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Special Session Agenda  
January 20, 2016

<b><u>Call to Order:</u></b>	12:30
<b><u>Patient Story:</u></b> Joyce Cardinal	12:35
<b><u>Minutes:</u></b> Action Requested	12:40
• January 6 Regular Session (pages 2-3)	
<b><u>Resolution 2016-02:</u></b> Action Requested	12:45
• Proposition No. 1 Port Townsend School District No. 50 Bonds to Construct and Improve Schools (page 4)	
• Public Comment	
<b><u>Resolution 2016-03:</u></b> Action Requested	12:50
• Proposition No. 1 Chimacum School District No. 49 Facility Improvement General Obligation Bonds (page 5)	
• Public Comment	
<b><u>Required Approvals:</u></b> Action Requested	1:00
• Dec Warrants and Adjustments (pages 6-9)	
• Resolution 2016-05 Cancel Dec Warrants (page 10)	
• Resolution 2016-04 Equipment Surplus (page 11 )	
<b><u>Public Comment:</u></b>	1:05
<i>(Alternative methods of providing public comment on any item on the agenda or any other hospital issue is through a letter addressed to Commissioners at 834 Sheridan Street, Port Townsend, WA 98368 or email to Commissioners at <a href="mailto:commissioners@jgh.org">commissioners@jgh.org</a>)</i>	
<b><u>Chief Medical Officer Report:</u></b> Joe Mattern, MD	1:10
<b><u>Financial Report:</u></b> Hilary Whittington	1:15
• December (page 12)	
<b><u>Administrator's Report:</u></b> Mike Glenn	1:30
• ACO Update	
• New Provider Update	
• CNO Update	
• Advocacy Meeting in Olympia and Advocacy Agenda	
• Other	
<b><u>Board Reports:</u></b>	1:40
<b><u>Adjournment:</u></b>	1:50

This Special Session will be officially audio recorded.

**Jefferson County Public Hospital District No.2  
Board of Commissioners  
Regular Session Minutes  
January 6, 2016  
Jefferson Healthcare Conf Room  
2500 W. Sims Way suite 302**

**Call to Order:**

The meeting was called to order at 3:30 pm by Commission Secretary Dressler. Present were Commissioners De Leo, Dressler, Kolff and Ready. Commissioner Buhler was excused. Also present were Mike Glenn, CEO, Joyce Cardinal, CNO, Hilary Whittington, CFO, Lisa Holt, CAO, Brandie Manuel, Executive Director Quality, Kate Burke, Marketing Director, and Suzy White, Administrative Assistant. This meeting is being officially audio recorded by Jefferson Healthcare.

**Minutes:**

- Dec 16 Regular Session

Commissioner De Leo made a motion to approve Dec 16 regular session minutes as amended. Commissioner Dressler seconded the motion.

**Action:** Motion passed unanimously.

**Patient Story:**

Joyce Cardinal shared a story about an orthopedic patient and her positive outcome.

**Required Approvals:**

- Medical Staff Credentials/Appointments/Reappointments
- Resolution 2016-01 Equipment Surplus

Commissioner De Leo made a motion to approve Medical Staff Credentials/appointment/reappointments as presented and Resolution 2016-01 to surplus equipment as presented. Commissioner Ready seconded the motion.

**Action:** Motion passed unanimously.

**Public Comment:**

A citizen commented on the school bond proposals to be presented today.

**Presentation:**

Jeff Randall, citizen volunteer, gave a presentation on Proposition No. 1 Port Townsend School District No. 50 bonds to construct and improve schools.

A citizen made comments on the Bond proposal.

**Presentation:**

Rick Thompson, superintendent, gave a presentation on Proposition No. 1 Chimacum School District No. 49 Facility Improvement General Obligation Bonds.

Molly Hong, MD, chief of staff, spoke about the Providers full support for the school bonds.

At 4:31pm Commissioner Dressler announced a brief recess. At 4:36pm Commissioner Dressler reconvened the meeting.

**Presentation:**

Attorney Dave Neupert introduced Patrick Irwin of Platt Irwin Law Firm. Mr. Irwin gave a presentation on the public records act and the open public meetings act.

**Administrator's Update:**

- ESSB Update

Aaron Vallat, Construction Planning Manager, gave a presentation on the progress of the Emergency and Specialty Services Building project. Hilary Whittington provided a financial update.

