

**BOARD OF TRUSTEES MEETING
TVHC Board Room
WEDNESDAY, FEBRUARY 24, 2010**

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

Trustees Absent: Michael Whitfield

Ex-Officio Present: Mitch Felchle, Virgil Boss

Guest Ex-Officio: Jeff Daniels, Luke Zarecor

Minutes Recorded by: Marni Vasseur

Meeting called to order by Deborah Ray-Malheiro, Board Vice Chair, at 5:34 pm.

CHANGES / ADDITIONS TO THE AGENDA:

S. Dietrich moved to put agenda item number 5 after item 10.

MINUTE APPROVAL:

● **MOTION:** J. Jolley moved to approve the 1.27.09 minutes as amended. Motion seconded by B. Benedict and carried unanimously.

CEO REPORT

V. Boss presented his report, see attachment for details.

Comments made and not written on report: CEO Transition

Dinner with the med staff is scheduled for March 4th to discuss the tax levy and the provider's vision for TVHC.

Item B on the CEO report- Managers were surveyed on how they use their time and how their workload is going. Mitch and Virgil reviewed and discussed med staff contracts. Contracts were sound.

Item C- Mitch and Virgil will be at BMH on Monday. They will tour the hospital, meet staff, meet with Louis Kraml, BMH's CEO. Mitch will attend a revenue cycle meeting. Tuesday Mitch and Virgil will meet with Glen Giles in the business office to pass on information and get him up to speed on the next steps. By the end of April, there should be a finite plan in place for how long Mitch will be with TVHC and an evaluation of the admin team to see if they can reach projected goals.

D. R-Malheiro asked when they will have a plan and timeline for restructuring the revenue cycle.

V. Boss said he could not answer at that time and that it would be based on the BMH visit and their recommendations. Boss mentioned that the business office manager is giving better answers to questions being asked by Boss.

D. R-Malheiro asked about benchmarking A/R business, and how we can evaluate it.

V. Boss said that one benchmark is how quickly bills are getting out and getting paid. All billers will have different metrics for measurement depending on their position.

Emerson explained scorecard indicators showing how we are moving forward.

V. Boss said we need IT information to evaluate measurements. He also mentioned that we are ahead of schedule in the transition.

Comments made and not written on report: Winter and Summer Hours Schedule

Sunday business is getting busier every week. The Saturday split is working well. Appointments are being set at either clinic depending on which one is open and staffed on weekends.

Comments made and not written on report: Visiting Specialist Physicians

Pain specialists are booked 6-8 weeks ahead. One pain specialist is here every other week.

TVHC has signed an agreement with High Peaks PT.

D. R-Malheiro asked if we were getting appointments for the neurosurgeon and the neurologist.

M. Felchle said that Dr. Gerard had 7 appointments her first week and Dr. Allen had 4. Each neuro provider comes to TVHC once a month.

Emerson asked if they are coming based on demand or hope that they will get appointments while they are here.

V. Boss said they are getting referrals from providers and appointments are set up ahead of time.

Dr. Brown will be taking vacation at the end of Mar, beginning of Apr. TVHC's OR will be closed to do infrastructure upgrades, install A/C, refinish floors and paint. We have a contingency plan for emergencies and can do OR cases on Wednesday of each week if needed.

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

Finalist interviews set are up. Candidates will be onsite to meet staff the week following the board meeting. Both finalists are trained paramedics and paramedic instructors.

Comments made and not written on report: IT Integration with Healthland

Our IT staff received software training and found that several pieces of our IT capabilities are not being used. The Healthland integration will help by getting TVHC prepared for electronic medical record keeping. BMH IT staff member Jack York was at TVHC recently and spoke of BMH's technology. York went through management and IT department's systems. York explained how each BMH department has customer service roles. Info technology and healthcare go side by side. Nurses spend as much time on the computer as with patients. BMH is compiling info on the findings of York's visit to give us feedback. Boss said that the cost is worth the gain and that many systems can be enhanced and trained on to improve TVHC.

B. Benedict asked if the IT modules that are not being used are not needed.

V. Boss said that the staff was not trained or even aware of the modules that are available and not being utilized. He went on to say that we have licenses that were paid for that aren't being used.

There will be a progress report for the March meeting on implementation of existing computer modules that aren't being utilized. This report will also address whether there are financial or educational needs for IT training. We have metrics for IT productivity and are currently exceeding the standard. The staff was encouraged by this. We have what we need in terms of IT capabilities; we just need to use it to its potential. Our IT guys are proficient; they have been here through the tough times when we could not afford education. IT reports will go to Boss.

