

November 14th, 2023

The regular meeting of the Board of Commissioners of the Whidbey Island Public Hospital District was called to order at 12:01 pm by Board President, Commissioner Golder. Present were Commissioner, Ron Wallin; Commissioner, Morgan Cooper; Commissioner, James Golder; Commissioner, Greg Richardson; Chief Financial Officer, Paul Rogers; Chief Executive Officer, Nathan Staggs; Executive Director of Quality, Shanna Harney-Bates; Executive Director of Ancillary Services, Tim Waldner; Chief of Staff, Dr. David Lemme; Administrative Chief of Staff, John Gleason. Dominic Symes from HealthTech is also in attendance.

Consent Agenda

Commissioner Wallin motions to approve the consent agenda. Commissioner Richardson seconds the motion. Motion is approved.

Presentation of the Preliminary 2024 Budget

CFO Paul Rogers presents the 2024 budget, which includes budget assumptions, operating budget, capital budget, and a reconciliation of 2023 and a forecast for 2024. Employee health insurance changes from self-insured to fully insured in 2024, which will reduce costs by .7%. Total operating revenue is expected to increase a little over \$8 million. A surplus of \$1.1 million is forecasted for 2024.

Commissioner Wallin motions to approve the 2024 budget. Commissioner Cooper seconds the motion. Motion is approved.

Call to Order/Points of Order

Resolution #459 - Approving Board Meeting Dates for 2024. The board meeting will take place on the third Thursday of each month in 2024 with the exception of November, when it will take place on the second Thursday. Commissioner Wallin

motions to approve Resolution #459 as amended to show the dates for 2024.

Commissioner Richardson seconds the motion. Resolution #459 is approved.

Resolution #460 - Approving 2024 Hospital Levy. The EMS and regular levy reflect the 1% increase year over year. Collectively the cash incoming to the hospital will be about \$160,000. Commissioner Wallin motions to approve Resolution #460.

Commissioner Cooper seconds the motion. Resolution #460 is approved. Commissioner Cooper recommends requesting to have the treasurer come to a board meeting and explain how the levies work to the public.

Resolution #461 - Approving 2024 EMS Levy. Commissioner Wallin motions to approve Resolution #461. Commissioner Richardson seconds the motion. Resolution #461 is approved.

Resolution #462 - Approving the 2024 Budget and Tax Levy. Commissioner Richardson motions to approve Resolution #462. Commissioner Cooper seconds the motion. Resolution #462 is approved.

Public Comments

No public comments were made.

Medical Staff Report

Chief of Credentials, Dr. David Lemme

Initial Appointments:

- David S. Morison MD, Sound Physicians Hospitalist, Provisional Active Gladstone
- Linda Tuzzolino FNP, Behavioral Health, Freeland/Goldie, Provisional Active Dannhauer
- Steven R. Montgomery CRNA, Anesthesia, Provisional Active Aube
- Henry K. Yee, MD, Orthopedic Surgery, Per Diem, Courtesy Gladstone

Commissioner Richardson motions to approve the initial appointments. Commissioners Cooper seconds. Motion is approved.

Advancements:

- Michael S. Fortney MD, Diagnostic Imaging, Courtesy Gladstone

Commissioner Richardson motions to approve the initial appointments. Commissioners Cooper seconds. Motion is approved.

Reappointments:

- Dale Adishian MD, Orthopedic Surgery, Active Staff Hansen
- Michelle E. Aube CRNA, Anesthesia, Active Staff Gladstone
- Craig Kleiv CRNA, Anesthesia, Courtesy Aube
- Chase Simpson CRNA, Anesthesia, Active Gladstone
- Tarvinder Singh MD, Tele Stroke, Courtesy Aube
- James Wang MD, Tele Stroke, Courtesy Aube

Commissioner Cooper motions to approve the initial appointments. Commissioners Richardson seconds. Motion is approved.

HealthTech Update

Dominic Symes, HealthTech

Joy Smith was on-site Nov 2-9. Julie Haynes is assembling documents and results from our recent Strategic Planning session. Once that plan is reviewed by the Management Council, it will be brought to the board for approval. Director of Revenue Cycle search has restarted. John Freeman and Patrick Banks have both reviewed the adjusted entries. Commissioner Golder would like to see Patrick come to the hospital and educate staff and leadership on proper entries and proper handling of the cost report.

Foundation Update

Samar Arny, Executive Director of WhidbeyHealth Foundation

Samar gives an update on the successes of the foundation gala and tour de Whidbey, as well as online engagement with recent campaigns. The \$500,000 goal to pay for the two new ambulances was reached. Commissioner Wallin suggests that the Foundation put on more fundraising events on the north end of the island, where a majority of the EMS calls are received. The Women’s Family Birthplace will take place at 10:00 am on December 1st.

