

**BOARD OF TRUSTEES MEETING
TVHC Board Room
WEDNESDAY, OCTOBER 26, 2011**

Trustees Present: Steven Dietrich, Aaron Hansen, Chris Larson, Janine Jolley, Bob Benedict, Keith Gnagey, Thomas Simmons

Ex-Officio Present: Virgil Boss, Deborah Ray-Malheiro

Minutes Recorded by: Marni Vasseur

Meeting called to order by Steven Dietrich, Board Chair, at 5:34 pm.

CHANGES/ADDITIONS TO THE AGENDA:

J. Jolley requested an Executive Session to discuss a personnel issue.

S. Dietrich suggested moving the Foundation Report up, before election of officers.

MINUTE APPROVAL:

● **MOTION:** B. Benedict moved to approve the 9.28.11 minutes as amended. Motion seconded by J. Jolley and carried unanimously.

SWEARING IN OF NEW TRUSTEE KEITH GNAGEY AND RETURNING TRUSTEES:

County Commissioner Bob Benedict swore in new trustee Keith Gnagey and returning trustees Chris Larson and Janine Jolley.

S. Dietrich gave a brief introduction of new trustee Keith Gnagey.

K. Gnagey accepted the finance committee position that was made vacant with the departure of David Work from the board.

S. Dietrich thanked J. Jolley and C. Larson for committing to the board for another term.

ELECTION AND CONFIRMATION OF BOARD OFFICERS:

S. Dietrich asked the board if there were any nominations for board officers.

C. Larson nominated S. Dietrich as Chairman. Motion seconded by K. Gnagey. S. Dietrich accepted the nomination and the motion passed unanimously.

J. Jolley nominated B. Benedict as Vice Chairman. Motion seconded by C. Larson and passed unanimously.

B. Benedict nominated Aaron Hansen as Treasurer. Motion seconded by T. Simmons and passed unanimously.

T. Simmons nominated J. Jolley as Board Secretary. Motion seconded by Aaron Hansen and passed unanimously.

CHAIRMAN'S COMMENTS:

S. Dietrich said that the BOT will meet again on December 7th. This has been a productive year and Dietrich said he is proud of the team. He thanked the returning board members for re-committing and said that continuity is important right now. The board has supported Dietrich as the voice of the BOT. He mentioned that the hospital staff has also been supportive.

Guest, Barry McKay from the Hospital Foundation was in attendance. S. Dietrich and A. Hansen have met with McKay and other Foundation members. Dietrich said that the Foundation is critical to the success of the hospital and he was glad to have McKay at the meeting.

FOUNDATION REPORT: SEE ATTCHMENT

Diane Temple gave the quarterly report for the Foundation. Preliminary unaudited financials showed an outstanding year. The Foundation raised \$170,000 last year. This year the Foundation was up 219% with \$373,000. This increase was contributed to an increase in donor outreach, successful grant applications and positive asks to families. Donor giving was 55% of the dollars raised. The Tin Cup Challenge was most noteworthy and impressive. A new chemistry analyzer was just purchased with donor gifts. Donor driven giving was huge this year. Personalized lunches between potential donors, Boss and Temple, are getting the message across that we are working toward sustainability.

Grants represent 26% of dollars raised. We will continue with this successful strategy. There was \$42,000, or 11%, of Foundation funds raised by events. Events take a lot of energy and time so they will stay on the lower end of the total but will continue. Our community has been very supportive.

B. Benedict asked if donors suggest purchases or if the hospital makes the decision of what to purchase with donor funds.

Temple said that the Foundation makes suggestions based on the needs of the hospital but the final choice is donor driven. Sometimes we present a menu of items needed and the donor chooses from there. Temple will analyze the capital list with Angela Booker, DNS and V. Boss to asses our needs and prioritize. Often times donors identify with certain needs based on their experiences and they are happy to support our purchase of items that may help their family.

D. R-Malheiro said that we seem to have better community support than in the past.

Temple said that donors are more generous and feel secure now that we are on more solid ground. They want to know their investment is being well utilized.

D. R-Malheiro has discussed with Temple how to maximize quality and exceed the expectations of the community.

Temple said she wants the Foundation to be the messenger for quality and not just focus on financials.

Barry McKay, Foundation member said that Temple coordinates with Pat Butts, grant writer. One is technical, one pulls heartstrings. This tandem collaboration works well.

MED STAFF APPOINTMENTS:

L. Piquet presented med staff bios for reappointment.

● **MOTION:** B. Benedict moved to approve med staff bios. Motion seconded by T. Simmons and passed unanimously.

QUALITY SERVICE COMMITTEE: SEE ATTCHMENT

L. Piquet commented that the Studer report looks as if departments are not meeting their goals but in fact, we have tightened up goals and the report does not reflect accurately.

Pharmacy is working on medication safety which is very important.

Medical imaging is still working on their rejection rate of films. The standard is 10%. We are under the standard but not meeting our goal. They are working on placing markers on the patient before the film is taken. This is an important quality issue. We would like to see this goal at a very high rate.

