

**BOARD OF TRUSTEES MEETING
TVHC Board Room
WEDNESDAY, MARCH 24, 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 Chair, at 5:35 pm.

CHANGES / ADDITIONS TO THE AGENDA:

J. Jolley will not be reporting on staff services committee at this meeting and will only be reporting quarterly.

Ann Loyola introduced Diane Temple as new Executive Director of the Hospital Foundation. Her new post will begin April 4th.

MINUTE APPROVAL:

● **MOTION:** B. Benedict moved to approve the 2.24.10 minutes as amended. Motion seconded by Emerson and carried unanimously.

REVENUE CYCLE: SEE ATTACHMENT

M. Felchle summarized the Revenue Cycle report, see attachment for details.

V. Boss said he is reviewing proposals to collect on old A/R accounts. He is looking at collection agencies that BMH has had success with.

CEO REPORT:

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

Comments made and not written on report: Learning Center.

Learning Center Supervisor Gloria Baird got a transitional license. The Learning Center did not have to go through another full inspection. The transition of ownership of the business will go to Gloria on April 1st. Furnishings will go with the transaction, along with computers, scheduling and accounting software. The rent of the building is paid rent through the 15th. Families who use the Learning Center have been notified, staff will be notified on Monday. The Learning Center will be off of TVHC books as an expense starting April 1st.

Comments made and not written on report: Victor Clinic

We have had an increase in Victor clinic appointments, Driggs appointments also increased. These are new patient appointments.

Comments made and not written on report: Foundation Audit

We should have the entire combined audit by April 1st.

Comments made and not written on report: IT Survey

There will be training of 2 host systems when Chuck gets back from vacation on Monday. There will be

more “help desk” knowledge made available.

Comments made and not written on report: Mock Survey of Quality Measures

Got report from John Hagen of the Hospital CoOp. TVHC has not had this kind of survey in 4 years. The survey gives us a good baseline as to where we stand. The survey tests compliance with state and regulations, initially the overall impression was that we would have no difficulty in passing a real survey. Would need a plan of correction for certain areas but no areas would fail. The biggest challenge was our policy system. Some on policies are on paper and some are on policy tech. In general, the survey went well.

Comments made and not written on report: Visiting Specialists

No additions to staff in February.

M. Whitfield asked if we thought we had profitability in our visiting specialists. We put a lot of stock into visiting specialists and the med staff had commented that specialists are not here enough to create revenue.

V. Boss said that we were still working on scheduling and making the specialist program productive. The visiting specialists come from a referral base that TVHC providers are responsible for. Lack of space may be another issue if the OR is full. We are looking for specialists who can be here on open days. We are also trying to increase available rooms. We are seeing 1200-1300 patients per month with our providers.

M. Whitfield asked what kind of utilization we are getting from the OR.

V. Boss said that sometimes the OR is full, other times it is not. We can't turn the OR around as efficiently as we should be and are working to correct this.

Emerson asked if we have right mix of specialty physicians.

V. Boss said he can't say yet based on his limited time at TVHC. He reiterated that the referrals for specialty physicians come from our providers.

D. R-Malheiro spoke about doing survey of TVHC providers to let us know if we are getting the right specialty physicians and what referrals our providers making. Who are the providers making referrals to? In general what types of referrals are going out. Where are they sending patients to?

M. Whitfield said that he had gotten the sense from providers that it is a matter of the specialty physicians being here only once a month. Patients don't want to wait a month to see the specialty physicians and go elsewhere.

V. Boss pointed out that we changed winter schedule for weekend surgeries but the lack of snow did not give us the business that we expected to have.

S. Dietrich said that even if the specialty physicians came 5 days per month we still may not have room for them to see patients.

V. Boss replied that we are trying to fill the empty gaps in the schedule.

S. Dietrich asked what the margin for revenue is.

V. Boss said that we usually don't have to ramp up staff support, we have a schedule and staff. The cost is there whether we use visiting specialists or not.

