

**BOARD OF TRUSTEES MEETING
TVHC Board Room
WEDNESDAY, JANUARY 27, 2010**

Trustees Present: Michael Whitfield, Deborah Ray-Malheiro, Bob Benedict, Robert Emerson, Chris Larson, Janine Jolley, Aaron Hansen, Steven Dietrich

Ex-Officio Present: Mitch Felchle, Dr. Mo Brown, Virgil Boss

Guest Ex-Officio: Jeff Daniels, Jake Erickson

Minutes Recorded by: Marni Vasseur

Meeting called to order by Michael Whitfield, Board Chairman, at 5:33 pm.

CHANGES / ADDITIONS TO THE AGENDA:

● **MOTION:** B. Benedict moved to add BMH benchmarks to agenda item number 6 and to discuss approval of med staff appointments during quality report. Motion seconded by J. Jolley and carried unanimously.

ELECTION OF BOARD TREASURER:

M. Whitfield announced that nominations are open for a board treasurer.

● **MOTION:** B. Benedict moved to nominate S. Dietrich as board treasurer. Motion seconded by J. Jolley and carried unanimously.

J. Jolley moved to add A. Hansen to the finance committee. Motion seconded by C. Larson and passed unanimously.

MINUTE APPROVAL:

● **MOTION:** Emerson moved to approve the 12.21.09 minutes as amended. Motion seconded by B. Benedict and carried unanimously.

CEO REPORT

M. Felchle presented his report, see attachment for details.

Comments made and not on the report: Driggs clinic lease w/ Dr Curtis

The Driggs lease does not have an option to buy but TVHC does have first right of refusal and can match an offer if one is made.

Comments made and not written on report: Victor Clinic

Felchle commented that we are making a strong effort to promote the Victor Clinic. We are sending out a mailing, adding to the visibility by taking out some bushes that are obstructing the sign and Dr. Little is looking into painting the building. The med staff gets discouraged when they have so few patients so hopefully our promotional efforts will bring more business.

Comments made and not written on report: Winter Hours Schedule

We are committed to our winter schedule despite the low patient numbers after dark and the lack of winter sports cases this year. Some thing to consider for the future is the lack of business for providers versus the overworked lab staff. We are still working on balancing certain areas that are being stretched. Lab is understaffed and very busy.

Comments made and not written on report: Visiting Specialist Physicians

M. Felchle reported that Dr. Allen had at least 2 appointments where patients needed procedures but did not want to have them done at TVHC due to lack of confidence in TVHC's quality of care and ability. We need

to overcome that attitude. Felchle asked if testimonials would help.

J. Jolley responded by saying that Ann Loyola did a testimonial campaign a couple of years ago and it worked well.

Emerson said that we have to find a way to communicate the quality and continuity of care at TVHC to our patients.

J. Jolley asked if it was a perception of care or lack of faith in billing that keeps people from using TVHC.

M. Felchle said it is care and ability that people question. Major surgery procedures go elsewhere. Bingham has had same issues. If we can get patients to feel confident about the procedures being done here, we can easily keep patients here for after-care. Patients would prefer to be close to home for recovery.

In regards to our visiting Specialty Physicians, M. Whitfield asked if we are meeting expectations and if the scheduling is working.

M. Felchle responded by saying that we need Dr. Hansen and Dr. Lofaro here more regularly. Dr. Hansen is not doing clinic appointments at TVHC anymore and we want him back. He has an issue with his contract regarding his Medicare numbers. Felchle will meet with him about this and hopefully resolve the issue. With Dr. Lofaro we are trying to work out a reimbursement price issue.

We did come to a price agreement with High Peaks PT. The new agreement will start Feb 1 and will increase our business in terms of after-care options.

Comments made and not written on report: Director of EMS position

Several outside candidates have applied. We have interviewed all interested internal candidates. The cut-off for applications is the end of January.

L. Piquet reported that we had about a dozen applicants total.

M. Felchle said that the position would be 80% management and 20% clinical. We need someone who can manage staff and have strong clinical performance. We want someone who can work with the sheriff, fire department and Targhee. We are looking for a special candidate with strong management skills.

