Business Session Agenda
Wednesday, November 15, 2017

Call to Order: 3:30

Employee and Team of the Quarter: 3:31

Patient Story: Brandie Manuel, Chief Patient Care Officer 3:40

Approve Agenda: 3:45

Minutes: Action Requested 3:47
  • November 1 Regular Session (pg. 2-3)

Required Approvals: Action Requested 3:50
  • October Warrants and Adjustments (pg. 4-8)
  • 2017-41 Cancel Warrants (pg. 9)

Budget Hearing for Fiscal Year 2018: Hilary Whittington, CAO/CFO 3:55
  • 2018 Operations Budget Summary
  • 2018 Capital Budget Summary
  • Public Comment
  • Commission Discussion

Adopt Resolutions: Action Requested 4:20
  • Resolution 2017-42 With/Without Property Tax Increase (revised)(pg. 10-12)
  • Resolution 2017-43 Fiscal Year 2018 Budget (pg. 13)

  • October

Administrator’s Report: Mike Glenn, CEO 4:50

Chief Medical Officer Report: Joe Mattern, MD, CMO 5:10

Board Report: No Action Requested 5:30
  • 2017-40 Meeting Change Resolution (pg. 14)

Executive Session: 5:40
  • CEO Evaluation Format

Conclude: 6:00

This Regular Session will be officially audio recorded.
Times shown in agenda are estimates only.
Jefferson County Public Hospital District No.2
Board of Commissioners, Regular Session Minutes
Wednesday, November 1, 2017
Victor J. Dirksen Conference Room

Call to Order:
The meeting was called to order at 3:30pm by Board Chair, Commissioner Buhler. Additional Commissioners present were Dressler, De Leo, Kolff, and Ready. Also present were Mike Glenn, Chief Executive Officer, Brandie Manuel, Chief Patient Care Officer, Lisa Holt, Chief Ancillary and Specialty Services Officer, Jenn Wharton, Chief Ambulatory and Medical Group Officer, Caitlin Harrison, Chief Human Resources Officer, and Alyssa Rodrigues, Administrative Assistant. This meeting was officially audio recorded by Jefferson Healthcare.

Approve Agenda:
Commissioner Dressler made a motion to approve the agenda. Commissioner De Leo seconded. 
Action: Motion passed unanimously.

Patient Story:
Brandie Manuel, Chief Patient Care Officer, read aloud a patient letter regarding the patient’s visit to our Jefferson Healthcare Orthopedic Center and her encounter with Orthopedic surgeon, Dr. Naumann, the hospital staff she had met throughout her stay, and wound care provider Patti Hoyecki, ARNP. The patient wrote that all the staff were fabulous and kind, ending her letter with “please tell administration what an incredible place you have and keep up the great work.”

Minutes:
  - October 18 Regular Session minutes
Commissioner De Leo made a motion to approve the July 19 Regular Session minutes. Commissioner Dressler seconded. 
Action: Motion passed unanimously.
  - October 26 Special Session minutes
Commissioner De Leo made a motion to approve the July 19 Regular Session minutes. Commissioner Dressler seconded. 
Action: Motion passed unanimously.

Required Approvals:
  - Medical Staff Credentials/Appointments/Reappointments
  - Medical Staff Policy
  - 2017-39 Surplus Equipment
Commissioner De Leo made a motion to approve Medical Staff Credentials/Appointments/Reappointments, Medical Staff Policy, and 2017-39 Surplus Equipment as presented. Commissioner Dressler seconded the motion. 
Action: Motion passed unanimously.
Debrief October 4, 2017 Special Session Board Retreat:
Commissioners discussed packet materials that were created by Karma Bass, consultant, Via Healthcare Consulting, after the October 4 Special Session took place, which included, board evaluation summary, board meeting action plan, new meeting times, and presentation templates.

Discussion ensued.

Commissioners discussed how feedback was to be given to presenters.

Commissioners continued to discuss packet materials created by Karma Bass, consultant, Via Healthcare Consulting, which included the board education and topic calendar, CEO assessment and evaluations along with the timeline to complete by December 20 business meeting.

Commissioners and Mike Glenn discussed legislative visits and the new Community Health Improvement Plan (CHIP) Executive Director starting on November 13, 2017.

Discussion ensued.

**Board Reports:**
No board reports were given.

**Conclude:**
Commissioner Dressler made a motion to conclude the meeting. Commissioner Kolff seconded the motion.

**Action:** Motion passed unanimously.

Meeting concluded at 4:12pm.

