



**Board of Commissioners  
Work Session Minutes  
May 1, 2024**

The regularly scheduled meeting of the Board of Commissioners of Olympic Medical Center was called to order in Linkletter Hall at 12:30 pm by Board President Thom Hightower, RN, and was opened with the Pledge of Allegiance. In attendance were Commissioners Phyllis E. Bernard, JD, Phil Giuntoli, Ann Henninger, BSN, RN, Thom Hightower, RN, Jean Hordyk, John Nutter, and Tom Oblak; Chief Executive Officer Darryl Wolfe; Chief Medical Officer Scott Kennedy, MD; Chief Operating Officer Ryan Combs; Chief Nursing Officer Vickie Swanson, MSN, RN; Chief Financial Officer Lorraine Cannon; Human Resources Administrative Director Heather Delplain; staff, public members and Executive Assistant to the CEO and Board Gay Lynn Iseri.

**WSHA GOVERNANCE CERTIFICATION – Thom Hightower, RN, Board President**

The Washington State Hospital Association (WSHA) in partnership with the Association of Washington Public Hospital Districts (AWPHD) offers an executive education program to increase knowledge and understanding of hospital governance in Washington State while assessing and enhancing board effectiveness. Members who participate in these learning opportunities can earn credit hours towards their Health Care Governance Certification. Board President Hightower announced two more commissioners, Phil Giuntoli and Phyllis Bernard, have earned their Governance Certification. Thom thanked them for their ongoing education and commitment to excellence. Of note, both he and Commissioner Ann Henninger have been certified and are maintaining their certification with continued education.

**PATIENT STORY – Dave Hasenpflug, Sophia Rognlien, Patient Experience Manager**

The patient story was sent to the CEO commending every employee they encountered at OMC, from registration, to endoscopy, to anesthesia, and physician follow up. Patient said the facility was exceptionally clean and organized, and OMC will be recommended to friends.

**PENINSULA BEHAVIORAL HEALTH (PBH) UPDATE – Wendy Sisk, Chief Executive Officer**

PBH has served the community since 1971. PBH takes all insurance, provides a sliding payment scale and charity care. OMC and PBH share many patients, as the target population is moderate and dependent on behavioral health needs. One out of twenty residents have been cared for in the past year, a total number of 3,100 patients.

There are currently 1,200 -1,600 active clients, with a broad scope of care. Services were noted as attached. There are 130-135 primary care patients at any given time. While seeking treatment, clients will see these primary care professionals until they are released back to their own primary care providers. Dawn View Court continues to provide housing as small units with a full kitchen, bedroom, and storage space. New transitional housing will be built south of PBH, and a 5-bedroom house is being converted to house 5 adults in Sequim. The Arlene Engel house on 2<sup>nd</sup> and Oak was closed for renovation. Now it will be redeveloped into a 36-unit apartment complex. Funding will be coming from the County, donations by a family, and grant money. PBH was started in 1971 by Dr. Norm Peterson to help fill a gap in local healthcare. That small organization now employs 140 staff today. Commissioner Giuntoli noted OMC has seen a drop in commercial payors and inquired about PBH. On the contrary, PBH has noticed a 15% decrease in Medicaid. In closing, Ms. Sisk commended CEO Darryl Wolfe for his continued great work at OMC and in the community.

#### **PUBLIC COMMENT**

None.

#### **1Q2024 FINANCIAL UPDATE – Lorraine Cannon, Chief Financial Officer**

The 2024 first quarter financial update was presented as attached. Benefits were a bit higher than budget as there were three pay periods in March. The new Work Day software will fix this issue. Professional fees are high due to locums in primary care, and three locums in medical oncology which are very expensive per day. Supplies are down due to a decrease in volumes, and a reduction in office supply ordering saved \$70,000 since June 2023. Average daily census came in at 38.5 days due to shorter lengths of stay. Discussion ensued regarding Jefferson Healthcare's oncology program and the impact on OMC's oncology volumes. This reduction in clinic volumes was due to lack of urology cases now and one fewer orthopedic surgeon. Discussion ensued regarding a potential marketing plan to reach out to urology patients pending the addition of two urologists this summer. Days cash on hand is down to 45 days from 56 last quarter 2023. Reconciliation was done to determine the reduction in 11 days cash. Capital purchases that were approved in 2023 are still being paid on. The issue with CMS billing has been resolved, and we are re-billing Sequim bills. The payor mix for the first quarter 2024 came in at 61.4% Medicare, 13.6% Medicaid, 10.1% Other Government Payors, 13.9% Commercial, and 1.0% self-pay. There has been a 4.2% reduction in travelers this quarter. The total net income margin came in at -8.2% in the first quarter 2024.