Chad Anderson, with support from Jack York from BMH, worked on process improvement and leadership training. Some goals were to reduce days in patient A/R and to update the strategic plan, which has been in place since the end of '08. The strategic plan should be revised because we are in a better financial position to accomplish goals. IT planning is underway with long and short term goals and training. Also working on budget management, which is Virgil's area of skill, he is proficient with analyzing cost, finding what is consumed, what is left from budget, finding corrections that can be made and how to allocate funds. They are also looking at productivity planning using 3% net operating budget which matches other critical access hospitals.

An accounting policy for purchasing is being developed.

There is work on support and training for pillars being done. We need 6 months worth of reporting before we can see measurements that will improve quality.

2 separate sections of quality are being looked at - operations and patient care. The board may look at different pillars each time, separated by department instead of all at once. BMH visit on Monday will help determine quality measures that BMH uses.

D. R-Malheiro asked if reducing days in A/R addresses the revenue cycle.

V. Boss replied that it does not, but is just an obvious measure. Revenue cycle is more involved and in a couple of weeks we will have more info for improving billing processes. The board would like a 1 page document that has all of the information of day to day financial operations.

IT has a different perspective on the tools that are available to them after the York visit. This will help streamline IT jobs.

C. Larson said he would like summary of the Studer Pillar report along with a summary of finances instead of getting so much information that takes a lot of time and effort to go through.

FINANCE REPORT: SEE ATTACHMENT

Blaine Ripplinger reported that the finance committee met twice last month. We have had better collecting but higher bad debt due to more self pay accounts. We eliminated a 3rd party collection group which saved us 14K annually on clinic accounts. Physical therapy and physician referrals dropped dramatically but should improve now that we have a contract in place.

FINANCE COMMITTEE REPORT: SEE ATTACHMENT

Steven Dietrich reported that they have produced drafts of spending policies. The board will review and approve.

B. Benedict suggested that on capital equipment items, we should get 2 price quotes from vendors.

V. Boss said that the biggest change in the policy is that we will no longer have to get 5 or 6 signatures in order to get approval for new purchases. The new policies will be quicker and cleaner for managers. Blaine and Virgil will sign off on purchases; along with Ann. Approval will go to the Foundation Board for Ann's purchases. This will speed up purchases but also gain approval of requests.

D. R-Malheiro asked if capital equipment acquisition #4 should go to med staff not just nursing services for approval.

V. Boss said that med staff will be involved at the front end but not involved in budgeting. The providers will go to the clinic manager to request an item then it will go to admin/nursing for approval. Boss did not feel that we would miss any provider input since the providers will usually be the ones requesting the item to be purchased.

S. Dietrich said we should have a capital spending **plan** to see what is coming instead of approving band aids every time they are needed.

V. Boss said that anything over \$250 had to be approved. Managers needed to stick with budget.

MOTION: C. Larson moved to approve the spending policy as recommended by the finance committee with an amendment to item 2B. J. Jolley seconded the motion and it was passed unanimously.

AUDIT REPORT: SEE ATTACHMENT

Luke Zarecor reported on the audit. He said that the audit is incomplete because we have to include the Foundation numbers. In the future we can audit the foundation separately but will have to have separate auditor.

Item P3-Patient accounts receivable is still problematic. Collecting is not being done well. Still dealing with old A/R. 47% of A/R is 120 days and older which is the hardest to collect.

J. Daniels commented that materials may be purchased on consignment in the future so we don't pay for them until we use them.

Item P5 gain vs. loss improved greatly but at the expense of employee salary and benefits. Expenses decreased all around.

Item P27 internal controls. Finance committee will work on this area. Auditors don't control this but will advise us. Deficiency was also reported.

The audit was easier than last year with not as much to report to the board.

TVHC is doing well compared to last year and compared to other hospitals of same type.

Zarecor said that our Chargemaster may be low. Medicare and Medicaid along with commercial insurances

aren't paying what they should and we may not be charging what we should. Zarecor suggested considering a Chargemaster increase.

Some areas are lower than last year but higher than peer group hospitals.

TVHC has a higher self pay mix than other hospitals.

TVHC needs a charity care policy in order to report what we are giving away. A charity care policy will help with reimbursement and PR. It will also help with electronic reimbursement records.

TAX LEVY: SEE ATTACHMENT

R. Emerson – polling survey established that shed some light on what challenges we will face on getting the levy to pass. Need to develop contingency plan. If we don't get the levy, what is plan B?