Approved by the Commission:

President of Commission: Jill Buhler ________________________________

Secretary of Commission: Marie Dressler _____________________________
TO: BOARD OF COMMISSIONERS
FROM: HILARY WHITTINGTON, CFO
RE: OCTOBER 2017 WARRANT SUMMARY

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

- General Fund Warrants & ACH Transfers: $9,350,043.91 (Provided under separate cover)
- Bad Debt / Charity: $460,720.68 (Attached)
- Canceled Warrants: $383.77 (Attached)
Submitted for your approval are the following warrants:

GENERAL FUND:

<table>
<thead>
<tr>
<th>Warrant</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>239998 - 240808</td>
<td>$5,484,114.23</td>
</tr>
<tr>
<td>ACH TRANSFERS</td>
<td>$3,865,929.68</td>
</tr>
<tr>
<td><strong>YEAR-TO-DATE:</strong></td>
<td><strong>$9,350,043.91</strong></td>
</tr>
<tr>
<td><strong>YEAR-TO-DATE:</strong></td>
<td><strong>$80,652,967.62</strong></td>
</tr>
</tbody>
</table>

Warrants are available for review if requested.
TO: BOARD OF COMMISSIONERS  
FROM: HILARY WHITTINGTON, CFO  
RE: OCTOBER 2017 BAD DEBT, ADMINISTRATIVE, AND CHARITY CARE WRITE OFFS

Submitted for your approval are the following:

<table>
<thead>
<tr>
<th></th>
<th>OCTOBER</th>
<th>OCTOBER YTD</th>
<th>OCTOBER YTD BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad Debts:</td>
<td>$284,424.62</td>
<td>$2,470,423.76</td>
<td>$2,597,925.50</td>
</tr>
<tr>
<td>Charity Care:</td>
<td>$128,689.56</td>
<td>$945,144.78</td>
<td>$1,095,415.23</td>
</tr>
<tr>
<td>Other Administrative Adjustments:</td>
<td>$47,606.50</td>
<td>$391,757.85</td>
<td>$197,313.81</td>
</tr>
<tr>
<td><strong>TOTAL FOR MONTH:</strong></td>
<td><strong>$460,720.68</strong></td>
<td><strong>$3,807,326.39</strong></td>
<td><strong>$3,890,654.54</strong></td>
</tr>
</tbody>
</table>
TO: BOARD OF COMMISSIONERS  
FROM: HILARY WHITTINGTON, CFO  
RE: OCTOBER 2017 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.

<table>
<thead>
<tr>
<th>DATE</th>
<th>WARRANT</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/11/2016</td>
<td>231011</td>
<td>$7.02</td>
</tr>
<tr>
<td>10/11/2016</td>
<td>231043</td>
<td>$71.55</td>
</tr>
<tr>
<td>10/24/2016</td>
<td>231378</td>
<td>$305.20</td>
</tr>
</tbody>
</table>

TOTAL: $383.77
### Gross Revenue

<table>
<thead>
<tr>
<th></th>
<th>October 2017 Actual</th>
<th>October 2017 Budget</th>
<th>Variance Favorable/ (Unfavorable)</th>
<th>October 2017 YTD</th>
<th>October 2017 Budget YTD</th>
<th>Variance Favorable/ (Unfavorable)</th>
<th>October 2016 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient Revenue</td>
<td>4,408,734</td>
<td>3,440,801</td>
<td>967,932 28%</td>
<td>37,785,192</td>
<td>33,742,040</td>
<td>4,043,152 12%</td>
<td>28,063,203</td>
</tr>
<tr>
<td>Outpatient Revenue</td>
<td>14,713,237</td>
<td>14,145,955</td>
<td>266,242 2%</td>
<td>136,610,187</td>
<td>141,379,525</td>
<td>(4,769,337) -3%</td>
<td>115,059,668</td>
</tr>
</tbody>
</table>

