King County Public Hospital District No. 2
d/b/a EvergreenHealth
Board of Commissioners Meeting
EvergreenHealth Medical Center, Kirkland, WA
May 3, 2024
Educational Session Minutes

Comms. Present:	Comms. Campbell, Cashman, Pilcher, Seabrooks, Snyder and Stewart Comm. Hirt is excused
Medical Staff Leadership:	Michael Mena, MD, Jan Stroh, MD
Others Present:	Mark Freeborn, MD, Jeff Friedman, Monique Gablehouse, Jessika Groce, Frank Hemeon, Lisa LaPlante, Dave Likosky, MD, Richard Meeks, Ettore Palazzo, MD, Candace Scairpon, Mary Shepler, Mark Wimley, Jessica Granger, Anne Grill, Daria Heimerman, Bethany Leland
Legal Counsel:	Jenny Churas
Guests:	See Exhibit A

LEADERSHIP EDUCATIONAL SESSION

Comm. Snyder called the May 3, 2024 Education Meeting of the Board of Commissioners of King County Public Hospital District No. 2 to order at 7:00 a.m., welcomed those present, and announced that at the conclusion of the public session the Board would adjourn into Executive Session to discuss legal risk.

Public Comment

Bob Yoder, District resident, noted that he previously worked with EvergreenHealth as a medical sales representative and has fond memories of working with the organization. He noted that his focus is on mental health, he has enjoyed talking with Comm. Cashman, he believes the Board minutes are important and should be posted each month and that there were two topics at a recent meeting that were of interest to him. He also noted that he is excited about the organization's plans around Mental Health.

Action Items

Board Minutes

Comm. Cashman made a motion to approve the Board minutes noted below.

A) Board Minutes
- Board Educational – April 5, 2024
- Board Business Meeting – April 16, 2024

Comm. Stewart seconded the motion.

The motion carried unanimously.

PRESENTATIONS and DISCUSSION

Board Self-Assessment with The Governance Institute

Candace Scairpon welcomed the team from The Governance Institute (TGI), Taylor Carlson, Claire Chavez, Kayla Evans, and Dan Halverson, who led the Board in a review of the recent Board Self-Assessment. Taylor began by providing an overview of TGI, noting that they work with the boards of healthcare organizations across the country on governance related topics. TGI hosts many conferences, conducts board evaluations, CEO evaluations, has a network of advisors, and resources to tackle a variety of governance related issues. She also noted that TGI is currently working to establish benchmarking of like organizations such as Public Hospital District's (PHD's) to PHD's and academic to academic, etc.

Taylor reviewed the seven elements of effective governance and the areas of focus of the assessment which include: the fiduciary duties of care, loyalty, and obedience as well as the core responsibilities of quality oversight, financial oversight, strategic direction, board development, management oversight, community benefit and advocacy and board culture. She noted that five of the seven commissioners responded due to there being one vacant position and one commissioner being too new to complete the evaluation. It was noted that due to the volume of changes on the board over the last year comparing this assessment to prior years is hard, however comparing it to the national benchmark is still helpful and the Board is on track with that. She reviewed the overall ratings regarding board effectiveness, as well as the scores on fiduciary duties and core responsibilities. The highest performing questions were around receiving well prepared background materials in advance of Board meetings, having and enforcing a conflict of interest policy, requiring clinical programs and services to meet quality performance criteria, constructive dialogue with management, and having a culture that supports active participation, candid communication and rigorous decision making. The lowest performing questions include enforcing meeting preparation and attendance requirements, monitoring financial performance, holding management accountable for implementing strategies that meet the needs of the community, setting annual goals for board performance related to the strategic direction/plan, and holding management accountable for accomplishing the strategic plan. It was noted that these survey results are based on top box scores.

Taylor also reviewed the open-ended comments regarding important obligations, board experience, opportunity to influence, board improvement and education topics. It was noted that best practice is for the Board to stay at the governance level and have trust in the management team to manage operations. Additionally, the team reviewed possible next steps regarding elevating strategic discussion during board meetings, financial oversight focus, use the Board self-assessment results to establish board performance goals, and accountable leadership. Finally, it was noted that TGI has a variety of tools to help with the various educational topics that were requested in the assessment.