J. Jolley said we have not taken much county money in the past, only lately. We need to show this to the public.

B. Benedict commented on the wording of the levy document and said that the only word inserted into the document was "operations". The document lists deferred maintenance and operations as reasons for needing the levy. The word "operations" was inserted so we would not have to report spending later.

S. Dietrich said that a lot of effort has been put into identifying what we were facing regarding our needs for the levy. The board all agreed on reasons for needing levy funds but there has been little reporting to the public. Cap ex was not reported to the public. Dietrich thought we should ask if patients would rather approve the tax levy or drive to Rexburg for health care. Dietrich thought that was enough reason to leave "operations" out of the verbiage. He also said that the board should ask management to come up with a plan B and explore other options should the levy not go through.

B. Benedict restated that operation costs would have to be reported.

S. Dietrich said that 6-9 months from Jan 27, we would know if we need to use the second levy for operation needs. We could then make changes in our operations. Dietrich restated that he does not support levy money for operations.

A. Hansen further explained this position by saying that money for operations is giving more money to something that is not working. Operating revenue should cover operations.

S. Dietrich was shocked by the poll results. He recommends that key elements in the assessment be brought up.

D. R-Malheiro said we need to educate the public. There is a discrepancy of what the public thinks the hospital's needs are and what they really are.

S. Dietrich said we are not done with restructuring the hospital.

D. R-Malheiro said that the 30% who say that the hospital should not get any more money are the ones who need to get the correct information. These are the people who should be marketed to. The public needs to see why we need the money.

Emerson asked if the board was in resolute agreement that we would return the levy money if we didn't need it.

S. Dietrich said that was not what the board voted on. There is a low chance that we would return money but in reality, if we are ahead financially, it would take care of itself.

D. R-Malheiro explained that the intention was not to use levy money for operations but to catch up on capital expenditures and deferred maintenance.

S. Dietrich said that in a period of time, by FY 2011, we would know if we are operationally sustainable or not. Plan b is restructuring as a private hospital.

D. R-Malheiro said there are 2 issues here; how to market the levy and what the correct wording for the ballot is.

C. Larson said that the point is that we should be responsible to the community on how the levy money is spent.

B. Benedict agreed and said that we should track the spending and report it. Make summary reports instead of new accounting systems.

V. Boss said that the hospital will have big expenses that are easy to show. Operation costs are hard to show

and track. We should leave the word “operations” off of the ballot.

J. Jolley agreed to leaving the wording as it is with “operations” left off.

C. Larson said that most of the levy money will be spent on cap ex and will be easy to show. Statutorily, the hospital can't use levy money for operating.

D. R-Malheiro asked if they all agreed to keep the wording as deferred maintenance and cap ex. All agreed.

S. Dietrich asked if we need to say anything about a contingency fund.

D.R-Malheiro said no, any contingency funds would be used for cap ex and deferred maintenance.

Malheiro then asked what constitutes the passing of the levy.

B. Benedict said 51 %.

D. R-Malheiro asked how is it determined what each resident's tax liability is.

Benedict answered by saying 20% evaluation per \$100,000 of appraised property value.

Sandra Woolstenhulme said that after taking survey, she was not clear that all 3 levys would not be on ballot. The school levy is not due.

D. R-Malheiro said we need to clarify. If the school levy is not on the table, the choices are narrowed. This may help TVHC get the levy.

Emerson pointed out that on \$200K it is only \$8.33 per month to have a hospital in our county.

Emerson reported on marketing efforts for the levy. This is where we are up to this point: on March 1st the board signed the resolution to put TVHC on the levy ballot. The board is in the process of forming a levy committee which will include Emerson, Ann Loyola, and V. Boss. They will also identify community members to add to the committee. All board and committee members will reach out to the community and be proactive. FAQ is already drafted. Most questions are ready with responses. Names and addresses of voters have been gathered and the board and committee know who they will target for marketing. Virgil will send messages via the Valley Citizen article on March 4, there will be another article run in April. Editorial space in the Citizen and TVN is reserved. Will develop staff outreach and roll out in March. Town hall forums in will be held in the 3 Teton valley communities to ask questions. Website coordination is in process. TVHC will be advertising in the local papers. A personal letter to major donors will be sent out after the resolution. There will be a phone bank effort in mid May. Outreach to the Hispanic community with education and information on the levy. Voting reminders will be sent out prior to elections.

J. Jolley said she would like to see a statistic of communities without hospitals and how that affects property values. She felt we would see a drop in property values for communities without hospitals.