Patient satisfaction for nursing is going well, although it is difficult to get surveys back. The surgery survey return rate is good but for inpatient surveys we are not seeing as good of a return rate.

The strategic plan committees are establishing goals.

One main goal is to get all hospital policies in electronic format. We will train staff in Policy Tech. Chuck Fischer, IT Supervisor will lead this.

Patient safety is another new committee, Michelle Campbell is the leader.

Patient identification should be at 100%. This process has been renewed, admissions reps, techs and nurses

are asking for the patient's name and birthdate before every test or procedure.

We are improving staff morale and communication. Dory Harris, HR Manager is the leader. We have set goals and are increasing employee survey data.

Ann Loyola is over the comprehensive customer service committee.

Angela Booker is over the continuity of care committee. Booker has been doing annual employee evaluations and has not put time into this committee yet although formation of the committee is happening. These committees will be multi-departmental.

D. R-Malheiro reported on the Idaho Hospital Association Annual Convention. The Qualis Quality Improvement Program was focused on communication to achieve quality improvement.

Malheiro reported on Care Transition saying that an estimated 20% of Medicare patients are re-hospitalized at a cost \$15 billion per year. 76% of readmits are avoidable. Idaho rates are lower with a 13% readmit rate for all Idaho hospitals, and 14% for CAH. 50% of patients that are readmitted have no physician follow up. Hospitals are often reimbursed differently for readmits. Penalties are being put in place for high readmit rates and reimbursement from Medicare will be cut. Improving transition can reduce readmit rates. We need standardized processes for transitions in the form of checklists, forms, etc. Communication is also a key factor. Medical errors were a leading cause of readmits especially during discharge.

SBAR, which stands for situation, background, assessment and recommendation, is an assessment tool used at TVHC.

The Teach Back method is used to increase understanding for transition. It ensures understanding of information between provider and patient. The patient or caregiver is to teach back to the provider their instructions for transition. This valuable technique can ensure follow up visits and instructions are understood.

Documentation of our nurse talking to the transition nurse is also key. We use SBAR for this.

K. Gnagey said that a follow up or reach out program for patients transferred out is a good idea.

A. Booker said that we do follow up. Nurses check on patients but there is no formal process for this.

D. R-Malheiro reported on the trustee education session at IHA which covered board responsibility on quality. CAH impact on health care reform was another topic at IHA.

Kim Stanger spoke at IHA on board oversight of med staff credentialing which promotes quality of care and avoids problem physicians. TVHC's board approves med staff but is not involved in the recommendation of providers, med staff does the recommendation. The board is ultimately responsible for the whole process. The process is more important than the decision itself. It is in the bylaws that the board is responsible. Quality Services can undertake review of the credentialing process and bring it back to the board for further evaluation.

Stanger also offered credentialing training to our board. This can be used as an education topic.

B. Benedict and C. Larson said that they would like to be trained on credentialing. We are relying on recommendations but don't know the process and aren't involved in the process.

L. Piquet said that the bylaws were written by Kim Stanger. We are compliant and following his recommendations.

D. R-Malheiro spoke on board self-assessment. She said this is important to consider. The goals are to increase governing effectiveness. It is a context for meaningful conversations in improvement of how the board does their job. Malheiro said she has tools to pursue this. There is a survey that goes to board members to assess themselves.

FINANCE REPORT:

A. Hansen reported that the finance committee is reviewing numbers for the yearly audit. The committee will meet at the end of November with J. Hotchkiss and K. Gnagey.

Hansen said that Hotchkiss has sent a lot of information to DZA, the company that does our yearly audit.

Dietrich asked if there had been any conversation about the conversion.

V. Boss said the auditors are aware of the process. They may get further involved as we gain information about the process of the conversion.

FINANCIAL OPERATING REPORT:

J. Hotchkiss called in via Skype to report on financials. He said he is working with preliminary numbers and is preparing for auditors.

On the balance sheet Hotchkiss reported that the 401 (a) plan was funded at \$100K which reduced cash for the month. Also payers were slow at the end of September. This also affected cash.

Restricted cash had been used up for capital expenditures. (year1, levy 2 funds)

Bob Benedict made a request for the December meeting; he would like to see the age of A/R with a comparison from this year to last. His question is if we are still working with older accts. He asked specifically for Sept 2011 vs. Sept 2010.

On the income statement, revenue was low. Volume in the clinic is lower this year. September was lower than last year but visiting specialist volume was higher. Inpatient revenue was lower which makes it difficult to break even. Most inpatient cases were Medicare this month.

Outpatient visits were fewer. We had 5 less surgeries this year than last year.

D. R-Malheiro asked if observations are inpatient or outpatient.

Hotchkiss said they are outpatient and create less revenue than surgery.

In charity care, Hotchkiss reported that we had only 2 or 3 significant cases.

J. Jolley asked what we had spent capital levy funds on.

Hotchkiss said that CT, mammography and remodeling were \$800,000+.

V. Boss made a note on utilities saying they were reduced 14% due to the green project: windows, solar system, boiler and lighting. The savings are starting to show.