**TAX LEVY DISCUSSION – Darryl Wolfe, Chief Executive Officer and Thom Hightower, Board President**

Brad Berg, Principal, Foster Garvey PC, and Matt Ellsworth, Executive Director, Association of Washington Public Hospital Districts (AWPHD) were welcomed to the meeting. As financial stewards of the public hospital district there is a duty to protect OMC and keep it as strong as possible. From the CFO's first quarter financial report and the results of the recent Moss Adams audited financial statements, it's evident OMC's ten-year trend of operating margin is decreasing. The goal is to maintain services for the community with an integrated delivery system across the organization. Data from the 2022 Medicare Cost Report, and the uncompensated care trend, was also shared. Discussion ensued about a potential levy lid lift that would allow the District to collect additional revenue beyond the usual 1%. Under state law, public hospital districts are authorized to levy regular property taxes at a rate of up to 75 cents per \$1,000 of assessed value. Because state law limits the amount that taxes can increase without voter approval, the District's levy rate has declined over the years to approximately 32 cents in 2024. The District would like to request voter approval to restore its levy to 75 cents per \$1,000 of assessed value beginning in 2025, which is an increase of approximately 43 cents above the tax levy rate in 2023. The 2025 levy amount would be used for the purpose of computing the limitations for the District's levies in subsequent years. The levy will provide additional funds to support essential health care facilities and services. Based on the current assessed value of property within the district, the proposed 43-cent increase in the District's levy would result in an estimated additional levy amount payable by an owner of a home with an assessed value of \$300,000 of \$10.50 per month or \$126 per year. The last levy lid lift was held in 2008. This ballot measure would occur on the August 6, 2024 primary election. The board would need to authorize this increase via resolution and the deadline to file is May 3. Communication with the community will be critical. Compliance training will occur to guide the process appropriately. Of interest, Commissioner John Nutter noted he is currently paying more in taxes to support the local pool than to support the hospital. The value of having a Level III Trauma Designation ensures the availability of 24/7/365 days of orthopedic and general surgery services. OMC is a critical part of the trauma system in the community. Thoughtful discussion ensued regarding the timing of the August ballot, and that date was determined instead of the November date to be sensitive to the school district's levy request that month. Fire District II is on the August 6 ballot, but they run on a more regular cycle. If we wait till the 2025 ballot, funding won't occur until 2026.

**PUBLIC COMMENT**

None.

**RESOLUTION 556: Ballot Proposition Resolution Approving Regular Property Tax Levy Increase – Darryl Wolfe, Chief Executive Officer**

By passing this resolution, it certifies we can move forward as an organization to be part of the special election on August 6, for the proposed levy lid lift to 75 cents per thousand dollars of assessed property value.

**MOTION:** To approve Resolution 556: Ballot Proposition Resolution Approving a Regular Property Tax Levy Increase to 75 cents per \$1,000 of assessed value for levy in 2024 and collection in 2025 as presented. **Motion carried unanimously.**


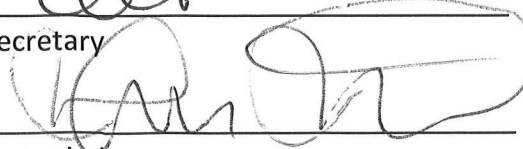
Also due by Friday, May 3, per Mr. Berg, are names of individuals who would speak to the pros and cons, up to three people each, for the Clallam County Voter's Pamphlet.


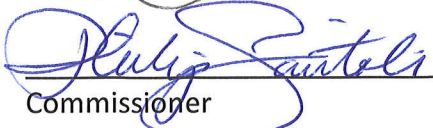
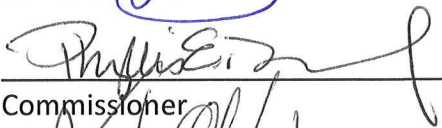

**MOTION:** To delegate the authority to the CEO to determine the pro and con committees for comments for the voter's pamphlet. **Motion carried unanimously.**

There being no further business, the meeting finally adjourned at 2:09 pm.

**APPROVED AND ADOPTED** this 15th day of May 2024.

**ATTEST:**

  
\_\_\_\_\_  
Secretary  
  
\_\_\_\_\_  
Commissioner  
\_\_\_\_\_  
Commissioner

  
\_\_\_\_\_  
President  
  
\_\_\_\_\_  
Commissioner  
  
\_\_\_\_\_  
Commissioner  
  
\_\_\_\_\_  
Commissioner