M. Whitfield added that we just need to use the OR more effectively.

D. R-Malheiro asked how we can maximize revenue.

V. Boss said that we have not found a repetitive surgeon to fill that spot

M. Whitfield said that we need to focus on this avenue to profitability.

J. Jolley pointed out that she sees a lot of competing visiting specialist ads in the local papers.

V. Boss agreed and added that physicians are competing for business too.

Mo Brown said that he does not feel we are being competed against but felt it would be a good idea to have physician referrals recorded or documented. He said we have a need for an ENT that would do surgery. Dr. Brown also stated that often times when we get a specialty physician here, they take the referrals to their home hospital.

Emerson wondered if we should ask the public what kinds of specialists they think we should have at TVHC.

Dr. Brown thought we could survey our family practice doctors to get that information.

D. R-Malheiro said that we can find what the need is for a specific specialist but we still need to find out if

patients are seeing the physician here or at another hospital.

V. Boss said we would address this topic further at the April Board meeting.

Comments made and not written on report: February Revenue

We are in a loss position on emergency services. Ambulance is close to budget. The Fire Department thought they should be involved in the process of hiring a new EMS Director. We have already hired a new Director of EMS that will be here at the end of May.

CEO PERFORMANCE MEASUREMENT: SEE ATTACHMENT

(Quantifiable and measurable list of goals)

M. Whitfield asked for feedback from the Board regarding performance standards within Virgil's contract.

A. Hansen asked why goal #3 went from achieving a net operating margin of 3% down to 2%.

M. Whitfield said that one board member suggested 1.5%, another suggested 3% so they decided to meet in the middle.

B. Benedict reminded the board that Virgil only had 7 months to achieve these goals.

V. Boss said the age of A/R is also an issue. We are at 10% bad debt.

A. Hansen said that the bad debt is already figured into operating cost or loss.

M. Whitfield said that performance will be re-evaluated during next January's audit.

J. Jolley asked for clarification on the Studer Pillars goal.

V. Boss said that he wants to have measureable goals to have a good Studer program. Some things can not be achieved right now due to IT issues but this is a big improvement from having no goals. Goals will continue all the way to the next date of evaluation.

D. R-Malheiro said that goals will change and are ongoing. Some departments have already started their 2nd goal.

V. Boss said it is also an exercise in teaching staff that goals have to be in staff's head always. The Studer Pillar goals have to become part of the culture at TVHC. The staff is not used to doing this and don't know how important these goals are but that will change as we continue to use Studer Pillar goals as a tool of measurement for our progress.

M. Whitfield added that the "measure" is to get past the exercise state and have it be automatic. Where staff knows their goals and where they are with their goals.

V. Boss said that goals will broaden within staff and hospital philosophy. Goals will narrow and streamline where we have shared goals.

S. Dietrich said he looked at BMH goals compared to ours. He said that he saw some overlap but BMH goals have finishing and completing factors that ours don't have. Dietrich felt that we were setting ourselves up for non accomplishments. Combine goals 2,4,5,6 and bring back BMH 95% satisfaction rate. We don't want us to lose sight of how difficult the CEO job will be within the next 6 months, especially if levy does not pass. Consider the certification of inspection, bad debt provision and clean audit in the financial area. We are in the throes of a process that we may not many have experience with. There is more uncertainty with the levy issues.

Emerson thought we needed a clarification of priorities within the CEO job.

S. Dietrich said we have to prioritize the problems and the restructuring. He felt we may be putting the small stuff above the bigger issues. Take care of the financials first and take care of other stuff later.

M. Whitfield pointed out that the CEO prior to M. Felchle looked at financials and cut costs, that was his tactic. It was single minded and he failed. We need financial metrics but should still keep an eye on other areas.

S. Dietrich said that he felt we have another chance. Patients are not staying here, that is the issue. The keys are to reduce collections to keep cash coming, and to keep patient satisfaction level up to keep business.

D. R-Malheiro said that patient satisfaction is most important but does not replace quality improvement items. We have to look at what quality of care is at the state level. She felt that the Studer Pillar goals address this. Patients equate quality with their personal experience and expectations.