Comments made and not on the report: FY 2010

S. Dietrich asked why 2008 was so good financially for TVHC and 2009 was not.

M. Felchle said that 2008 was before the drop in economy.

Emerson added that we lost some population due to the bad economy.

D. R-Malheiro said that we were still doing OB which brought more business.

M. Felchle said that the Victor Clinic was doing very well in 2008 and we did not have that business in 2009.

S. Dietrich asked how many patients from Victor came to Driggs after the Victor Clinic closed.

M. Felchle said that the budget for 09 assumed the Victor patients would come to Driggs but it didn't happen. We lost some Victor patients to Jackson.

M. Whitfield said that the change in providers also hurt TVHC business.

S. Dietrich said it is a positive surprise, taking into consideration the downturns, how good the 2010 numbers look.

FINANCE REPORT : SEE ATTACHMENT

B. Ripplinger started by saying that last year at this time we worried about payroll and the hospital closing. We have come a long way. The Financial Committee will meet next month and we will have a report from the auditors.

B. Benedict commented that the numbers are still lower than budgeted. He asked why the interest expenses were so high.

B. Ripplinger said it was due to the bond.

B. Benedict asked if we want to set up separate account for an emergency fund for capital expenses.

M. Felchle said that he had been thinking about this and that they moved 400K to another bank.

S. Dietrich said we may need to lower expenditures and have better internal controls. He thought it would be appropriate to get proposals from banks so we can optimize our funds prior to putting our money with them.

The auditors have agreed and suggest that we refine spending control and have a protocol of approval for spending. They also suggested a short term investment account that meets prior board spending approval.

Daycare lost \$1600 in December due to the holiday and less days of business. In January they collected over \$9700 and are breaking even while still providing a valuable service to the hospital staff and community.

TAX LEVY: SEE ATTACHMENT

S. Dietrich said that the previous tax levy seems to have done its job. Currently, due diligence is being conducted, and auditors are involved, reports are trustworthy enough to make decisions from.

Analysis- will focus on cash. What cash is produced, where we stand currently. Situation is still tenuous.

Posting payables and receivables at the end of month is skewing the numbers.

Dietrich suggested taking cash balance down by 40-50 % of the projected 6 month numbers.

Natural, ongoing issues eat up cash, roof disaster, new beds, etc. Inappropriate response by management has been the absence of spending. S. Dietrich doubts we can avoid that level of prudence of spending.

Financial committee wants a list from management of what they need in terms of spending.

Collections take a while. TVHC has to operate with revolving capital to pay bills. ½ million dollars of cash on hand is to use for operating and replacement cost. Not to fund long term expenses, just immediate needs.

A. Hansen said that some accounts are day to day but with the levy we have money to operate but may not cover all expenses. Monthly income generated by operating will not cover a CT scanner, for instance, levy money will cover that.

We are also dealing with an old deteriorating building and large maintenance expenses. Without long term financing available, we will need the levy funds to continue.

S. Dietrich asked what the annual depreciation level of hospital is. He said we aren't making the cash to cover it. Looking at the depreciation/ asset list, we have more expenses, we need to set aside funds for this.

D. R-Malheiro asked if capital expenses relate to a potential increase in revenue, updated equipment will bring business and pay for itself.

A. Hansen agreed that technology could generate more income.

M. Whitfield reminded the board that TVHC is in recovery mode. It is more a matter of keeping the hospital intact and to keep things moving.

S. Dietrich agreed that levy funding would be for revenue creating expenses but have to cover the "collapsing roof" first.

D. R-Malheiro said that electronic medical record keeping funds have not been included in these discussions but it will be a requirement.

M. Felchle said he hopes for federal appropriation to help with electronic medical record keeping equipment.

J. Jolley wanted clarification on TVHC's CT scanner which is 4 slice, not 16.

M. Felchle said 4 slice is inadequate for some diagnostics. Patients go elsewhere for better quality. We can't get the funds for a new scanner from operating income.

J. Daniels went to a 64 slice scanner at BMH and that brought a lot of business. BMH will not lose that business anymore. We need to spend some money to make some money.

