and was opened with the pledge of allegiance. Also in attendance were Commissioners John Beitzel, Jim Cammack, Jean Hordyk, John Nutter, and Tom Oblak; CEO Eric Lewis; CNO/COO Lorraine Wall, RN; CMO/Safety Officer Scott Kennedy, MD; OMP CPO Joshua Jones, MD; CFO Darryl Wolfe; CHRO Richard Newman; General Counsel Jennifer Burkhardt, JD, GPHR; Marketing Manager Jeff Anderson; staff; public participants and Executive Assistant Gay Lynn Iseri. Commissioner John Miles, MD, and Risk Manager Donna Davison were excused.

CONSENT AGENDA

- A. Minutes for September 20, 2017, September 29, 2017, October 2, 2017, and October 6, 2017;
- B. Bad Debt for September 2017 in the amount of \$103,831.26;
- C. Vouchers for September 2017 in the amount of \$6,376,652.35;
- D. Payroll for the period of August 27 through October 7, 2017 in the amount of \$7,356,497.75;
- E. Surplus Property.

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

MEDICAL STAFF RECOMMENDATIONS – Harry Lyndes, MD, Chief of Staff

Approval was requested for the September 2017 Credentials Report as follows:

Appointment to the AHP Staff:

- 1. Boardman, Linda M., ARNP Peninsula Behavioral Health – Mental Health

Reappointment to the AHP Staff:

- 1. Butler, Marna, ARNP OMP Sleep Medicine
- 2. Hirst, Suzanne, PA-C OMP Family Medicine

Appointment to the Active Medical Staff:

- 1. Larson, Angela, MD OMP – Family Medicine
- 2. Larson, Dustin, MD OMP – Orthopedic Surgery

OLD BUSINESS

Sullivan Healthcare Contract Extension – Lorraine Wall, Chief Nursing Officer/COO

Sullivan Healthcare has been consulting since May 1 to help streamline processes in surgical services. The current contract ends the beginning of November, but more work is still needed to stabilize the department and look for more efficiencies. The request to extend the contract for another 6 months was presented at the approximate cost of \$197,880. This agreement has been reviewed and recommended by the Board Audit, Budget and Compliance committee to optimize this vital community service.

MOTION: To approve the extension of the Sullivan Healthcare Contract for six months as presented. ***Motion carried unanimously.***

Resolution 504: Contract Signing Authority – Darryl Wolfe, Chief Financial Officer

The resolution to increase the contract signing authority of the chief executive officer and other chiefs was presented for consideration. The resolution changes the signing authority of the CEO from \$50,000 to \$250,000, and adds authority to the CNO/COO, increases the authority for the CPO and CFO and repeals board resolution # 435. For any contract signed between \$100,000 and \$250,000 the board will be notified.

MOTION: To approve Resolution 504, Contract Signing Authority as presented. ***Motion carried unanimously.***

ADMINISTRATOR'S REPORT – Eric Lewis, Chief Executive Officer

Operations Update

Work to update the 2018-2020 Strategic Plan has been underway. Input has been received from the board, medical staff, employees and the public. The major focuses of the Plan were noted with increasing primary care access being the biggest goal. Collaborative work is being done with Jamestown Health Clinic and the North Olympic Healthcare Network. Millions of dollars will be invested in this area to create access. Surgical services and endoscopy services are being redesigned with new equipment and by hiring more employees. The physical plant will change with the addition of the central sterile processing area. The cancer center is being redesigned and a strategic plan is being developed. OMP primary care is moving toward team based care to increase access and panel sizes. The whole team, mental health professionals, APCs, RNs, MAs, and doctors will all share the responsibility in documentation. Process improvement around workforce development, recruitment, retention and education is underway to ensure the proper workforce to take care of patients. The Quality Management System, regulatory compliance and advocacy have never been more important.

2018 Operating and Capital Budget

The Board is requesting a 3 percent margin for 2018 for capital investments and to continue to pay the principal on debt. The biggest challenge is costs are increasing more than reimbursement. With the focus on equipment investments, the initial requests for the capital budget came in at \$22 million, but had to be reduced. The Board Audit, Budget and Compliance Committee will meet next week to finalize the budget.

Advocacy

At the Federal level, the advocacy team of John Nutter, Bobby Beeman, Darryl Wolfe and Jennifer Burkhardt traveled to Washington DC for Rural Advocacy Days. They discussed site neutral legislation and represented the sole community hospital agenda well to both parties. The 340b drug discount program cut of 28.5% was discussed, and a final ruling is expected from CMS in November. The American Hospital Association is prepared to introduce legislation to counter these proposed cuts if needed. This ruling would be a detriment to OMC, especially the cancer center. Cost sharing reduction payments are also at risk. At the State level, discussion about workforce development training is occurring with legislators and Peninsula College leaders.

Regulatory Issues

Charity care policies are under scrutiny since the State Attorney General is suing two hospitals for not following the charity care laws. Charity care has decreased due to the ACA, and access has been paid by cuts to Medicare reimbursement. The Medicare provider payment system reimbursement is coming into effect and could potentially bring penalties if data is not submitted. Behavioral health regulations such as reporting is adding costs which doesn't benefit the patient. Peninsula Behavioral Health cannot convert to Epic due to reporting requirements presenting a challenge on how can we change regulations to create efficiencies for the patient.

Medicaid Transformation

The Olympic Community of Health has been meeting diligently to figure out how the system will work for the three counties it represents. There was a \$50 million calculation error that will reduce what OMC will receive. Anticipated projects came in at \$6 million for 2018. Integration of mental health into primary care will occur by 2020. Value based reimbursement will be based on quality and outcomes, and will effect 17% of our business which is Medicaid. The state wants to save money on this process that is a complication. Funding for such social determinants of health such as housing and food was discussed.

NEW BUSINESS

Aramark Agreement – Darryl Wolfe, Chief Financial Officer

An amendment to the Aramark Agreement is needed to add services for the Nihon Kodan patient monitoring systems, anesthesia machines, and for more frequent software security upgrades. Aramark serves as OMC's bio-med vendor. This increases the monthly cost by \$10,000 to a total annual cost \$1,047,229. The term of the amendment will extend to year end 2022 with no inflation increases. The termination clause was noted as 90-days.

There being no further business the meeting was finally adjourned at 6:51 pm.

APPROVED AND ADOPTED this 15th day of November, 2017.

ATTEST:

Secretary

Commissioner

Commissioner



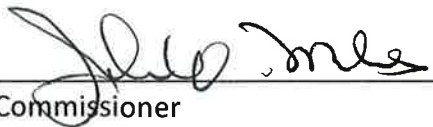
President



Commissioner



Commissioner



Commissioner