M. Whitfield said that surveys are subjective and that we have no baseline to look at.

Jeff Daniels said that TVHC may not have trends to look at but we can compare ourselves to other hospitals, then create our own baseline with time. Comparing your self to other hospitals will do the job.

S. Dietrich said he was impressed by the 0% infection rate. But on the other hand no snow =no surgeries. TVHC is still losing money. He felt the board should look at the BMH goals again. He added that Virgil should pare back his goals.

J. Jolley said that TVHC is paying BMH a lot of money. They have good ideas and we should be implementing them.

D. R-Malheiro said that some of Virgil's goals can't really be measured within a year. Joint commission certification is a long term goal.

V. Boss made the point that employees have not had raise in 2 years, referring to the employee satisfaction survey.

S. Dietrich restated his position that we need to keep the bad debt provision down, manage A/R to industry level and have profit goals.

D. R-Malheiro thought the CEO performance measurement list was accomplishing that.

M. Whitfield suggested that the board officers and the CEO work on the performance measurement list. Whitfield asked the board if they thought there should be additions and subtractions to the performance measurements or if they should start over with a new list. He asked if there was a motion or start over.

C. Larson asked why there was so much focus on IT.

V. Boss said it was mandated and that TVHC is behind in this area. IT was not part of the last strategic plan. Boss continued to say that most IT equipment is older than 7 years which impacts the quality of care. TVHC is not ready for electronic medical records and our system of productivity is still a paper system. It is important for the hospital to catch up and have up to date equipment.

M. Whitfield added that this is not an incentive measure but is necessary for the success of the hospital.

● **MOTION:** B. Benedict made a motion to keep the performance measures with amendments. Benedict moved to replace goal #2 with patient and physician satisfaction at 92%.

There was no second.

S. Dietrich said that the board should start over. He also reiterated that TVHC needs a clean audit.

GOVERNANCE ROLES:

M. Whitfield said that the current board came in where TVHC was failing and there was no strong administration. He felt that the board went past a governing role and into administration. Since then, Mitch hard work has allowed the board to go back into governing and out of administration. Whitfield felt that the board should periodically review the bylaws because as cycling of members occurs, the board needs to diagram jobs. Whitfield drew a diagram showing the flow of leadership starting with county commissioners to trustees to chair, leadership team, and CEO (chair works with CEO in leadership role). After that we have admin team and med staff. Then we have board committees where bylaws give specific duties to each committee. Then staff role to implement duties and goals.

He stated that the committees are not supervising the staff. There are specific bylaws for each committee. For example, Chris Larson, who is on med staff committee, is not supervising doctors but is charged with communication between board and med staff. The board also has strategic goals where they are helping with strategic planning as volunteer staff. Board members work for an admin team members. For example D. Malheiro is helping Laura Piquet with action items. Malheiro is a staff volunteer working for Laura Piquet. The board's charge is to supervise the CEO but no one else in hospital. The board needs to think as a governing board not a board running the hospital.

V. Boss presented educational opportunities for the board that would affect the hospital and the board. He gave handouts to the board members to review educational opportunities. The Hospital Foundation can provide funds for training and lodging. The Foundation would pay for 3 board members and the CEO.

D. R-Malheiro said the education options looked good.

V. Boss said that the symposium would rotate topics for 2 days in Denver. Tuition is \$400 per trustee and

the Foundation would also pay for hotel accommodations.

D. R-Malheiro added that members can look online to find a trustee “education tool kit”

M. Whitfield said he would like to send 3 members per year then rotate members the following year.

Thinking of leadership transition of the board as to who would go first.

Jeff Daniels added that BMH uses a program in Sun Valley every October. The Idaho Hospital Convention and Trustee. This convention gets other directors involved not just trustees.

V. Boss mentioned the Center for Health Care Governance. This organization helps clarify the expectations of the CEO and the board.