M. Felchle said that is similar to the digital mammography issue, business is going elsewhere.

J. Daniels agreed if you don't keep current technology, you will lose business. TVHC can't capitalize because it is county owned. That prevents TVHC from other financing options.

B. Benedict said that it would be difficult to get a revolving line of credit for the hospital into legislation.

J. Daniels said that after we get the audit report we will be able to get an operating line of credit. We have improved to the point of getting credit. At least for a year of credit.

S. Dietrich said he would be comfortable with one year of credit and he felt comfortable in our ability to pay it back.

B. Benedict said that the county is struggling overall on what TVHC is asking for plus what the schools are asking for. We will have a professional survey to compare the needs for the county. How do we want to word what we would like to get from the county?

B. Benedict said that the board would have to decide by March 15 for the wording on the ballots to be printed. He would like to see a draft of the survey wording by Friday.

M. Whitfield said he feels the amount of 2 million dollars is right on. TVHC still has big issues to deal with. So many things that can fail will stifle our progress.

C. Larson said that the survey will tell us if people will vote for the hospital levy or not.

Emerson said he is interested in long term sustainability. With the levy, TVHC can apply dollars to build a foundation to continue long term.

M. Felchle suggested starting the survey by saying that we almost lost the hospital and that with help we can continue to dig ourselves out.

S. Dietrich said it is a good investment for the county because the hospital does generate revenue unlike schools, roads, etc.

M. Whitfield said 2 million dollars seems a conservative estimate. He is comfortable with this being what we need to do. TVHC can still have many unforeseen equipment failures.

C. Larson said that the language of survey should specify the capital expenses vs the operating expenses so the public does not think that we don't need funding since we are currently operating in the black.

- **MOTION:** B. Benedict moved to make a case for a supplemental tax levy for 2 years. Motion seconded by D.R-Malheiro and passed unanimously.

V. Boss said that he is not sure the facility can grow without some updated equipment. The hospital staff does not know how bad it could be without it. The equipment is needed for patient care, the doctors expect it. This is a big problem. The hospital can't survive without levy funds.

A new CT scanner would be an improvement but what about the building size. Boss felt it was not adequate. He would like to see the hospital continue to grow and meet standards. Doctors need equipment to fill patient needs, doctors have not had a say yet.

M. Whitfield said the levy amount is very conservative. We still need Hospital Foundation revenue and other income.

B. Benedict suggested lease-to-buy terms for large purchases like a CT scanner.

COMMUNITY RELATIONS: SEE REPORT

R. Emerson summarized the Community Relations report.

QUALITY SERVICE COMMITTEE: SEE REPORT

D. R-Malheiro ongoing provider peer review - Dr Johnson is doing this review in ER.

Status of quality indicators – L. Piquet said she is hoping to get caught up and that we have had computer software problems. The quality indicators will be reported to IHA.

Reviewed the utilization stats for FY 2010 (see attachment).

D. R-Malheiro said she would add Home Health, Outpatient visits for IV therapy and Observation to the stats for next meeting. She added that less than 48 hours of observation is billed at an hourly rate, not daily.

Consumers are shopping around for procedures and technology. TVHC needs to update our CT scanner and mammography machine in order to stay competitive and not lose business to other clinics and hospitals.

M. Felchle added that rehab outpatient admissions had gone down because we did not have a contract with High Peaks PT and they had been referring patients to Cottonwood Corner. We now have a contract in place with goals for patient numbers. Our statistics in that area should recover.

Felchle also commented on Victor Clinic numbers for December in the category of "other providers." He said that we were shifting providers around to accommodate Dr. Snyder and these numbers should rebound as well.

Draft for TVHC risk management plan to board next meeting.

OR surgical survey is working well, no survey in ER yet. Some departments are relying on survey results for pillars.

STUDER PILLARS:

L. Piquet reported good participation in Studer Pillar goals. Still establishing baselines and getting progress reports from staff.

D. R-Malheiro said that progress reporting toward goals was inconsistent. The percent of the goal achieved and where the goal started is difficult to analyze because of different information and different goals.

