

**BOARD OF TRUSTEES MEETING
TVHC Board Room
WEDNESDAY, OCTOBER 28, 2009**

Trustees Present: Michael Whitfield, Deborah Ray-Malheiro, Bob Benedict, Robert Emerson, Chris Larson

Ex-Officio Present: Mitch Felchle, Dr. Mo Brown (left at 7:30 pm)

Trustees Absent: Brooke Blackwelder, Janine Jolley

Guest Ex-Officio Member: Aaron Hanson

Minutes Recorded by: Martha Barge

Meeting called to order by Michael Whitfield, Board Chairman, at 5:31 pm.

CHANGES / ADDITIONS TO THE AGENDA:

● **MOTION:** B. Benedict moved to add the swearing in of D. R-Malheiro to agenda item number three. Motion seconded by R. Emerson and carried unanimously.

M. Whitfield noted that trustee nominee Aaron Hanson had been invited to the table to join in discussion at the night's meeting. He clarified that Aaron was at the table in a non-voting/non-acting capacity for the meeting. M. Whitfield said B. Blackwelder (absent) would be sworn in at the next meeting.

SWEARING IN OF CHRIS LARSON AND DEBORAH RAY-MALHEIRO:

B. Benedict swore in new trustee Chris Larson and renewing trustee D. R-Malheiro.

MINUTE APPROVAL:

● **MOTION:** B. Benedict moved to approve the 9/17/09 and 9/23/09 minutes as amended. Motion seconded by D. R-Malheiro and carried unanimously.

R. Emerson asked staff to start compiling an action plan/follow up list from the minutes including all the items or points during the meeting that were to be revisited in the future. M. Felchle and M. Barge agreed and said this could be done moving forward.

QUALITY SERVICE/MEDSTAFF APPOINTMENTS (SEE ATTACHMENT #1):

MedStaff Appointments

L. Piquet presented the Medstaff appointments included in packets (see attachment). M. Whitfield asked Dr. Brown if he had any comments on the appointments. Dr. Brown said they had been discussed at length and approved in medical staff. R. Emerson confirmed that we now had 80 credentialed physicians L. Piquet said that was correct; some of them were consultants, some were CRNAs and good portion of them were EmCare physicians. Dr. Brown said it was not unusual to have several credentialed medical staff—he thought TVHC would normally have 40 with 5 to 10 providers who worked full time. He said we had more than that because of EmCare. M. Felchle reminded the board that the number was also higher because of the staffing shortages experienced in the last year—we had to plug providers in just to stay open.

L. Piquet added that in the past, we credentialed fewer clinic providers than now; this changed when TVHC purchased the clinic. She agreed it was all a lot of work and paper but said it was well worth it. She added that BMH stepped in and provided significant help with credentialing many of the specialists.

● **MOTION:** D. R-Malheiro moved to approve the “provisional appointments” and “re-appointments” as outlined in med staff bios. Motion seconded by R. Emerson and carried unanimously.

Quality Service Report (see attachment #1)

L. Piquet presented the QI report handed out in packets and asked for questions. B. Benedict asked what “outcomes measurement” meant under the rehab section. L. Piquet said her understanding was PT had a form showing what goals the patient should reach during their period of service—they called these measurable outcomes.

B. Benedict asked what “timelines” were under the lab report. L. Piquet said there had been some drag on this project due to the absences of the lab director. However, she said they were trying to get patients to bring their lab books to appointment in order to keep charts updated. She agreed it was not an incredible QI project but thought that the Studer Pillar program would really help departments like lab kick start worthwhile and measurable quality projects.

B. Benedict pointed out that the status of many of the projects on the QI report were exactly the same as the last time those projects were reported on. He asked how it could be called “progress” when no progress was being made. L. Piquet said the observation was true and said part of the reason this had happened was that she had been focused on getting the Studer Pillar program up and running rather than following up with the current QI projects. L. Piquet said she would make an effort to follow up with pharmacy and the other departments next month in order to provide more information to the board at the November meeting. She also said she would find out what numbers the percents in housekeeping were based off of although Pat Butts said she thought there were about 20 surveys used.

Dr. Brown added that another part of the QI reporting problems was that several medstaff committees had not been functioning the last several months due to the extreme staff shortages and unknowns about future employment on part of medstaff. He said many of these committees had been recently reinvigorated and added that this month was the first month in a long time that medstaff had even been involved in the quality meeting. He thought this involvement moving forward should also help change things.

POLICIES AND PROCEDURE APPROVAL PROCESS (SEE ATTACHMENT # 2):

M. Felchle said the major consideration of this policy was that not all patient care policies would go to the board for approval in the future. Rather, the appointed person outlined in the policy would approve changes to the correlating policies. Additionally, the policy assigned the CEO the right to change some ED policies. L. Piquet said that ED changes were the only policy type that was required by law to go the board; however, it was within the bounds of the law to designate this right to the CEO (BMH did it this way).