**Total Gross Revenue**

19,121,971 17,857,796 1,264,174 7% 175,121,565 (726,186) 0% 143,122,871

### Revenue Adjustments

<table>
<thead>
<tr>
<th></th>
<th>October 2017</th>
<th>October 2017 YTD</th>
<th>Variance Favorable/ (Unfavorable)</th>
<th>October 2016 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Adjustment Medicaid</td>
<td>2,348,747</td>
<td>1,219,686</td>
<td>(157,061) -7%</td>
<td>16,601,518</td>
</tr>
<tr>
<td>Cost Adjustment Medicare</td>
<td>6,052,436</td>
<td>5,898,354</td>
<td>(167,087) -3%</td>
<td>61,580,794</td>
</tr>
<tr>
<td>Charity Care</td>
<td>128,690</td>
<td>111,704</td>
<td>(16,986) -15%</td>
<td>945,145</td>
</tr>
<tr>
<td>Contractual Allowances Other</td>
<td>1,496,825</td>
<td>1,251,241</td>
<td>(245,584) -20%</td>
<td>133,534,674</td>
</tr>
<tr>
<td>Administrative Adjustments</td>
<td>47,607</td>
<td>20,121</td>
<td>(27,486) -137%</td>
<td>247,607</td>
</tr>
<tr>
<td>Adjust Bad Debt</td>
<td>264,425</td>
<td>19,505</td>
<td>(216,930) -107%</td>
<td>2,470,424</td>
</tr>
</tbody>
</table>

**Total Revenue Adjustments**

10,358,728 9,725,020 633,708 -7% 95,343,284 95,367,913 24,629 0% 76,279,504

### Net Patient Service Revenue

8,763,243 8,132,776 630,466 8% 79,052,095 79,753,652 (701,557) -1% 66,843,367

### Other Revenue

<table>
<thead>
<tr>
<th></th>
<th>October 2017</th>
<th>October 2017 YTD</th>
<th>Variance Favorable/ (Unfavorable)</th>
<th>October 2016 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>340B Revenue</td>
<td>287,858</td>
<td>260,239</td>
<td>27,619 11%</td>
<td>2,806,524</td>
</tr>
<tr>
<td>Meaningful Use Ehr Incentive</td>
<td>-</td>
<td>3,397</td>
<td>(3,397) -100%</td>
<td>136,784</td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>146,568</td>
<td>112,961</td>
<td>33,607 30%</td>
<td>1,338,441</td>
</tr>
</tbody>
</table>

**Total Operating Revenues**

9,197,668 8,509,373 688,295 8% 83,333,844 83,446,734 (112,890) 0% 70,268,166

## Operating Expenses

<table>
<thead>
<tr>
<th></th>
<th>October 2017</th>
<th>October 2017 YTD</th>
<th>Variance Favorable/ (Unfavorable)</th>
<th>October 2016 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries And Wages</td>
<td>4,304,326</td>
<td>4,211,112</td>
<td>(93,214) -2%</td>
<td>41,298,054</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>994,542</td>
<td>1,040,237</td>
<td>45,694 4%</td>
<td>10,070,282</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>443,189</td>
<td>290,474</td>
<td>(152,715) -53%</td>
<td>2,848,521</td>
</tr>
<tr>
<td>Purchased Services</td>
<td>549,796</td>
<td>539,994</td>
<td>(9,802) -2%</td>
<td>5,295,421</td>
</tr>
<tr>
<td>Supplies</td>
<td>1,693,209</td>
<td>1,212,418</td>
<td>(480,791) -40%</td>
<td>11,889,515</td>
</tr>
<tr>
<td>Insurance</td>
<td>49,650</td>
<td>57,535</td>
<td>7,885 14%</td>
<td>556,356</td>
</tr>
<tr>
<td>Leases And Rentals</td>
<td>108,323</td>
<td>147,734</td>
<td>39,411 27%</td>
<td>1,448,747</td>
</tr>
<tr>
<td>Depreciation And Amortization</td>
<td>386,854</td>
<td>312,904</td>
<td>(73,949) -24%</td>
<td>3,066,496</td>
</tr>
<tr>
<td>Repairs And Maintenance</td>
<td>60,418</td>
<td>77,228</td>
<td>16,811 22%</td>
<td>766,154</td>
</tr>
<tr>
<td>Utilities</td>
<td>114,804</td>
<td>78,128</td>
<td>(36,677) -47%</td>
<td>671,146</td>
</tr>
<tr>
<td>Licenses And Taxes</td>
<td>60,487</td>
<td>46,565</td>
<td>(13,922) -30%</td>
<td>456,636</td>
</tr>
<tr>
<td>Other</td>
<td>155,676</td>
<td>174,830</td>
<td>19,154 11%</td>
<td>709,719</td>
</tr>
</tbody>
</table>

