



**Board of Commissioners
Business Meeting Minutes
Linkletter Hall
October 21, 2015**

The regular meeting of the Board of Commissioners was called to order by Board President Tom Oblak in Linkletter Hall and was opened with the pledge of allegiance at 6:00 pm. Also in attendance were Commissioners John Beitzel, Jim Leskinovitch, John Miles, MD, John Nutter; CEO Eric Lewis; CMO Scott Kennedy, MD; CFO Julie Rukstad; Rebecca Corley, MD, OMP, Risk Manager Donna Davison, General Counsel Jennifer Burkhardt, Director of Administration Darryl Wolfe staff, public participants and Executive Assistant Gay Lynn Iseri. Commissioners Jim Cammack and Jean Hordyk, CMO Scott Kennedy, MD, and CNO Lorraine Wall were excused.

**PORT ANGELES COMMUNITY FORUM – Eric Lewis, chief executive officer
2015-2017 Strategic Plan Update**

Mr. Lewis spoke about the current healthcare operating environment including the Affordable Care Act, below cost reimbursement, proposed cuts to reimbursement, increased regulations and work force shortages. He noted 82% of OMC's business is reimbursed below the cost of care. He noted the overall goals of the plan include continued focus on quality and safety for patients while maintaining a stable workplace for employees and to continue being locally owned and operated. The key proposed goals for 2016 are recruitment and retention, continued expansion of primary care and specialty access, establishment of a walk in clinic in Port Angeles, further enhancement of quality, safety and satisfaction, completion of Port Angeles campus expansion and future expansion of Sequim campus, and legislative advocacy. He noted the draft plan for 2016-2018 will be posted on the OMC website on November 2, with approval of the plan sought at the November 18 board meeting.

Public Input on 2016-2018 Strategic Plan
None.

CONSENT AGENDA

- A. Minutes for September 16, 2015, October 6, 2015 and October 12, 2015;
- B. Bad Debt for September 2015 in the amount of \$327,495.75;
- C. Vouchers for September 2015 in the amount of \$6,685,826.28;
- D. Payroll for the period of August 30 through October 10, 2015 in the amount of \$5,785,736.49.

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

MEDICAL STAFF REPORT – Carleen Bensen, MD, chief of staff
September 2015 Medical Staff Credentials Report

Approval was requested for the September 2015 Medical Staff Credentials Report as follows:

MEDICAL STAFF

Appointment to the AHP Staff:

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

Reappointment to the *Courtesy Medical Staff:

- | | |
|-------------------------|--|
| 1. McGovern, Regina, MD | Orthopedic surgery*pending proctoring of 50 cases;
requesting Active privileges |
|-------------------------|--|

Reappointment to the Active Medical Staff:

- | | |
|------------------------|---------------------------|
| 1. Barton, Matthew, MD | Sheridan – Anesthesiology |
|------------------------|---------------------------|

Telemedicine Privileges:

- | | |
|-----------------------------|--|
| 1. Fathi, Joelle, ARNP | Swedish – TeleLung Screening/TeleTobacco Cessation |
| 2. Gilbert, Christopher, MD | Swedish – TeleLung Screening/TeleTobacco Cessation |
| 3. Gorden, Jed, MD | Swedish – TeleLung Screening/TeleTobacco Cessation |
| 4. Keung, Bonnie, MD | Swedish – Telestroke |

Resignations or Terminations of Contracts:

Effective Date

- | | |
|----------------------|----------|
| 1. Meier, Werner, MD | 08/17/15 |
|----------------------|----------|

MOTION: To approve the September 2015 Medical Staff Credentials Report as presented. ***Motion carried unanimously.***

OLYMPIC MEDICAL PHYSICIANS REPORT – Rebecca Corley, MD, OMP chief physician officer
OMP Orthopedic Physician Employment Agreement

The orthopedic physician employment agreement for Thomas Herschmiller, MD, orthopedic surgeon, which includes a \$50,000 signing bonus, a \$50,000 retention incentive at the end of year 5 and year 10, the standard \$4,000 CME, \$12,000 housing stipend, and moving allowance up to \$10,000 was presented for consideration.

MOTION: To approve the OMP physician employment agreement for Thomas Herschmiller, MD, orthopedic surgeon, at the first year base salary of FOUR HUNDRED FORTY THOUSAND ONE HUNDRED SEVENTY SEVEN DOLLARS (\$440,177) as presented.

Discussion: Due to the compensation of 25% MGMA and other hospitals offering greater salaries, the bonuses were included. ***Motion carried unanimously.***

The standard APC employment agreement for the physician assistant who will also join the orthopedic group was presented for consideration. It includes a \$10,000 signing bonus, a moving allowance up to \$5,000 and the standard CME allowance of \$2,500.

MOTION: To approve the OMP certified physician assistant employment agreement for Matthew Kiddle, PA-C, at the annual salary of ONE HUNDRED TWO THOUSAND DOLLARS (\$102,000) as presented. **Motion carried unanimously.**

Patient Exam Tables

Approval was requested for 28 electric patient exam tables for the OMP primary care and walk in clinics. Staff brought up the need for better tables during Board safety rounds.

