

**Jefferson County Public Hospital District No.2
Board of Commissioners, Regular Session Minutes
Wednesday, May 3, 2017
Victor J. Dirksen Conference Room**

Call to Order:

The meeting was called to order at 3:30 pm by Commissioner Buhler. Present were Commissioners Buhler, Dressler, Kolff, and Ready. Also present were, Mike Glenn, CEO, Lisa Holt, CAO, Hilary Whittington, CFO, Jackie Mossakowski, CNO, Jenn Wharton, Executive Director Medical Group and Alyssa Rodrigues, Administrative Assistant. This meeting was officially audio recorded by Jefferson Healthcare. Commissioner Buhler announced that Commissioner De Leo will be delayed.

Approve Agenda:

Commissioner Dressler made a motion to approve the agenda. Commissioner Kolff seconded.

Action: Motion passed unanimously.

Patient Story:

CNO Jackie Mossakowski announced that next week is National Healthcare Week and Nurses Week. She also read aloud a patient letter about a recent inpatient visit in which the patient gave kudos to Jefferson Healthcare and staff.

Minutes:

- April 13 Special Session minutes

Commissioner Kolff made a motion to approve the April 13 special session minutes with amendments. Commissioner Ready seconded the motion.

Commissioner Kolff made an amendment to change the sentence “The public commented that Jefferson Healthcare should provide assisted living along the Hood Canal in order to keep families closer together and have job growth opportunities” to “The public commented that Jefferson Healthcare should provide assisted living on this side of the Hood Canal in order to keep families closer together and have job growth opportunities.”

Commissioner Ready seconded.

Action: Motion passed unanimously.

Commissioner Kolff made an amendment to change Merrily Mount to Merrily Mount, ARNP, and remove the reference of Dr. Mount throughout the document.

Commissioner Ready seconded.

Action: Motion passed unanimously.

- April 17 Special Session minutes

Commissioner Kolff made a motion to approve the April 17 special session minutes.
Commissioner Ready seconded the motion.

Action: Motion passed unanimously.

- April 18 Special Session minutes

Commissioner Kolff made a motion to approve the April 18 special session minutes.
Commissioner Ready seconded the motion.

Action: Motion passed unanimously.

- April 19 Regular Session minutes

Commissioner Kolff made a motion to approve the April 19 regular session minutes.
Commissioner Ready seconded the motion.

Action: Motion passed unanimously.

Update on the Medical Mal Practice Insurance Marketplace:

Jim Chesemore, Principal and Chief Operating Officer of Parker Smith & Feek, gave a presentation on Medical Mal Practice Insurance in the Marketplace.

Commissioner De Leo arrived at 3:57.

Discussion ensued.

Board Reports:

Commissioner De Leo apologized for his delay.

Commissioner Kolff reported that Merrily Mount, ARNP, received a wonderful letter from Sherry Schneider from the IPNU program, he read it aloud.

Commissioner Kolff reported on the CEO and Trustee Pt Safety Summit that Commissioners and Mike Glenn attended on May 2. He suggested finding half a day for the board to discuss what was learned and how to incorporate it into Jefferson Healthcare.

Commissioner Kolff reported on the Green Committee and mentioned that Brian Goldstein presented.

Commissioner Dressler agreed that CEO and Trustee Pt Safety Summit workshop was excellent.

Commissioner De Leo mentioned the Women's Clinic open house was well attended and that tomorrow is the first meeting of the Patient Financial Experience Task Force.

Commissioner Buhler distributed the March 15 Board of Health minutes and shared the topics that were discussed at the meeting.

Mike Glenn suggested providing a CHIP update at one of the upcoming board meetings.

Commissioner Kolff asked for an update on the Executive Director position.

Discussion ensued.

Conclude:

Commissioner Dressler made a motion to conclude the meeting. Commissioner Ready seconded the motion.

Action: Motion passed unanimously.

Meeting concluded at 4:33pm.

Approved by the Commission:

President of Commission: Jill Buhler _____

Secretary of Commission: Marie Dressler _____

PARKER | SMITH | FEEK

Jefferson
Healthcare

Medical Malpractice And Insurance Market Update

JIM CHESEMORE
MAY 3RD, 2017

Medical Malpractice Insurance Market Update

Jefferson
Healthcare

Positive

- Washington Insurance marketplace for Medical Malpractice continues to be competitive thus keeping pressure on existing Insurance Carriers to keep rates and premiums low
- Two new strong entrants coming to Washington State from California. BETA and California Healthcare Insurance Company. This will certainly keep downward pressure on rates and premiums.

PARKER | SMITH | FEEK

Medical Malpractice Insurance Market Update

Jefferson
Healthcare

Caution

- Washington Public District Hospitals are seeing negative trends in frequency and severity of claims results. Why?
 - Patient demands for quality healthcare
 - Aggressive plaintiff attorney's – standard of care claims
 - Insurance Company's settling on claims early rather than going up against liberal juries and judges in Washington State
- Increase in Orthopedic Surgery claims for Public District Hospitals. Why?
 - Expansion into FULL replacements
 - Patient expectations are out of line with realistic surgery results
 - Frequency and number of orthopedic surgeries in rural area hospitals on the rise due to aging population

PARKER | SMITH | FEEK

Medical Malpractice Insurance Market Update

Jefferson
Healthcare

Caution

- As Rural hospitals continue to hire more employed physicians, liability stemming from claims no longer can be separated out – the hospital will assume all claims experience under their insurance policies (before – the hospital would often take only a portion of the claim and the non-employed physicians insurance would assume some of the exposure).

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Medical Malpractice Insurance Market Update

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Healthcare

Caution

- Growing exposure for work place violence as a result of increased number of psyche patients coming onto hospital campuses
- Rise in rural community prescription drug and substance abuse exposures

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Other Insurance Trends

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Healthcare

Property Insurance

- Most capacity in over 50 years
- With no EQ incidents since 2001 – pricing remains soft

Automobile Liability

- The one line of coverage that has been running a temperature!
- Large jump in severity losses.
- As the economy has improved, the number of trucks and cars together on the highways has increased

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Cyber Liability Update

Jefferson
Healthcare

- How prepared is your IT department and what is the Board's general understanding of the facilities IT risks and security performance?
 - Do you and your IT department have a plan in place NOW in the event confidential third party information is compromised in terms of notification and rehabilitation? (How will you handle the PR aspect?)
 - Does your IT department have relationships with third party vendors that will assist in the forensic identification of hackers footprints?
 - Does your IT department work with your Compliance team in terms of an adequate HIPAA monitoring and Penetration Testing's?
 - How often is IT Security a topic at your Board meetings?

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Trends for D&O/Trustee's to Watch

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Healthcare

- **Misrepresentation, unfair competition.** A plaintiff alleges that a Hospital solicited new patients through intentional misrepresentations in advertising about the quality of its care or scope of its benefits (e.g., ABC provides the best ophthalmic care in the Northwest).
- An ACO claim related to unfair exclusion from a provider network from a competing physician outside the ACO
- M&A claims

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