

REGULAR MEETING
BOARD OF COMMISSIONERS
Public Hospital District No. 1-A of Whitman County, Washington
d/b/a
Pullman Regional Hospital
Wednesday, Feb. 3, 2010 -- 7:00 p.m.
Council Chambers, Pullman City Hall, 325 SE Paradise, Pullman

Board of Commissioners

P-Tricia Grantham, President
P-Joe Pitzer, Vice President
E-Jenny Blaylock, Secretary
P-Michael Murphy, Commissioner
P-Jeanne Holstad, Commissioner
P-Jeff Elbracht, Commissioner
P-Sandra O'Keefe, Commissioner

Guests:

Andrea Howell
Pete Peters

Hospital Personnel

P-Scott K. Adams, CEO
P-Jeannie Eylar, CCO
P-Steve Febus, CFO
P-Richard Caggiano, M.D., CMO
P-Bernadette Berney, HR
P-Pete Mikkelsen, M.D., President/Medical Staff
P-Dorcas Hirzel, QA
P-Kelly N. Brown, Legal Counsel
P-Megan Guido, Foundation/Community Relations
P-Bonnie Martin, Administrative Assistant

I. CALL TO ORDER

President Grantham called the meeting to order at 7:00 p.m. and roll call was taken with the following Commissioners answering present: Pitzer, Murphy, Holstad, Elbracht, O'Keefe, and Grantham. Commissioner Blaylock was an excused absence.

II. APPROVAL OF MINUTES

The minutes of the January 6, 2010, Regular Meeting of the Board of Commissioners were approved as distributed.

III. MODIFICATIONS TO AGENDA

Kelly Brown requested that Item B under Section VI. be changed to read: Bank Resolution: Waiver of Revenue Bonds, Series 2003, Series 2004 and Series 2004B, Defaults. Commissioner Murphy requested that Finance Committee be moved to Action/Discussion Items.

IV. CONSENT AGENDA

President Grantham asked for approval of the Consent Agenda. Commissioner Pitzer moved to approve the Consent Agenda as modified. Commissioner Holstad

seconded the motion. The following committee reports were approved unanimously:

- Medical Staff
- Quality Improvement Committee
- Governance Committee
- Strategic Planning Committee
- Foundation
- Warrants
- Balanced Scorecard.

V. ADMINISTRATIVE UPDATE

Scott Adams referenced the written administrative update, a summary of hospital activities during January. Mr. Adams introduced Andrea Howell, who began her role as Pharmacy Director at the hospital. Ms. Howell shared some personal information as well as her history with Pullman Regional Hospital and ongoing work plans for the Pharmacy.

VI. ACTION/DISCUSSION ITEMS

- A. Financial Update** – Commissioner Murphy requested an update regarding the cost savings plan implemented July 1, 2009 and plans for the next 6-months considering recent improvements in the hospital's financial status. Steve Febus, CFO, stated that the plan was designed for one year (through 6-30-2010) and will be reviewed again after the 1st quarter 2010 financials are known. Mr. Febus then presented the 2009 year-end financial report. There is an expected excess of revenue over expenses for the year of \$149,976 compared to an estimated gain of \$400,221. There may be some adjustments to year-end based on the cost report and any audit adjustments including gain or losses with hospital owned LLCs. Total margin was 0.2% and accounts receivable days were at 44. Mr. Febus also reviewed inpatient admissions and outpatient services volumes as compared to the previous year.
- B. Bank Resolution: Waiver of Revenue Bonds, Series 2003, Series 2004 and Series 2004B, Defaults.** – Steve Febus explained the purpose of this resolution is to further amend financial covenants relating to revenue bonds and waive certain defaults existing by and between the Bank and Hospital District for the period July 1, 2009 through June 30, 2010. At the end of this specified period the covenant would revert back to the 1.25 ratio. The Agreement to Waive Defaults will assist in the audit with documentation of our compliance with the bank covenants. Commissioner Pitzer read aloud Resolution No. 435, approving an Agreement to Waive Defaults with US Bank National Association relating to the District's Hospital System Revenue Bonds, Series 2003, Series 2004 and Series 2004B. Commissioner Murphy moved to adopt Resolution No. 435, Commissioner O'Keefe seconded, and it was approved unanimously.