V. Boss mentioned dividing up the board members and having someone go to each event.

M. Whitfield said he would have conversations with members about their goals and what they want to do for future involvement and leadership. The board will get into strategic planning in May. The board spoke about a strategic planning retreat in May. This would have to be public and noticed. Perhaps a Friday evening and Saturday. This would be a social and planning retreat. Whitfield mentioned that last time they did this kind of retreat it was 5 evenings and a lot of effort. It needs to be pared down and streamlined.

C. Larson said he liked the idea.

S. Dietrich commented that the strategic planning would have a different meaning if it were after the levy.

V. Boss said he would like the strategic plan outlined before the budget. He said we need a 2 month cycle before they could outline the strategic plan.

B. Benedict said they could finalize by July.

V. Boss said he can have the operating part of the budget done to look at during the strategic planning.

Jeff Daniels said that John Smith from the hospital coop can do this facilitating for the retreat. The hospital coop also does board education and has facilitated strategic planning for other hospitals.

The board agreed on June 4 and 5 as a tentative date for the retreat.

Mo Brown asked if the retreat would include med staff.

M. Whitfield said that it would.

B. Benedict had information on board training April 26th at the courthouse. He would email that information out to board members.

M. Whitfield said that there is one vacant seat in the expanded board and that there should be 9 members to have an odd number. He wanted to hear via email, thoughts on what kind of folks they need on board and what kind of experience they are looking for. He mentioned that they have already worked through some names.

Emerson asked if they should advertise for this position.

B. Benedict said that the county does advertise. The board could tell Dawn and she will run an ad. Benedict added that it would be better if they had a target for who we are looking for.

M. Whitfield said they have had a poor response to ads in the past. He thought they need to advertise and do one on one recruitment.

B. Benedict said that if the seat is a full term they should advertise the vacancy. If it is a replacement, the board can find and appoint someone.

S. Dietrich asked if they want to keep the number at 9 or through attrition, take it to 7.

M. Whitfield said it is possible to take the number down. Whitfield said the process to get new members is that to get applicants, then the board recommends the chosen applicant to the county commissioners.

M. Whitfield said that the next BOT meeting is scheduled for 4/28. He would like to move it to 4/21.

S. Dietrich said he won't be here through the end of April.

Emerson said he won't be here the last 2 weeks of April.

M. Whitfield moved date to the 22nd of April for the next BOT meeting.

FINANCE REPORT : SEE ATTACHMENT

Steven Dietrich summarized the finance report for B. Ripplinger who was absent.

B. Benedict asked what the operating loss is for the clinics. He said he wanted to see a separate number from the hospital. He said that we keep hearing that the clinics are full but still losing money.
S. Dietrich said the clinics are separate as an operating entity. Victor is still at startup level.
V. Boss said that Driggs is running in the black but Victor is still losing money.
S. Dietrich said we would see skews relative to action that is or is not happening. This will smooth out as time passes.
B. Benedict noticed that accrued salaries and benefits went up on the financial statement.
Jeff Daniels said this was an entry we should not have had and that we will not have corrections and adjustments like we did this year on the next audit.
S. Dietrich added that next period will be a quarter end and we can report by quarters instead of month to month. The cash flow sheet and use of cash are better along with a higher revenue line.

MED STAFF RELATIONS

C. Larson reported that the committee is coming together. He has not met with all of the med staff or with Laura Piquet. Dr. Brown has been out. He is defining the committee and what their duties are. Larson will report further next month. He mentioned that this committee is not defined well in the bylaws. He thought they could form committee as is necessary.

QUALITY SERVICE COMMITTEE: SEE REPORT

Deborah Ray-Malheiro said that reporting is up to date through 2009. All measures are listed on the report. They are reporting on all items listed as BCI Blue Cross. There is financial incentive to report on BCI Blue Cross items. Others are reported based on what data we have available. Some information was not easily accessible. This reporting is optional at this time but it should be done to compare TVHC to other hospitals. IHA has extensive criteria on what we are reporting on. Due to small numbers, QS committee is not reporting monthly.