The new building that will be home to the Women's clinic is on track to open January 2nd. The Organizational Culture Committee is focusing on both the culture and orientation process.

Administration Report

Chief Executive Officer, Nathan Staggs

The nursing department is still actively replacing traveling nurses with permanent nurses. We brought in ITP for telehealth psychiatry. ITP's placement time is considerably shorter than our last company.

HR and Paul have assessed overtime and travelers to monitor any needs and developments. There have been hiccups in the open enrollment process. Brandy and the marketing department are focusing on redesigning the Whidbeyhealth website.

General Board Items

With new board members, new committee assignments have been developed. Commissioner Golder has brought committee assignment documents for each committee member.

Executive Session

No executive session was taken.

Commissioner's Comments

Commissioner Richardson rehashes his draft for the board agenda which can be revisited in the new year when the new commissioners join.

Commissioner Cooper congratulates Marion Jouas on her victory in the election for the position and expresses her gratitude to the board and management council for her time on the board.

The next board meeting will be December 21st at 12:00 pm.

Adjournment

Commissioner Golder adjourns the board meeting at 1:38 pm. Minutes taken by John Gleason.



President of the Commission



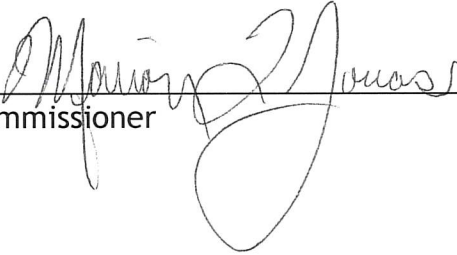
Secretary of the Commission



Commissioner



Commissioner



Commissioner

WHIDBEYHEALTH

BUDGET ASSUMPTIONS - 2024

Patient Volumes

Inpatient Admissions 8.7% increase (85 units)
Average Daily Census increase of .7 to 12.4
Outpatient Visits 5.0% increase (3,788 units)
Newborns no budgeted increase or decrease
Emergency Department 5% increase (918 units)
Surgeries 19.7% increase (394 units)
Adjusted Admissions 7.4% (641 units)
Clinics 12.6% (8,461 units)

Patient Revenues

Price increase 5% January 1, 2024
Price Increase Net Revenue Clearance 4.1%

Other Operating Revenue

No material changes from 2023 forecast. M&O levy unchanged.

Operating Expenses

Personnel Costs 7.9% increase
Volume increase related +23 FTE's (6.1% of the 7.9% increase)
Migration from self to fully insured reduced this cost by .7%
Total Personnel Costs per FTE increased by 3.4%
FTE's per AOB reduced by .3%
Physician Fees 1.9% increase
Purchased Services 9.1% increase
Expense migration responsible for 7.6% of the 9.1% increase
Legal Fees 3% increase
Supplies Expense 10.2% increase
Volume increase related costs account for 4.7% of the 10.2% increase
Increase in Ortho cases account for 2.2% of the 10.2% increase
Repairs and Maintenance 3% increase
Insurance 10.0% increase
Inflation is wholly responsible for this increase
Utilities 3.2% increase
Rent/Lease no budgeted increase or decrease
Other Operating Expense .7% increase
Depreciation 4.5% increase
\$1.5M in new expenditures and 5 year average estimated life