- C. **Foundation Agreement** – Scott Adams introduced the proposed agreement between the hospital and the hospital Foundation which is to formalize and define the responsibilities of each party. The Foundation Board has reviewed and adopted the agreement and asks for adoption by the Board of Commissioners. As part of the review by the commissioners, it was suggested that a statement reflecting that Foundation Directors and Officers are covered under the hospital's D & O insurance would be appropriate and fall under the Hospital Commitments section. In addition, Item 4 under Hospital Commitments should be changed to clarify that the Foundation would be notified of any request for records relating to the Foundation. Kelly Brown will discuss these two modifications further with Megan Guido and Scott Adams and prepare an amendment to the agreement for consideration by the Foundation Board and the Hospital Board. Commissioner Holstad moved to accept the agreement between the Hospital and the Hospital Foundation. Commissioner Murphy seconded the motion with the understanding that modifications would be made with respect to the records request and D & O coverage as discussed tonight. The Agreement was approved unanimously.
- D. **Resolution: Retired Assets** – Commissioner Pitzer read aloud Resolution No. 436, a resolution disposing of surplus personal property. Commissioner O'Keefe moved to approve Resolution No 436 and Commissioner Murphy seconded. The motion carried unanimously.
- E. **4th Qtr. / Annual Environment of Care Report** – Commissioner Pitzer inquired about security efforts at the hospital. Jeannie Eylar responded that, with improved security in the form of security personnel onsite for scheduled hours every day, nursing staff and emergency department staff feel more comfortable and confident in the ability to obtain assistance if needed. In addition, training has been available in-house for staff on how to deal with unusual situations that may occur in the hospital setting. There being no further discussion or questions, Commissioner Murphy moved that the 2009 Annual Environment of Care Report be approved. Commissioner Holstad seconded the motion and the motion carried unanimously.
- F. **Update on Dr. Gawande Presentation** – Scott Adams and Jeannie Eylar attended this presentation in Seattle sponsored by the Washington State Hospital Association. Dr. Gawande is recognized nationally and internationally for his efforts in patient safety and endorses the use of surgical checklists in the operating room. It was a worthwhile session but felt the time was too brief to learn more in order to benefit our application of this tool.

VII. ANNOUNCEMENTS

- A. Patient Safety Summit, Seattle, April 13 or 14. If interested in attending, contact Bonnie Martin.
- B. Summit Award – President Grantham shared a personal note received from Representative Cathy McMorris recognizing Pullman Regional Hospital for

being awarded the Press Ganey Summit Award for outstanding patient satisfaction for 36 consecutive months.

At 8:02 p.m., the President called for a 5-minute recess to be followed by an Executive Session to discuss personnel matters, real estate matters, and consult with legal counsel for 30 minutes.

VIII. EXECUTIVE SESSION

The meeting went into Executive Session at 8:08 p.m. to discuss personnel matters, real estate matters, and consult with legal counsel for 30 minutes. At 8:38 p.m., the President announced that the Executive Session would continue for another 15 minutes to discuss personnel matters and real estate matters. The Executive Session ended at 8:53 p.m.

IX. OPEN SESSION

The meeting resumed in Open Session at 8:58 p.m. Commissioner Murphy moved that the revised Credentials Report be approved and the appointments and privileges stated be granted. Commissioner O'Keefe seconded the motion. The motion passed unanimously.

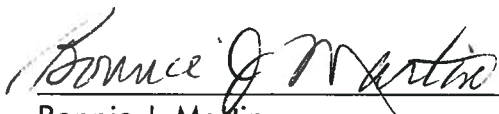
X. MEETING EVALUATION

The President reminded the commissioners to turn in their comments about the meeting.

XI. ADJOURNMENT

The meeting adjourned at 8:59 p.m.

Respectfully submitted by:



Bonnie J. Martin
Administrative Assistant



Joe Pitzer, Vice-President
Board of Commissioners
(Minutes are not officially approved until the next Regular Board Meeting.)