**Board Business:**

- Election of Officers

Commissioner De Leo made a motion to nominate Commissioner Buhler for President and Commissioner Dressler for Secretary. Commissioner Kolff seconded the motion.

**Action:** Commissioner Buhler was elected President and Commissioner Dressler was elected Secretary. The vote was unanimous.

**Board Reports:**

Commissioner Kolff commented on the Greening Health Care book by Kathy Gerwig and the Critical Questions publication by WSHA.

**Public Comment:**

Molly Hong, MD invited commissioners to attend medical executive committee.

**Adjourn:**

Commissioner Ready made a motion to adjourn to conclude the meeting. Commissioner De Leo seconded the motion.

**Action:** Motion passed unanimously.

Meeting adjourned at 5:57 pm.

Approved by the Commission:

President of Commission: Jill Buhler \_\_\_\_\_

Secretary of Commission: Marie Dressler \_\_\_\_\_

**RESOLUTION 2016-02**

**Jefferson County Public Hospital District No. 2**

A Resolution of the Jefferson County Public Hospital District No. 2 Board of Commissioners in support of the 2016 Port Townsend School District No. 50 Proposition No. 1 Bonds to Construct and Improve Schools

WHEREAS, the Port Townsend School District has placed upon the ballot on February 9, 2016, a construct and improve schools bonds, which is necessary for high academic standards of the Port Townsend School District; and

WHEREAS, RCW 42.17A.555(1) permits the members of the elected commission of a public hospital district to express a collective decision to support a ballot proposition; and

WHEREAS, the Jefferson County Public Hospital District No. 2 Board of Commissioners has complied with the procedural requirements of that statute, and wishes to express a collective decision in support of a ballot proposition; and

WHEREAS, Jefferson County Public Hospital District No. 2 recognizes the importance of quality public schools for the recruitment and retention of medical providers, healthcare professionals and other essential personnel, and the importance of health and physical education in preparing students to adopt healthy lifestyles;

NOW THEREFORE, BE IT RESOLVED the Jefferson County Public Hospital District No. 2 Board of Commissioners endorses and declares its support for the passage of the February 9, 2016, Port Townsend School District No. 50 Construct and Improve Schools Bonds.

ADOPTED and APPROVED by the Board of Commissioners of Jefferson County Public Hospital Dist No. 2 at an open public meeting thereof this 20<sup>th</sup> day of January, 2016, the following Commissioners being present and voting in favor of the resolution.

Commission President – Jill Buhler: \_\_\_\_\_

Commission Secretary – Marie Dressler: \_\_\_\_\_

Attest:

Commissioner – Anthony De Leo: \_\_\_\_\_

Commissioner – Kees Kolff: \_\_\_\_\_

Commissioner – Matt Ready: \_\_\_\_\_

**RESOLUTION 2016-03**

**Jefferson County Public Hospital District No. 2**

A Resolution of the Jefferson County Public Hospital District No. 2 Board of Commissioners in support of the 2016 Chimacum School District No. 49 Proposition No. 1 Facility Improvement General Obligation Bonds.

WHEREAS, the Chimacum School District has placed upon the ballot on February 9, 2016, a facility improvement general obligations bonds, which is necessary for high academic standards of the Chimacum School District; and

WHEREAS, RCW 42.17A.555(1) permits the members of the elected commission of a public hospital district to express a collective decision to support a ballot proposition; and

WHEREAS, the Jefferson County Public Hospital District No. 2 Board of Commissioners has complied with the procedural requirements of that statute, and wishes to express a collective decision in support of a ballot proposition; and

WHEREAS, Jefferson County Public Hospital District No. 2 recognizes the importance of quality public schools for the recruitment and retention of medical providers, healthcare professionals and other essential personnel, and the importance of health and physical education in preparing students to adopt healthy lifestyles;

NOW THEREFORE, BE IT RESOLVED the Jefferson County Public Hospital District No. 2 Board of Commissioners endorses and declares its support for the passage of the February 9, 2016, Chimacum School District No. 49 Facility Improvement General Obligation Bonds.

ADOPTED and APPROVED by the Board of Commissioners of Jefferson County Public Hospital Dist No. 2 at an open public meeting thereof this 20<sup>th</sup> day of January, 2016, the following Commissioners being present and voting in favor of the resolution.