MOTION: To approve the purchase of 28 electric patient exam tables for the OMP Primary Care and Walk-in Clinics from Owens and Minor for the cost of ONE HUNDRED EIGHT THOUSAND FIVE HUNDRED TWENTY FOUR DOLLARS AND SIXTY FOUR CENTS (\$108,524.64), plus sales tax as presented. **Motion carried unanimously.**

Provider Compensation Consultant

The Olympic Medical Physicians Compensation Committee reviewed a number of consultants and unanimously determined Sullivan Cotter and Associates to be the best fit to assist in determining appropriate provider compensation, productivity models and other quality metrics for recruitment and retention purposes.

MOTION: To approve the agreement for a provider compensation consultation by Sullivan Cotter and Associates for EIGHTY FIVE THOUSAND DOLLARS (\$85,000) as presented. **Motion carried unanimously.**

FINANCIAL UPDATE – Julie Rukstad, chief financial officer

Third Quarter 2015 Financials

Ms. Rukstad presented third quarter 2015 statistics with adjusted patient days at 3%, year to date September 2015 statistics which showed a 5% increase over last year, district 2015 third quarter operating results, and district year to date 2015 operating results. The year to date payor mix, district total margin, salaries and benefits compared to net revenue, and total A/R days of 39 were also noted. OMC now has 5 consecutive positive quarters, and over the past 4 years, has a 0.8% total net margin. Days cash on hand came in at 121 days.

PUBLIC COMMENT

None.

OLD BUSINESS

PACs Storage and Servers – Julie Rukstad, chief financial officer

Approval was requested of the storage and servers for the PACs system.

MOTION: To approve the purchase of PACS storage and servers from Ivoxy at the cost of TWO HUNDRED FORTY FOUR THOUSAND SIX HUNDRED SEVENTY TWO DOLLARS AND FORTY ONE CENTS (\$244,672.41) plus sales tax as presented. **Motion carried unanimously.**

Resolution 489 Endorsing Sequim School District Construction Bond – Tom Oblak, board president

Board President Tom Oblak read aloud the resolution endorsing the Sequim School District Construction Bond and asked for approval.

MOTION: To approve Resolution 489 Endorsing the Sequim School District Construction Bond as presented.

Discussion: OMC will continue to support the local school districts for recruitment and retention purposes of providers to the area.
Motion carried unanimously.

ADMINISTRATOR'S REPORT – Eric Lewis, chief executive officer

Operations Update

The Finance Department has the 2016 budget process underway. The proposed budget will be presented first to the Board Audit, Budget and Compliance Committee, then to the public in the Budget Hearing on November 4, and finally for consideration at the November 18 Board Business Meeting. Medical staff capital budget is \$4.5 million, greater than most years due to new surgery equipment, anesthesia needs, diagnostic imaging, and ultrasound machines. Construction costs will be \$14 million due to the medical office building project across the street from the hospital. The bluff soldier wall project is delayed until 2016. The Sequim campus development project and other projects are also budgeted.

State healthcare reform includes an ambitious proposal by Governor Inslee who has formed nine Accountable Communities of Health designed to transform the healthcare delivery system which is essentially the Triple Aim. Clallam County is in the Olympic Community of Health along with Jefferson and Kitsap Counties. Mr. Lewis announced he will serve on the board and very engaged in the process funded by a \$16 million innovation grant over the next three years. The delivery system will be transformed using core measures, focusing on outcomes and measurements not volumes. The program should be implemented by the year 2020.

Federal advocacy issues around the debt ceiling limit continue. Congress will need to act to move the ceiling up, or the government will shut down. A number of Medicare cuts are under discussion including site neutral reimbursement that would be a detriment to Olympic Medical Center if approved and reimbursed the same as free standing clinics who only operate during business hours from Monday through Friday instead of 24/7.

NEW BUSINESS

Radiation Oncology Locums Agreement – Scott Kennedy, MD, chief medical officer
Deferred.

Buildings Preventative Maintenance Services Agreement – Darryl Wolfe, director of administration

Mr. Wolfe introduced the renewal of an existing three-year agreement with Siemens for offsite buildings controls, maintenance and technical support accessible from one centralized location at the annual cost of \$39,650, plus tax. Formal approval will be sought at a future meeting.

Construction Management Services Agreement – Darryl Wolfe, director of administration

The agreement with Rice Fergus Miller was introduced that would increase architect services onsite at the Medical Office Building project to ensure the project is finalized successfully and timely with fewer change orders. The estimated cost of this agreement is not to exceed \$132,060.

Another issue was introduced at the building site. At the southwest corner of Race Street and Caroline Street, three feet of unsuitable soil was removed and truck loads of rock was needed to stabilize the lot. This additional cost will most likely come before the board as a change order at the next meeting.

The meeting finally adjourned at 6:44 pm.

APPROVED AND ADOPTED this 18th day of November, 2015.

ATTEST:

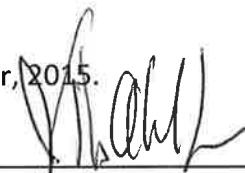


Secretary



Commissioner


Commissioner



President



Commissioner



Commissioner



Commissioner