

King County Public Hospital District No. 2
d/b/a Evergreen Healthcare
Board of Commissioners' Meeting
Evergreen Hospital Medical Center, Kirkland, WA
July 5, 2011 Study Session and Special Meeting
Minutes

Comms. Present: Comms. DeYoung, Greenfield, Hirt, Kempf & Pilcher
Medical Staff
Leadership: T. Pheifer, MD, J. Handley, MD

Others Present: B. Malte; L. Burton; J. Friedman, N. Johnson, C. Nail, T. Martin, K.
Taylor; J. Tomlin, MD; C. Yamada

Legal Counsel: J. Fitzgerald

Guests: None present

**PUBLIC MEETING
and
EXECUTIVE
SESSION**

Comm. DeYoung called the July 5, 2011 Study Session and Special Meeting of the Board of Commissioners of King County Public Hospital District No. 2 to order at 5:30 p.m. and announced that the Board would immediately adjourn into Executive Session to consider and discuss pending litigation, property acquisition, personnel matters and medical staff privileges. Comm. DeYoung further announced that the Executive Session would adjourn at approximately 6:30 p.m. and that the open Public Meeting would resume at approximately 6:35 p.m. after a short recess.

The Executive Session commenced at 5:31 p.m. It was concluded at 6:33 p.m., at which time a short recess was taken.

Comm. DeYoung reconvened the Public Meeting, calling it to order at 6:39 p.m. and welcoming those present.

Order of Business There were no additions to the agenda.

PRESENTATIONS**2010 Year End
Levy Report and
2011 Mid-Year
Levy Report**

Ms. Burton presented an overview of the 2010 levy-supported programs, noting that over 250,000 individuals had benefited from these programs and partnerships. The amount of funds received from the regular tax levy constitutes slightly less than two percent of the overall District billed revenue. She also reported that the 2011 levy funded programs are on track financially and are all working towards meeting their year-end goals.

Ms. Burton then responded to questions from the Commissioners.

Comm. DeYoung noted that the King County Assessor has notified the District and other "junior" taxing districts that due to decreased assessor valuations, the tax levy funds are likely to decrease this year and next. Fortunately the District has been conservative in its levy fund commitments and thus, while the reduction will be a hardship in terms of having less for programs, the District is well-positioned to weather the hopefully-temporary decrease.

Mr. DeYoung also publicly acknowledged Comm. Greenfield for her untiring work on the levy-funded programs and her insistence on requiring measurable outcomes. The District Levy Committee has people committed to making the levy program function well and we will continue to see improvements.

**Audit & Finance
Committee Report**

Ms. Yamada provided updates on May financial information and also presented the Collections Report provided by the Patient Financial Services Department as a WSHA requirement.

With respect to Charity Care, Ms. Yamada reported that no revisions had been made to the Charity Care Policy or the Collections Policy since her last annual report. She discussed options for self-pay patients to make services more affordable, which include a self-pay discount and a prompt-pay discount.

Ms. Yamada then responded to questions from the Commissioners.

**Board Quality
Committee Report**

Dr. Pilcher commented that the Board Quality Committee will have a "walking rounds" tomorrow and continues to learn from these experiences. He continues to be impressed by the quality and level of engagement of the BQC community members. It is generating tremendous interest in further improving the level of quality within the healthcare system.

ACTION ITEM**Approval of Settlement**

Comm. Greenfield made a motion to approve the mediated settlement for Medical Record No. 00497573 as submitted and to authorize the CEO or his designee to complete the same.

Comm. Hirt seconded the motion.

The motion carried unanimously.

DISCUSSION ITEMS**Levy Funded Services Committee Charter**

Ms. Burton presented the proposed draft of the Levy-Funded Services Committee Charter, noting that it generally followed the format of other recently-approved Board committee charters. The Charter includes language from a longstanding Board policy which outlines the criteria for levy allocation. Comm. Greenfield commented that levy programs should be able to answer the questions of how they are making the community healthier, what is the measure and rate of change, and are they supporting the strategic objectives of Evergreen? Comm. Pilcher is concerned about oversight of levy-funded services and would like to see that strengthened. Comm. Hirt commented that while the number of beneficiaries is important, program effectiveness is also key.

ERCP and Anesthesiology Equipment Request

Mr. Friedman presented a request for approval of a budgeted capital request to purchase equipment to provide endoscopic retrograde cholangiopancreatogram (ERCP) services with/without anesthesia in the Comprehensive Procedure Center (CPC). The major equipment components include a C-arm, fluoroscopy table and an anesthesia machine.

Medical Staff Report

Dr. Terry Pheifer, Medical Staff President, reported on and gave notice of the following:

- Publication – He offered congratulations to Dr. David Likosky for his recent publication, Neurohospitalist Medicine, the first authoritative text to detail the advances and strategies for treating neurologic disease in a hospital setting.
- C-Section Drills – Dr. Pheifer shared an email from Dr. Rutherford congratulating staff on the recent drill experiences in Women's and Children's Department and also thanking the sponsors that helped make it possible. He noted that one of the Board Quality Committee community members, John Brookman, also participated. Dr. Pheifer indicated that the drill was very worthwhile and such drills should continue.

Executive Team Report

Ms. Taylor was asked to provide information on the Annual Report to the District. It is complete and will be mailed by mid-July to 186,000 households in the District. She thanked the Board for its leadership on the Report and thanked Ms. Yamada and Ms. Burton for their assistance. Due to the Report's informative nature and description of the good work of the District, ads will be placed to encourage constituents to look for it and read it.

Ms. Taylor also mentioned that website revision is underway following extensive research with actual users on how to make it more useful as a source of information on healthcare and how to improve one's healthcare status.

CEO Report

Mr. Malte reported on and gave notice of the following:

- o ICD-10 – Mr. Malte noted that the change in coding from ICD-9 to ICD-10 is much more than a minor upgrade – it is actually a revamping of the entire system. It will impact every physician who practices at Evergreen or refers patients here. Evergreen is engaging a consultant to assist with the transition and so that it can be a great resource to all of those impacted. It will “go live” in October 2013 and will take all of that time to prepare for the change.
- o Marketplace Changes – Mr. Malte will be meeting with the Superintendent of Snohomish County PHD No. 1 to learn of the current status of its discussions with potential partners.

Adjourn

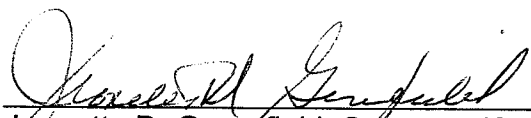
The July 5, 2011 Meeting of the Board of Commissioners for King County Public Hospital District No. 2 was adjourned at 8:03 p.m.

SUBMITTED:

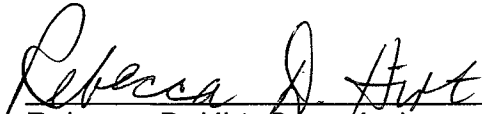


Al F. DeYoung, Chair/Commissioner

ATTEST:




Jeanette D. Greenfield, Secretary/Commissioner



Rebecca D. Hirt, Commissioner

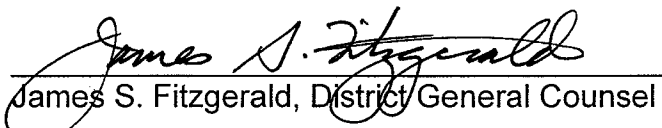


R. August Kempf, Commissioner



Charles A. Pilcher, MD, Commissioner

Approved as to content and form:



James S. Fitzgerald, District General Counsel