Commission President – Jill Buhler: \_\_\_\_\_

Commission Secretary – Marie Dressler: \_\_\_\_\_

Attest:

Commissioner – Anthony De Leo: \_\_\_\_\_

Commissioner – Kees Kolff: \_\_\_\_\_

Commissioner – Matt Ready: \_\_\_\_\_

**JEFFERSON HEALTHCARE  
834 SHERIDAN AVENUE  
PORT TOWNSEND, WA 98368**

**TO: BOARD OF COMMISSIONERS  
FROM: HILARY WHITTINGTON, CFO  
RE: DECEMBER 2015 WARRANT SUMMARY**

**The following items need to be approved at the next commission meeting:**

General Fund Warrants & ACH Transfers	<b>\$8,778,469.81</b>	(Provided under separate cover)
Bad Debt / Charity	<b>\$339,065.43</b>	(Attached)
Canceled Warrants	<b>\$690.64</b>	(Attached)

**JEFFERSON HEALTHCARE  
834 SHERIDAN AVENUE  
PORT TOWNSEND, WA 98368**

**TO: BOARD OF COMMISSIONERS  
FROM: HILARY WHITTINGTON, CFO  
RE: DECEMBER 2015 GENERAL FUND WARRANTS & ACH  
FUND TRANSFERS**

**Submitted for your approval are the following warrants:**

**GENERAL FUND:**

<b>221138 - 222038</b>	<b>\$4,288,938.61</b>
<b>ACH TRANSFERS</b>	<b><u>\$4,489,531.20</u></b>
	<b><u>\$8,778,469.81</u></b>
<b>YEAR-TO-DATE:</b>	<b><u><u>\$87,090,220.49</u></u></b>

Warrants are available for review if requested.

JEFFERSON HEALTHCARE  
834 SHERIDAN AVENUE  
PORT TOWNSEND, WA 98368

TO: BOARD OF COMMISSIONERS  
FROM: HILARY WHITTINGTON, CFO  
RE: DECEMBER 2015 BAD DEBT, ADMINISTRATIVE, AND CHARITY CARE WRITE OFFS

Submitted for your approval are the following:

	December	December YTD	December YTD BUDGET
Bad Debts:	\$152,899.33	\$3,375,291.36	\$3,491,465.76
Charity Care:	\$99,838.20	\$1,007,943.74	\$3,543,756.72
Other Administrative Adjustments:	\$86,327.90	\$612,779.78	\$244,999.92
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<b>TOTAL FOR MONTH:</b>	<b>\$339,065.43</b>	<b>\$4,996,014.88</b>	<b>\$7,280,222.40</b>
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JEFFERSON HEALTHCARE  
834 SHERIDAN AVENUE  
PORT TOWNSEND, WA 98368

TO: BOARD OF COMMISSIONERS  
FROM: HILARY WHITTINGTON, CFO  
RE: DECEMBER 2015 WARRANT CANCELLATIONS

State law requires you to pass a resolution canceling any warrants which are not presented to the Treasurer for payment within one year of issue.

DATE	WARRANT	AMOUNT
12/4/2014	211641	\$ 313.24
12/8/2014	211849	\$ 30.20
12/18/2014	212028	\$ 327.20
12/29/2014	212272	\$ 20.00

TOTAL: \$690.64

JEFFERSON COUNTY PUBLIC HOSPITAL DISTRICT NO. 2

RESOLUTION 2016-05

A RESOLUTION CANCELING SAID WARRANT IN  
THE AMOUNT OF \$ 690.64

WHEREAS warrants of any municipal corporation not presented within one year of their issue, or, that have been voided or replaced, shall be canceled by the passage of a resolution of the governing body.

NOW, THEREFORE BE IT RESOLVED THAT:

In order to comply with RCW 36.22.100, warrants indicated below in the total amount of \$690.64 be canceled.

Date of Issue	Warrant #	Amount
12/4/2014	211641	\$313.24
12/8/2014	211849	\$30.20
12/18/2014	212028	\$327.20
12/29/2014	212272	\$20.00
<b>Total</b>		<b>\$690.64</b>

APPROVED THIS 20<sup>th</sup> day of January 2016.