Overall TGI feels that the EvergreenHealth Board is in a good spot compared to other organizations. The Board engaged in discussion with the presenters throughout.

Patient Experience

Anne Grill, Director of Patient Experience, presented the topic noting that patient experience is tied to reimbursement, is publicly reported and has been tracked since the 1980's. She reviewed the variety of surveys available, the length, typical response rate, and other details about each. She also reviewed the Outpatient and Ambulatory Surgery-Consumer Assessment of Healthcare Providers and Systems (OAS-CAHPS) survey update which began in January 2024 and assesses the experience for outpatient surgeries and procedures and replaces the ambulatory surgery survey. She also reviewed the various formats surveys are sent out in, the speed of surveying, and noted that all hospitals are required to use an outside vendor to survey their patients to ensure there is equal opportunity for responses. Additionally, she reviewed who is eligible to complete a survey, survey confidentiality, communication options and requirements, data timing, minimum response rates before action can be taken to improve results, etc. Finally, she reviewed how to read the data explaining both the top box and percentile rankings and noted that Press Ganey provides priority index charts which indicate if improvements are made in these areas that scores are most likely to improve. The Board engaged in discussion with the presenters throughout.

Additionally, it was noted that our staff and physicians are committed to ensuring that our patients have a great experience, and we will not let up on the momentum we've gained, we always have more to do.

Financial Update

Frank Hemeon, Interim CFO, noted that a tremendous amount of work has taken place over the last year to overcome the substantial financial challenges facing the organization, and now the organization not only did not lose cash, we gained cash and

we're now able to start looking 3-5 years out and plan for growth. Today's presentation is about labor, the single largest line item in the EvergreenHealth budget and we want to be transparent so the Board can be comfortable in knowing that leadership is working hard to manage costs while supporting our staff.

Jessica Granger, Director of Financial Planning and Operations, and Bethany Leland, Program Manager Workforce Optimization & Operational Excellence, led the presentation which included a review of the labor budget philosophy and approach, and labor as a percentage of operating expense and reviewed the contributing factors including the launch of EPIC and shared services staff integration. They also reviewed labor as a percentage of net revenue and the contributing factors. It was noted that the only lens to providing care is to make sure the patient gets the care they need, regardless of the organizational costs or revenue, it is always about the patient. They reviewed the percentage of staff that are patient support, patient facing, non-patient care support and management, reviewed capitalized labor hours and dollars, financial recovery and 2024 labor management planning, etc. They also noted that we use benchmarking and review it annually for the purposes of reviewing volumes to meet or beat 50th percentile for both patient facing and nonpatient facing departments. They reviewed the daily labor management report which provides the daily productivity trend and that allows leaders to better flex staffing to volume, and can track overtime usage, which will help leaders make changes over time. It was noted that it is a balance, we need to focus on patient safety while also preventing staff burnout. We have bi-weekly labor management tools as well as monthly labor management tools, these help us identify any labor management issues, celebrate wins with less agency use, and helps leaders discuss action management plans to help stay on track. Finally, there is a position review committee which reviews the financial impacts of positions being requested, any decrease in expenses, associated increase in service line revenue, and current productivity performance and benchmarking. The Board discussed the focus on our staff and patients and that we need to make sure that we do not burn out our staff and ensure we have safe and high quality care for our patients.

At 9:55 a.m. Comm. Snyder announced that the Board would adjourn into Executive Session for 30 minutes to discuss legal risk for the District as permitted under RCW 42.30.110. He also announced that the Open Public Meeting would reconvene at that time and would immediately adjourn.

The Executive Session was convened at 10:03 a.m. and concluded at 10:50 a.m.

Comm. Snyder reconvened the Public Meeting, calling it to order at 10:50 a.m.

Adjourn The May 3, 2024 Meeting of the Board of Commissioners for King County Public Hospital District No. 2 was adjourned at 10:51 a.m.

ATTEST:

Jeff Cashman, Commissioner

Jeff Cashman, Secretary/Commissioner
Jun 18, 2024 2:51 PM PDT

Exhibit A – Guests

Name
Taylor Carlson, The Governance Institute
Claire Chavez, The Governance Institute
Kayla Evans, The Governance Institute
Dan Halverson, The Governance Institute
Bob Yoder