**Total Operating Expenses**

8,921,274 8,189,379 (731,895) -9% 81,645,408 80,306,723 (1,336,686) -2% 68,975,701

### Non Operating Revenues (Expenses)

<table>
<thead>
<tr>
<th></th>
<th>October 2017</th>
<th>October 2017 YTD</th>
<th>Variance Favorable/ (Unfavorable)</th>
<th>October 2016 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxation For Maint Operations</td>
<td>51,447</td>
<td>17,156</td>
<td>34,291 200%</td>
<td>168,241</td>
</tr>
<tr>
<td>Taxation For Debt Service</td>
<td>57,562</td>
<td>19,003</td>
<td>38,559 203%</td>
<td>186,356</td>
</tr>
<tr>
<td>Investment Income</td>
<td>51,778</td>
<td>6,582</td>
<td>45,196 687%</td>
<td>64,548</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(64,270)</td>
<td>(85,615)</td>
<td>21,345 26%</td>
<td>123,174</td>
</tr>
<tr>
<td>Bond Issuance Costs</td>
<td>-</td>
<td>(12,740)</td>
<td>12,740 100%</td>
<td>114,932</td>
</tr>
<tr>
<td>Gain or (Loss) on Disposed Asset</td>
<td>13,483</td>
<td>-</td>
<td>13,483 0%</td>
<td>25,556</td>
</tr>
<tr>
<td>Contributions</td>
<td>9,655</td>
<td>11,890</td>
<td>(2,235) -19%</td>
<td>233,016</td>
</tr>
</tbody>
</table>

**Total Non Operating Revenues (Expenses)**

119,655 (43,723) 163,377 374% 378,372 (428,767) 807,139 188% 234,904

## Change in Net Position (Loss)

396,049 276,272 119,777 43% 2,066,808 2,709,244 (642,436) -24% 1,527,370
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 $383.77 be canceled.

<table>
<thead>
<tr>
<th>Date of Issue</th>
<th>Warrant #</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/11/2016</td>
<td>231011</td>
<td>7.02</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>383.77</strong></td>
</tr>
</tbody>
</table>

APPROVED THIS 15th day of November, 2017.

JEFFERSON COUNTY PUBLIC HOSPITAL DISTRICT NO. 2

APPROVED BY THE COMMISSION:

Commission Chair – Jill Buhler: ___________________________________________

Commission Secretary – Marie Dressler: _______________________________________

Attest:

Commissioner – Anthony De Leo: ___________________________________________

Commissioner – Kees Kolff: ________________________________________________

Commissioner – Matt Ready: ________________________________________________
Jefferson County Public Hospital District No. 2

RESOLUTION 2017-42
PROPERTY TAX INCREASE RESOLUTION

WHEREAS the Board of Commissioners has properly given notice of the public hearing held November 15, 2017, to consider the Hospital District’s current expense budget for the 2018 calendar year, pursuant to RCW 84.55.120; and

WHEREAS the Board of Commissioners, after hearing, and after duly considering all relevant evidence and testimony presented, has determined that Jefferson County Public Hospital District No.2 requires increase in property tax revenue from the previous year, in addition to the increase resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, in order to discharge the expected expenses and obligations of Jefferson County Public Hospital District No. 2 and in its best interest;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners, that no increase in the regular property tax levy, in addition to any amount resulting from the addition of new construction and improvements to property, refunds from the previous year, and any increase in the value of state-assessed property is hereby authorized for the 2018 levy of $429,621.82 which is a percentage increase of 1 percent ($4,253.68) from the previous year (see RCW 84.55.092).

ADOPTED and APPROVED by the Board of Commissioners of Public Hospital District No. 2, Jefferson County, Washington, at an open public meeting, the following Commissioners being present and voting in favor of the resolution.

APPROVED THIS 15th day of November, 2017

APPROVED BY THE COMMISSION:

Commission Chair – Jill Buhler: ___________________________________________

Commission Secretary – Marie Dressler _______________________________________

Attest:

Commissioner – Anthony De Leo: _______________________________________

Commissioner – Matt Ready: _____________________________________________

Commissioner – Kees Kolff: _____________________________________________
WHEREAS the Board of Commissioners has properly given notice of the public hearing held November 15, 2017, to consider the Hospital District’s current expense budget for the 2018 calendar year, pursuant to RCW 84.55.120; and

WHEREAS the Board of Commissioners, after hearing, and after duly considering all relevant evidence and testimony presented, has determined that Jefferson County Public Hospital District No.2 requires increase in property tax revenue from the previous year, in addition to the increase resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, in order to discharge the expected expenses and obligations of Jefferson County Public Hospital District No. 2 and in its best interest;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners, that no increase in the regular property tax levy, in addition to any amount resulting from the addition of new construction and improvements to property, refunds from the previous year, and any increase in the value of state-assessed property is hereby authorized for the 2018 levy of $457,270.75 which is a percentage increase of 7.5 percent ($31,902.61) from the previous year (see RCW 84.55.092).