Jeff Daniels added that without the hospital, Teton Valley would not attract businesses or educated residents.

D. R-Malheiro said that Teton Valley residents feel that the hospital is no longer in jeopardy.

C. Larson said that maybe we are reporting too much success and that we are operating in the black.

D. R-Malheiro reported on a statistic where residents were asked if they thought hospital was doing fine.

Only 4 % said yes. They need more explanation.

C. Larson pointed out that TVHC is in the black because we are not doing any maintenance or improvements.

D. R-Malheiro asked how to address the contingency plan. It is not guaranteed that we will get the levy.

S. Dietrich suggested deferring this until next month to let Virgil and the finance committee come up with a strategy.

QUALITY SERVICE COMMITTEE: SEE REPORT

Quality Service Report

D. R-Malheiro said that the QI report will be given next month.

MEDSTAFF APPOINTMENTS: SEE REPORT

Med Staff Appointments

D. R-Malheiro presented the Med staff appointments included in packets.

● **MOTION:** B. Benedict moved to approve the “provisional appointments” and “re-appointments” in the med staff bios. Motion seconded by C. Larson and carried unanimously.

STUDER PILLARS:

D. R-Malheiro gave an update on the Studer Pillars progress:

Tremendous effort was put into producing the report. The report is an evolving process. More work is being done on the measureable piece of the goals.

Studer Pillars are part of quality improvement. Not all goals are patient care, some are operations. There was some discussion about splitting out the two areas. Patient care is on the clinical side. The State does a survey of quality improvement plans; they want to see patient care quality improvement plans in place. TVHC has to make sure the clinical side of QI is being taken care of for reporting purposes.

V. Boss said that the other areas of reporting are fire and exit plans, things of that nature.

There are issues in terms of how to measure and report goals. Reporting is all over the map right now. Goals are set up differently which makes measuring difficult. Graphs in reports should tell us with a glance how close we are to completing the goal. The target goal should be 100% despite what or how you are measuring. Compare starting point to goal. Some goals don't have starting points. D. R-Malheiro and L. Piquet will give departments a starting point based on departmental data. The formula will represent the percent toward the goal.

In the future the board would like to see a printed summary of graphs instead of the whole report which was very lengthy and time consuming to view.

Emerson said that the bar is being raised because we are viewing the progress.

COMMUNITY RELATIONS:

R. Emerson summarized the Community Relations report. In the strategic plan of 2 yrs ago, TVHC had internal and external goals. What the committee is working on now are the tax levy as internal, and the employee satisfaction survey as the external goal. We will use our own survey, not an expensive vendor survey. The cost of the vendor survey was \$7500 annually, we decided against it. Carla, Emerson and Chuck are devising a short in house survey. Survey monkey is \$19 per month. Survey monkey will compute the results. Virgil and Mitch looked at the survey draft and will continue working on it. The survey should be done in March. There has not been a survey done at TVHC in 5 years. We will get hospital wide data instead of departmental. There will be a marketing plan and communication plan in place for employees to understand why TVHC is conducting this survey.

MED STAFF RELATIONS:

Chris Larson will report next month.

STAFF SERVICES COMMITTEE REPORT:

Janine Jolley reported that the committee would like to have incentives for employees that recognize staff. (Refers to strategic plan) By last year we should have been tracking staff morale. The employee engagement survey will help with gathering info about how the staff is doing. It will be reported quarterly.

● **MOTION:** D. R-Malheiro moved to go into Executive Session pursuant to Idaho Code 67-2345 1 (b) to conduct deliberations concerning personnel issues. Motion seconded by B. Benedict and carried

unanimously. Malheiro asked that V. Boss, M. Felchle, L. Zarecor and J. Daniels stay for the executive session discussion.

Executive Session began at 9:02 pm

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

Ex-Officio members present: Mitch Felchle, Virgil Boss

Guest Ex-Officio: Jeff Daniels, Luke Zarecor

Executive Session ended at 10:00 pm.

● **MOTION:** D. R-Malheiro moved to go back into public session. S. Dietrich seconded the motion and it was passed unanimously.

● **MOTION:** B. Benedict moved to ask the CEO to coordinate with the Foundation for a formal audit through September 2009 to correct the final audit for the hospital. S. Dietrich seconded the motion and it was passed unanimously.

● **MOTION:** B. Benedict moved to adjourn the meeting. Motion seconded by C. Larson and carried unanimously.

Meeting adjourned at 10:03 pm.

Deborah Ray- Malheiro, Vice Chairman

ATTEST: _____
Marni Vasseur, Executive Assistant