JEFFERSON COUNTY PUBLIC HOSPITAL DISTRICT NO. 2

APPROVED BY THE COMMISSION:

Commission President – Jill Buhler: \_\_\_\_\_

Commission Secretary – Marie Dressler: \_\_\_\_\_

Attest:

Commissioner – Anthony De Leo: \_\_\_\_\_

Commissioner – Kees Kolff: \_\_\_\_\_

Commissioner – Matt Ready: \_\_\_\_\_

**RESOLUTION 2016-04**

**A RESOLUTION TO DECLARE CERTAIN ITEMS SURPLUS TO THE NEEDS OF  
JEFFERSON COUNTY PUBLIC HOSPITAL DISTRICT NO. 2 AND  
TO AUTHORIZE THE DISPOSAL OF SAID EQUIPMENT**

WHEREAS the item(s) of equipment enumerated below are obsolete and otherwise surplus to the needs of the District, and

WHEREAS said equipment now creates a storage problem and represents an unnecessary cost to the District to retain it,

NOW, THEREFORE BE IT RESOLVED THAT:

- 1) The following equipment be declared surplus to the immediate needs of Jefferson County Public Hospital District No. 2 and will be disposed of in compliance with appropriate State laws:

<b>Description</b>	<b>Asset #</b>	<b>Serial #</b>	<b>Model #</b>
Mallinkrodt Injector	09-00147	C10608B530	Optivantage DH
Transformer Grid Cabinet	N/A	130515000015 266	T14-M
Quantum Medical Table XRay	13-00397	QT 710-13E- 0501	N/A
Philips C-Arm	0R02011	N/A	BV-29

APPROVED THIS 20<sup>th</sup> day of January, 2016.

JEFFERSON COUNTY PUBLIC HOSPITAL DISTRICT NO. 2

APPROVED BY THE COMMISSION:

Commission President – Jill Buhler: \_\_\_\_\_

Commission Secretary – Marie Dressler: \_\_\_\_\_

Attest:

Commissioner – Anthony De Leo: \_\_\_\_\_

Commissioner – Kees Kolff: \_\_\_\_\_

Commissioner – Matt Ready: \_\_\_\_\_

	December 2015 Actual	December 2015 Budget	Variance Favorable/ (Unfavorable)	%	December 2015 YTD	December 2015 Budget YTD	Variance Favorable/ (Unfavorable)	%	December 2014 YTD
<b>Gross Revenue</b>									
Inpatient Revenue	3,092,735	3,079,805	12,930	0%	34,808,057	36,957,658	(2,149,601)	-6%	30,726,300
Outpatient Revenue	10,869,306	10,471,291	398,015	4%	130,057,320	125,655,492	4,401,827	4%	120,192,785
<b>Total Gross Revenue</b>	<b>13,962,041</b>	<b>13,551,096</b>	<b>410,946</b>	<b>3%</b>	<b>164,865,376</b>	<b>162,613,150</b>	<b>2,252,226</b>	<b>1%</b>	<b>150,919,085</b>
<b>Revenue Adjustments</b>									
Cost Adjustment Medicaid	1,714,344	1,572,389	(141,955)	-9%	20,339,016	18,868,666	(1,470,350)	-8%	18,446,452
Cost Adjustment Medicare	4,564,794	3,967,992	(596,802)	-15%	51,436,785	47,615,904	(3,820,880)	-8%	46,130,115
Charity Care	99,838	295,313	195,475	66%	1,007,943	3,543,757	2,535,813	72%	2,719,948
Contractual Allowances Other	985,095	1,008,232	23,138	2%	11,902,247	12,098,788	196,541	2%	10,102,462
Administrative Adjustments	86,328	20,417	(65,911)	-323%	612,781	245,000	(367,781)	-150%	(202,004)
Adjust Bad Debt	152,899	290,955	138,056	47%	3,375,292	3,491,466	116,174	3%	3,588,329
<b>Total Revenue Adjustments</b>	<b>7,603,298</b>	<b>7,155,298</b>	<b>(447,999)</b>	<b>-6%</b>	<b>88,674,063</b>	<b>85,863,581</b>	<b>(2,810,482)</b>	<b>-3%</b>	<b>80,785,303</b>
<b>Net Patient Service Revenue</b>	<b>6,358,744</b>	<b>6,395,797</b>	<b>(37,054)</b>	<b>-1%</b>	<b>76,191,313</b>	<b>76,749,569</b>	<b>(558,256)</b>	<b>-1%</b>	<b>70,133,783</b>
<b>Other Revenue</b>									
340B Revenue	572,093	393,808	178,285	45%	3,742,522	4,725,697	(983,176)	-21%	4,092,680
Meaningful Use Ehr Incentive	-	23,500	(23,500)	-100%	448,110	282,000	166,110	59%	65,712
Other Operating Revenue	66,425	79,049	(12,625)	-16%	855,712	948,590	(92,878)	-10%	1,199,592
<b>Total Operating Revenues</b>	<b>6,997,262</b>	<b>6,892,155</b>	<b>105,107</b>	<b>2%</b>	<b>81,237,656</b>	<b>82,705,856</b>	<b>(1,468,200)</b>	<b>-2%</b>	<b>75,491,766</b>
<b>Operating Expenses</b>									
Salaries And Wages	3,458,466	3,246,324	(212,142)	-7%	39,153,411	38,955,883	(197,528)	-1%	37,116,253
Employee Benefits	791,280	872,416	81,136	9%	9,420,409	10,468,996	1,048,587	10%	8,788,930
Professional Fees	239,864	349,829	109,965	31%	3,126,006	4,197,949	1,071,942	26%	2,945,505
Purchased Services	450,637	416,306	(34,332)	-8%	4,700,380	4,995,671	295,290	6%	5,053,875
Supplies	994,643	925,468	(69,175)	-7%	11,747,607	11,105,616	(641,991)	-6%	9,720,356
Insurance	53,752	58,333	4,582	8%	598,538	700,000	101,462	14%	629,144
Leases And Rentals	116,842	96,259	(20,583)	-21%	1,281,900	1,155,107	(126,794)	-11%	1,193,511
Depreciation And Amortization	400,517	337,030	(63,487)	-19%	4,175,755	4,044,357	(131,398)	-3%	4,213,060
Repairs And Maintenance	61,024	80,204	19,180	24%	884,293	962,450	78,157	8%	924,686
Utilities	70,601	77,913	7,312	9%	828,750	934,952	106,203	11%	901,946
Licenses And Taxes	60,559	47,628	(12,931)	-27%	667,885	571,540	(96,345)	-17%	595,030
Other	183,120	133,589	(49,530)	-37%	1,671,065	1,603,072	(67,993)	-4%	1,405,411
<b>Total Operating Expenses</b>	<b>6,881,306</b>	<b>6,641,299</b>	<b>(240,007)</b>	<b>-4%</b>	<b>78,255,998</b>	<b>79,695,591</b>	<b>1,439,593</b>	<b>2%</b>	<b>73,487,708</b>
<b>Operating Income (Loss)</b>	<b>115,956</b>	<b>250,855</b>	<b>(134,900)</b>	<b>-54%</b>	<b>2,981,658</b>	<b>3,010,266</b>	<b>(28,607)</b>	<b>-1%</b>	<b>2,004,058</b>
<b>Non Operating Revenues (Expenses)</b>									
Taxation For Maint Operations	13,406	21,654	(8,248)	-38%	164,795	259,850	(95,055)	-37%	178,219
Taxation For Debt Service	21,552	13,571	7,981	59%	258,767	162,850	95,917	59%	245,489
Investment Income	7,346	2,218	5,129	231%	41,496	26,610	14,886	56%	18,730
Interest Expense	(34,435)	(53,237)	18,802	35%	(379,693)	(638,842)	259,149	41%	(446,842)
Bond Issuance Costs	-	-	-	0%	(153,300)	0	(153,300)	0%	-
Gain or (Loss) on Disposed Asset	-	-	-	0%	(31,014)	0	(31,014)	0%	-
Contributions	7,376	6,000	1,376	23%	452,155	72,000	380,155	528%	115,394
<b>Total Non Operating Revenues (Expenses)</b>	<b>15,246</b>	<b>(9,794)</b>	<b>25,040</b>	<b>256%</b>	<b>353,207</b>	<b>(117,532)</b>	<b>470,739</b>	<b>401%</b>	<b>110,992</b>
<b>Change in Net Position (Loss)</b>	<b>131,201</b>	<b>241,061</b>	<b>(109,860)</b>	<b>-46%</b>	<b>3,334,865</b>	<b>2,892,734</b>	<b>442,132</b>	<b>15%</b>	<b>2,115,050</b>