ADOPTED and APPROVED by the Board of Commissioners of Public Hospital District No. 2, Jefferson County, Washington, at an open public meeting, the following Commissioners being present and voting in favor of the resolution.

APPROVED THIS 15th day of November, 2017

APPROVED BY THE COMMISSION:

Commission Chair – Jill Buhler: ________________________________

Commission Secretary – Marie Dressler ________________________________

Attest:

Commissioner – Anthony De Leo: ________________________________

Commissioner – Matt Ready: ________________________________

Commissioner – Kees Kolff: ________________________________
Jefferson County Public Hospital District No. 2

RESOLUTION 2017-42
WITHOUT PROPERTY TAX INCREASE RESOLUTION

WHEREAS the Board of Commissioners has properly given notice of the public hearing held November 15, 2017, to consider the Hospital District’s current expense budget for the 2018 calendar year, pursuant to RCW 84.55.120; and

WHEREAS the Board of Commissioners, after hearing, and after duly considering all relevant evidence and testimony presented, has determined that Jefferson County Public Hospital District No.2 requires no increase in property tax revenue from the previous year, in addition to the increase resulting from the addition of new construction and improvements to property and any increase in the value of state-assessed property, in order to discharge the expected expenses and obligations of Jefferson County Public Hospital District No. 2 and in its best interest;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners, that no increase in the regular property tax levy, in addition to any amount resulting from the addition of new construction and improvements to property, refunds from the previous year, and any increase in the value of state-assessed property is hereby authorized for the 2018 levy of $425,638.14 which is a percentage increase of 0 percent ($0.00) from the previous year (see RCW 84.55.092).

ADOPTED and APPROVED by the Board of Commissioners of Public Hospital District No. 2, Jefferson County, Washington, at an open public meeting, the following Commissioners being present and voting in favor of the resolution.

APPROVED THIS 15th day of November, 2017

APPROVED BY THE COMMISSION:

Commission Chair – Jill Buhler:  
Commission Secretary – Marie Dressler  
Attest:  
Commissioner – Anthony De Leo:  
Commissioner – Matt Ready:  
Commissioner – Kees Kolff:
RESOLUTION 2017-43
ADOPT FISCAL YEAR 2018 BUDGET

WHEREAS the Board of Commissioners has properly given notice of the public hearing held November 15, 2017, to consider the Hospital District’s current expense budget for the 2018 calendar year, pursuant to RCW 84.55.120;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of Jefferson County Public Hospital District No. 2, that the Operations and Capital Budget for fiscal year 2018 as presented to the Board, as hereto attached, is hereby approved.

ADOPTED and APPROVED by the Board of Commissioners of Public Hospital District No. 2, Jefferson County, Washington, at an open public meeting, the following Commissioners being present and voting in favor of the resolution.

APPROVED THIS 15th day of November, 2017

APPROVED BY THE COMMISSION:

Commission Chair – Jill Buhler: _____________________________________________

Commission Secretary – Marie Dressler: _______________________________________

Attest:

Commissioner – Anthony De Leo: _____________________________________________

Commissioner – Matt Ready: ________________________________________________

Commissioner – Kees Kolff: _________________________________________________
Jefferson County Public Hospital District No. 2

RESOLUTION 2017-40

The Commissioners of Jefferson County Public Hospital District No. 2 have mutually agreed to change the regular meeting time to start at 2:00pm on the fourth Wednesday of each month, beginning January 24. 2017.

APPROVED THIS 20th day of December, 2017.

APPROVED BY THE COMMISSION:

Commission Chair – Jill Buhler: ______________________________

Commission Secretary – Marie Dressler: ______________________________

Attest:

Commissioner – Anthony De Leo: ______________________________

Commissioner – Matt Ready: ______________________________

Commissioner – Kees Kolff: ______________________________