Non Operating Revenues and Expenses

Tax Subsidies unchanged
Bond interest expense budgeted to decline by \$151,989

WHIDBEYHEALTH

Operating Budget - 2024

	ACTUAL 8/31/2023 YTD	FORECAST 2023	BUDGET 2024	VARIANCE	%
Inpatient Revenue	21,037,247	31,471,652	35,518,817	4,047,165	12.9%
Outpatient Revenue	166,722,781	248,006,842	276,154,013	28,147,171	11.3%
Total Patient Revenue	187,760,028	279,478,494	311,672,830	32,194,336	11.5%
Discounts and Allowances	106,210,441	157,865,618	181,798,420	23,932,802	15.2%
Charity	229,994	350,862	355,079	4,218	1.2%
Bad Debt	4,244,746	5,409,088	5,581,989	172,901	3.2%
Total Revenue Deductions	110,685,181	163,625,568	187,735,489	24,109,921	14.7%
Revenue deductions %		58.5%	60.2%	74.9%	
Net Patient Revenue	77,074,847	115,852,926	123,937,342	8,084,416	7.0%
Other Operating Revenue	8,771,945	13,180,846	13,190,963	10,117	0.1%
Total Operating Revenue	85,846,792	129,033,772	137,128,304	8,094,533	6.3%
Salaries and Wages	33,716,007	51,334,400	55,957,341	4,622,941	9.0%
Benefits	9,956,004	15,450,902	16,328,828	877,926	5.7%
Contract Labor	4,327,046	6,178,229	6,415,746	237,517	3.8%
Physicians Fees	7,513,855	10,928,004	11,140,973	212,968	1.9%
Purchased Services	5,652,235	9,433,315	10,288,555	855,240	9.1%
Legal Fees	82,113	91,773	94,526	2,753	3.0%
Supplies	11,702,692	17,311,469	19,083,271	1,771,802	10.2%
Repairs and Maintenance	2,466,726	3,387,004	3,488,614	101,610	3.0%
Insurance	882,060	1,292,894	1,422,184	129,289	10.0%
Utilities	1,106,792	1,660,973	1,713,510	52,537	3.2%
Rent/Lease	687,745	680,866	680,866	-	0.0%
Other Operating Expense	3,394,973	5,230,902	5,268,828	37,926	0.7%
Interest	294,728	751,265	751,265	-	0.0%
Depreciation	4,151,778	6,672,019	6,972,019	300,000	4.5%
Total Operating Expense	85,934,754	130,404,017	139,606,525	9,202,508	7.1%
Total Operating Income	(87,962)	(1,370,245)	(2,478,221)	(1,107,976)	80.9%
Tax Subsidies	2,906,232	4,359,353	4,359,353	-	0.0%
Non Operating Rev/(Exp)	(1,376,268)	(1,818,387)	(1,666,398)	151,989	-8.4%
Total Non Operating	1,529,964	2,540,966	2,692,955	151,989	6.0%
Total Surplus (Loss)	1,442,002	1,170,721	214,734	(955,987)	-81.7%
HOSPITAL					
ADMISSIONS	665	974	1,059	85	8.7%
PATIENT DAYS	2,822	4,266	4,515	249	5.8%
ADC	11.6	11.7	12.4	0.7	5.8%
ALOS	4.2	4.4	4.3	(0.1)	-2.6%
OP VISITS	51,131	75,758	79,546	3,788	5.0%
DELIVERIES	162	210	210	-	0.0%
NURSERY DAYS	262	342	342	-	0.0%

ER VISITS DISCHARGED	12,056	17,610	18,491	881	5.0%
ER VISITS ADMITTED	500	752	790	38	5.0%
TOTAL ER VISITS	12,556	18,362	19,280	918	5.0%
IP SURGERIES	154	254	303	49	19.2%
OP SURGERIES	1,226	1,750	2,096	346	19.7%
TOTAL SURGERIES	1,380	2,004	2,398	394	19.7%
TOTAL PAID FTE'S	531.4	534.5	557.5	23.0	4.3%

CLINICS

SURGICAL CARE	903	1,340	1,407	67	5.0%
WOMENS CARE	3,192	4,758	5,116	358	7.5%
UROLOGY CARE	56	146	255	109	74.9%
ORTHOPEDIC CARE	2,047	2,476	4,223	1,747	70.6%
MAC	7,300	10,600	11,130	530	5.0%
PRIMARY CARE FREELAND	2,731	3,938	4,135	197	5.0%
PRIMARY CARE CLINTON	350	536	563	27	5.0%
WALK-IN CLINTON	5,506	8,044	8,446	402	5.0%
WALK-IN OAK HARBOR	10,270	15,460	16,233	773	5.0%
PRIMARY CARE COUPEVILLE	-	-	1,920	1,920	-
WALK-IN COUPEVILLE	-	-	3,000	3,000	-
PRIMARY CARE CABOT	13,159	19,818	19,149	(669)	-3.4%
TOTAL CLINICS	45,514	67,116	75,577	8,461	12.6%

METRICS

OP FACTOR	8.9	8.9	8.8	(0.11)	-1.2%
ADJUSTED ADMISSIONS	5,935	8,649	9,290	641	7.4%
GROSS REV/ADJ ADMISSION	\$ 31,635	\$ 32,312	\$ 33,549	\$ 1,238	3.8%
NET REV/ADJ ADMISSION	\$ 12,986	\$ 13,394	\$ 13,341	\$ (53)	-0.4%
OPEX per AA	\$ 14,479	\$ 15,077	\$ 15,028	\$ (49)	-0.3%
OPEX as % of NPR	111.5%	112.6%	112.6%	0.1%	-
REVENUE DEDUCTS %	59.0%	58.5%	60.2%	1.7%	-
S&W as % of NPR	43.7%	44.3%	45.1%	0.8%	-
SUPPLIES as % of NPR	15.2%	14.9%	15.4%	0.5%	-
BENEFITS as % of NPR	29.5%	30.1%	29.2%	-0.9%	-
CONTRACT LABOR as % of NPR	5.6%	5.3%	5.2%	-0.2%	-
FTE'S per ADJ OCC BED	5.13	5.15	5.14	(0.01)	-0.3%
SWBCL per FTE	\$ 135,674	\$ 136,508	\$ 141,169	\$ 4,661	3.4%