QUALITY IMPROVEMENT AND RISK MANAGEMENT PLAN: SEE REPORT

● **MOTION:** Emerson moved to approve the Quality Improvement/Risk Management Plan as revised. Motion seconded by J. Jolley and passed unanimously.

MEDSTAFF APPOINTMENTS:

L. Piquet presented the Medstaff appointments included in packets.

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

MED STAFF BYLAWS: SEE ATTACHMENT

L. Piquet reported on changes in the current med staff bylaws.

● **MOTION:** D. R-Malheiro moved to approve the med staff bylaws with the changes recommended by L. Piquet. A. Hansen seconded the motion and was carried unanimously.

STUDER PILLARS REPORT:

L. Piquet presented the Studer Pillars Report.

Piquet reported that she divided the report into 3 departments each time for reporting. She is reporting on progress toward 100% completion of the goals. Piquet commented that sometimes it takes months to get the project or goal lined out. Staff needs measurements in place before they can report on the goal therefore we have some 0% measurements. Staff must maintain the goal for 3 months, not just get to goal, in order to get the process hard wired and not slide backward or forget about the goal.

COMMUNITY RELATIONS:

R. Emerson summarized the Community Relations report.

Emerson reported that the Employee Satisfaction Survey is going out Monday. He said they would wait until they do communication follow-ups then will gather information after all staff has done the survey. Pool employees need extra time.

V. Boss said he would like 75% response before we gather info.

Emerson reported on External Communication regarding the tax levy. He said that they expanded the committee to include community members who were invited to participate. The first meeting was 3/26. The committee is taking tasks into a plan state. They have also been giving out information and networking. Absentee ballots for the levy start 4/10. This will start some activity on voting. Emerson asked for feedback on the FAQ's that will be sent out.

V. Boss said that Ann sent the FAQ's out yesterday and has gotten some responses.

Mo Brown said he liked the approach that stated "we have survived, and we need you again". Brown asked how can we assure the public that we won't be asking for more levy money again after this year.

S. Dietrich said that \$2 million is not enough for long term growth and stability but hopefully we can make internal changes that will get us to a better place.

M. Brown said that we don't want to say that we will never go back for another levy. The question is not whether we need a hospital, but whether we need permanent levy or will we need another one later. Brown thought it was important to let the public know that we are not using levy funds to pay off bad debt but to serve community better. He wondered what will happen after 2 years.

M. Whitfield said that the strategic plan is to be stable without help at that point.

V. Boss said that if the economy does not rebound we will have to reshape our plan to live off of our operating income.

M. Whitfield asked if the county wants to contribute to the success of the hospital or just get by as we are on our operating income.

V. Boss said that they are getting information from state representatives and senators, and that the hospital coop has a presence in the levy discussions. Nothing has been fed to us that make us think that we will be negatively impacted. We will get cash into our remote area. Legislation to have electronic medical records has been there the whole time but funding for it has not been identified.

M. Whitfield said that this will be discussed further during strategic planning. We don't know what the regulations will be at this point.

Emerson said that we need to clarify to the county whether we will be coming back after 2 years for another levy. We need to deliver a consistent message.

M. Whitfield asked the board if all agreed that TVHC will be self sufficient after 2 years.

All board members said yes.

D. R-Malheiro said that the community has to make the decision as to whether they will support a better level of service.

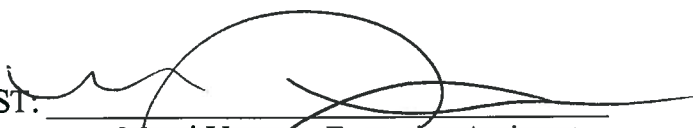
Mo Brown said that TVHC will be a good model for working together with other hospitals.

● **MOTION:** M. Whitfield moved to adjourn the meeting. Motion seconded by J. Jolley and carried unanimously.

Meeting adjourned at 9:50 pm.



Michael Whitfield, Chairman

ATTEST: 

Marni Vasseur, Executive Assistant