L. Piquet said she didn't read everyone's reports, she just gathered the information due to time constraints.

D. R-Malheiro said to start, we need to determine the current starting point and the goal, then use percentage to measure how far we have come in accomplishing the goal.

S. Dietrich asked Piquet how seriously she thought the staff was taking the Studer Pillar goals.

L. Piquet said the staff is more engaged than in the past. Staff knows they have to report their progress. Some projects are hard to measure and the staff may need help from quality committee to suggest improvements to goals. New staff has not had quality projects in the past. They don't know how to measure or even to have measurable goals but with some guidance staff will do better.

MEDSTAFF APPOINTMENTS:

Quality Service Report

L. Piquet presented the QI report handed out in packets and asked for questions.

Med Staff Appointments

L. Piquet presented the Medstaff appointments included in packets.

● **MOTION:** C. Larson moved to approve the "provisional appointments" and "re-appointments" w/modification (David Hansen) in med staff bios. Motion seconded by R. Emerson and carried unanimously.

GOVERNING BOARD COMMITTEES:

M. Whitfield reported that TVHC has 7 standing committees, 2 currently are not operating- med staff relations and staff services. Whitfield asked C. Larson to head med staff relations and J. Jolley head staff services. The board would like to see these committees up and running.

Whitfield said he would like the committees to evolve to where work is done in committees not at board meetings.

M. Whitfield is chair of 2 committees, patient services and strategic planning. There may be a need for someone else to take one of these two committees on since there is much work to be done on committee side.

S. Dietrich said it is necessary to streamline the board meetings.

C. Larson agreed and added that he would like less repeating of committee reports.

M. Whitfield stated that the bylaws say we need to cover finance and med staff appointments in detail but other areas can be handled at the committee level.

- **MOTION:** M. Whitfield moved to approve the 2 committee chairs as suggested with C. Larson heading up med staff relations and J. Jolley heading staff services. Motion seconded by B. Benedict and passed unanimously.

CONFLICT OF INTEREST / CONFIDENTIALITY POLICY:

M. Felchle pointed out changes to the policy and encouraged the board to disclose any conflicts on the signature page of the policy.

CODE OF CONDUCT POLICY:

C. Larson suggested a change to code of conduct #19, stating that staff can go to the CEO if not comfortable

with the human resources director or their supervisor.

M. Felchle said that is in the draft and that TVHC has a grievance policy.

B. Benedict asked if the policy would be given to all employees so this is standard for everyone.

M. Felchle said the policy would become part of the employee handbook.

B. Benedict said that it needs to be clear so the supervisors understand how to deal with the issue, not just hear the complaint.

Emerson referred to p 2, #2 of the Conflict of Interest Policy asking for clarification regarding Disclosure of Conflict.

M. Felchle responded by saying that one must notify the board to declare a conflict of interest.

L. Piquet suggested changing the wording to “Nondisclosure of Conflict”

D. R-Malheiro said we should amend this line.

● **MOTION:** C. Larson moved to approve Code of Conduct Policy as amended. Motion seconded by B. Benedict and passed unanimously.

BMH ANNUAL CONSULTING PLAN: SEE ATTACHMENT

Jake Erickson reported on Bingham Benchmarks at the 6 month mark.

● **MOTION:** M. Whitfield moved to go into Executive Session pursuant to Idaho Code 67-2345 1 (c) to conduct deliberations concerning labor negotiations. ED weekend coverage and an employee compensation matter would be discussed. Motion seconded by C. Larson and carried unanimously.

Executive Session began at 9:40 pm

Trustees Present: Michael Whitfield, Deborah Ray-Malheiro, Bob Benedict, Robert Emerson, Chris Larson, Janine Jolley, Aaron Hanson, Steven Dietrich

Ex-Officio members present: Mitch Felchle, Virgil Boss

Executive Session ended at 10:50 pm.

● **MOTION:** C. Larson moved to adjourn the meeting. Motion seconded by D. R-Malheiro and carried unanimously.

Meeting adjourned at 10:51 pm.

Michael Whitfield, Chairman

ATTEST: _____
Marni Vasseur, Executive Assistant