WHIDBEYHEALTH

Capital Budget - 2024

IV Pumps (98)	Replacement	End-of-life 12/2024	ICU, M/S, ER, Birthing Center, MAC, Imaging, Education, PACU, Pharmacy	December, 2024	\$ 370,440
Verathon Bladder	New	This will eliminate the need to borrow from M/S	ER	January, 2024	\$ 11,085
Stryker Stretchers (2)	Replacement	Rust and wear	ER	December, 2024	\$ 32,400
Arrow VPS Rhythm DLX Device System	Replacement	End-of-life and no longer serviceable. Needed for PICC and central line placement.	Surgical Services	January, 2024	\$ 25,419
Mini C-Arm	Replacement	Existing equipment is 20 years old. Needed for growing Ortho program.	Surgical Services	August, 2024	\$ 81,000
CYF-VH Flex CystoNephro Scope	Replacement	Needed for growing Urology Program. Existing equipment is 15 years old	Surgical Services	April, 2024	\$ 17,820
URF-V3 Urethroscope (Reconditioned)	Replacement	Needed for growing Urology Program. Existing equipment is 15 years old	Surgical Services	April, 2024	\$ 17,742
WA22UR23A Urethroscope Dual Channel (Reconditioned)	Replacement	Needed for growing Urology Program. Existing equipment is 15 years old	Surgical Services	April, 2024	\$ 6,528
Scrub sinks (2)	Replacement	1 of 2 is inoperable. Both are ancient.	Surgical Services	May, 2024	\$ 30,535
Covidien Valleylab Force Triad (Refurb)	Replacement	Increases capability to run 2 rooms concurrently	Surgical Services	June, 2024	\$ 7,995
Linet Sprint 200 Stretchers (4)	Replacement	End of life	PACU	February, 2024	\$ 51,100
AMSCO 2532 Washer Disinfector	Replacement	End of life, DMV issue	Sterile Processing	June, 2024	\$ 52,633
AMSCO 7052HP Washer Disinfector	Replacement	End of life, DMV issue	Sterile Processing	June, 2024	\$ 93,594
Intellivue MX450	Replacement	Allows for flow of vitals into Meditech Expanse	Surgical Services	June, 2024	\$ 43,200
Newborn Radiant Warmer (2)	Replacement	End-of-life in 2021, parts unavailable	Family Birthing	July, 2024	\$ 31,320
Infant Cardiac Monitor	Replacement	End-of-life in 2019	Family Birthing	January, 2024	\$ 15,975
Avalon Fetal & Maternal Monitor FM30	Replacement	End-of-life in 2012	Family Birthing	March, 2024	\$ 20,269
Birthing Beds (4)	Replacement	End-of-life, patient and staff complaints, repair costs	Family Birthing	May, 2024	\$ 75,319
Newborn Isolette (2)	Replacement	Gold standard of ill newborn care	Family Birthing	October, 2024	\$ 41,494
Bilirubin Light	New	More than one newborn requiring bilirubin light require transfer at present	Family Birthing	November, 2024	\$ 6,220
Avalon Fetal & Maternal Monitor	Replacement		Family Birthing	December, 2024	\$ 54,000
AHU #6 (Kitchen)	Replacement	End-of-life	Engineering	June, 2024	\$ 59,400
AHU #8 Coil Replacement (Admin and DI)	Replacement	Existing coil is non-functioning	Engineering	May, 2024	\$ 32,400
AHU #8 Compressor (Admin and DI)	Replacement	Existing compressor is non-working	Engineering	April, 2024	\$ 43,200

Hoist	New	This will greatly reduce the risk of injuries sustained while transporting heavy materials to the roof	Engineering	May, 2024	\$ 36,720
Flooring	Replacement	All carpeted areas of the main hospital building	Engineering	January, 2024	\$ 216,000
Controls Upgrade Clinton	New	This will eliminate travel to Clinton for temperature issues	Engineering	July, 2024	\$ 61,560
Total					\$ 1,535,369

WhidbeyHealth

Reconciliation of 2023 Forecast to 2024 Budget

2023 Forecast	1,170,721
2024 Budget (Loss)	214,734
Variance	(955,987)
Meditech Expanse	(921,301)
Labor Unions	(1,147,800)
Compression	(104,667)
23 FTE addition	(2,194,477)
5% Price Increase	575,219
5% Volume Increase	2,139,042
Self-funded to fully insured	540,305
Clearinghouse Migration	250,000
CEO/CFO Travel Elimination	123,132
Severence Elimination	231,538
GASB 87	(387,259)
Depreciation	(300,000)
Mobile CT Elimination	90,000
Other	150,281
Total	(955,987)