Hotchkiss added that fuel costs have gone up or the savings would have been even higher.

Operating income looks good and compared to last year, is a significant improvement. Any further adjustments should be fairly insignificant. We are half a million dollars better off than last year.

We are close to budget on operating profit and margin.

Gross revenue was 6.2 % higher. That is a big deal in a bad economy. Quality, better publicity and confidence of our community were contributors.

V. Boss said that we missed the upward spike in self-pay from last year that made July/August look alarming. Things did not happen the same this year as last year. Our cost line was better all summer. We did not increase staffing over the summer. Supply buying was improved. Neurologists did many procedures which contributed greatly.

Hotchkiss said that we are at 68 days cash on hand. This is a good position especially compared to last December when we only had 7 days.

Blue shield has dropped off, maybe due to a local employer who is not with Blue Shield anymore.

CONVERSION PROCESS UPDATE:

S. Dietrich said that the board of BMH approved the resolution to the conversion agreement, it is executed and in the public domain. There are plans for forums with the public to answer questions. Dietrich wants everyone to know that we went forward with BMH because of the trust factor that already exists between us.

J. Jolley said that her husband's uncle Cleone Jolley, is the chairman of Bingham County. She had a conversation with him about partnering with a Bingham County hospital. Mr. Jolley spoke highly of Louis Kraml, CEO at BMH, and commented that BMH was in such bad financial condition that they couldn't make payroll until Kraml came on board and turned the hospital around. Quorum managed BMH before Kraml. Mr. Jolley said he is happy with BMH's service. Indigent services are reimbursed by BMH to Bingham County. He gave Jeff Daniels a good reference as well saying he was central to the process and success of BMH and is a very genuine person. Mr. Jolley felt that BMH is focused people and quality of service.

S. Dietrich said that he wants B. Benedict to be involved with the indigent fund aspect since he is a county commissioner.

B. Benedict explained how the process works saying that we have a lower indigent rate. Statutes are in place. We only approve 1 or 2 cases per year. The first \$11,000 comes from the county, the rest from the state. The county portion is to be put in a special fund.

V. Boss said that we received the final version of the conversion resolution from our attorney today.

S. Dietrich went through the steps of the conversion process as follows: Creation of a new entity, bylaws and incorporation laws, then application to the IRS. The management agreement with BMH would be the next step.

V. Boss said the checklist from the IRS has 20+ schedules to go with it. Kim Stanger is helping with guidance. Most of the recent statutes and revisions are the same. Over 200 contracts need to be restated as will the pension plans.

CEO REPORT: SEE ATTACHMENT

V. Boss summarized the CEO report. He commented on the old hospital equipment that we sent to Globus Relief, an organization in Salt Lake that ships medical equipment to third world countries. After TVHC acquired Portneuf's old equipment, we shipped our replaced equipment to Globus Relief to help others. Nothing was wasted or thrown away.

The food bank more than doubled their stock with the Scout can drive. They were up 30%.

We now have in place a patient account team to work on resolving all patient billing complaints. The team has the ability to view AARM payment activity. Patients are happy that we are willing to work with them. This creates a standard so we can compare and see trends about how problems have manifested themselves. We are making improvements in this area. At the first meeting there were 15 complaints, at the last meeting there were only 6.

Patient and quality complaints are assigned to Angela Booker and Laura Piquet. This new committee is only dealing with billing issues.

The 4 Peaks partnership deal was signed with St. John's in Jackson.

Boss said that this week we are celebrating 2011 success. He thanked the staff for all of their hard work. All departments printed their milestones and achievements and posted them in the board room.

Will continue dialog on the conversion with staff and will repeat until we reach all staff members.

The newspaper will publish tomorrow that there will be a public forum at the city center next week. V. Boss will send an email with details. The date and time are November 3, Thursday 6:30-7:30.

He reminded the board of the Western Regional Symposium in Big Sky, Montana from 6/13-6/16 of 2012.

The visiting specialist revenue goal was \$1 million for the year. We ended up at \$929,300. Last year visiting specialist revenue was \$609,000.

Dr. Davis from BMH did a presentation at TVHC about a new GERD procedure. We have had several BMH doctors doing presentations for our med staff this month.

● **MOTION:** S. Dietrich moved to go into Executive Session pursuant to Idaho Code 67-2345 1 (b) to conduct deliberations concerning labor negotiations. Motion seconded by J. Jolley and carried unanimously by roll call vote.

Executive Session began at 9:15 pm

Trustees Present: Steven Dietrich, Aaron Hansen, Janine Jolley, Chris Larson, Tom Simmons, Keith Gnagey

Trustees Absent: Bob Benedict

Ex-Officio members present: Virgil Boss, Deborah Ray-Malheiro

Executive Session ended at 9:42 pm.

● **MOTION:** A. Hansen made the motion to adjourn at 9:43 pm. C. Larson seconded the motion and passed unanimously.

9:43 pm: Meeting adjourned.

Steven Dietrich, Chairman

ATTEST: _____
Marni Vasseur, Executive Assistant

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