M. Whitfield asked for an example of a policy that would come to the board in order to better understand the magnitude and scale of the policies that would require board approval. Dr. Brown said it was hard to exactly describe what should go to the board. M. Felchle said a policy like the sexual assault policy (approved earlier in the year) would still come to the board for approval (it would go to medstaff, then administration, then to the board). In contrast, he said a clothing policy or chart organization policy would not come to the board. Dr. Brown said this process essentially came down to the board’s trust of the CEO and hospital staff to make decisions that were best for TVHC.

The board asked for an explanation of the sexual assault policy mentioned by M. Felchle. Dr. Brown said the most important language of the policy was that the patient would be offered the opportunity to be examined after a sexual assault rather than automatically transferred to Rexburg or Idaho Falls. He said there was not enough demand for this type of examination to keep someone on staff full-time at TVHC but that medstaff had decided it would be in the best interest of patient care to offer the service (and to keep a few staff trained). They agreed the best language to put in the policy would reflect a conversation between the provider and the patient about their options, recognizing that many patients who have suffered a sexual assault will not want to follow through with the exam if they also have to be transferred; also, the time delay of a transfer could also make the result of the exam less decisive.

B. Benedict asked if there was a distinction between the Chief of Staff and the Chief of Medical Staff referred to in the policy. L. Piquet said both titles referred to the same position. B. Benedict suggested this be consistent throughout the policy and added that there were a number of typographical and formatting errors

in the policy that he would share with L. Piquet after the meeting.

B. Benedict recommended that Board of Trustees Conflict of Interest Policies be added under item number five (the policies that would come to the board). L. Piquet said she had not added them because she thought they were in the bylaws. There was some discussion as to whether or not they were in the bylaws, resulting in the agreement that follow-up needed to be done on whether or not they were. If not, the board agreed they should be added.

D. R-Malheiro asked for L. Piquet to clarify what “all management plans” referred to under the section of policies to be approved by the board. L. Piquet thought it meant all master plans and agreed it was vague. She said she the wording was taken directly from BMH and that she was in the process of trying to track down the clarification from BMH staff. The board agreed that some kind of clarification needed to be made in the document. M. Whitfield noted that the “management plans” coming to the board should only be those of a strategic nature.

M. Whitfield asked L. Piquet to spell out that the policy would only apply to patient grievances. Additionally, he asked her to spell out that “functional approval” meant the literal checking off of the policy in policy tech. B. Benedict asked to have the formatting cleared up around the functional approval item in number eight; M. Whitfield added that number eight should be a procedure in order to remain consistent with the format of the document.

● **MOTION:** B. Benedict moved to approve the policy, “Policy and Procedure Development” with the suggested modifications. Motion seconded by D. R-Malheiro and carried unanimously.

CEO REPORT (SEE ATTACHMENT #3):

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

Comments made and not written on report: Winter Scheduling

M. Felchle said the winter staffing strategy had been developed through several meeting of the admin team, meetings with all clinic staff, and meeting with all medstaff. Moving into the winter, we were going to focus on three things: 1) Promoting the message that TVHC offered comprehensive health services rather than single services (we were a full service institution), 2) Letting the community know about the broadening scope of services that we provided, and 3) An increased focus on getting paid for the high quality services we provided.

M. Felchle said the winter schedule would start Thanksgiving weekend. Dr. Brown will be working Friday through Monday providing orthopedic coverage every weekend through the winter (there would also be anesthesia coverage). He added that Dr. Kevin Lee from Rexburg would cover for Dr. Brown when he was gone. Dr. Lee and Dr. Brown had a good relationship that would ensure successful continuity of care for TVHC patients.

M. Felchle said the same crew would staff Victor and Driggs on Saturdays; they would work the morning in Victor and the afternoon in Driggs. He said the new schedule and new focus on providing urgent care services would hopefully divert the urgent care patients that were now getting serviced in the ER to the clinic. This implication would benefit both the patient and TVHC.

M. Felchle said the new hours and winter schedule were not written in stone; the system would be reevaluated if it was not working. However, he felt confident the schedule would benefit TVHC. D. R-Malheiro asked how we planned to handle orthopedic emergencies Tuesday through Thursday when Dr. Brown was off. M. Felchle said we would handle them in the same way we currently handle those emergencies Friday through Sunday—we may have to ship them out.

Comments made and not written on report: Victor Clinic

B. Benedict asked what the breakeven scenario was for patient visits in Victor. M. Felchle said it was 313 a month. To clarify, he said that number was based on visits to our providers only, not the visiting pediatric doctors (included in the numbers presented to the board); however, he did not think this affected the scenario

negatively but was instead a positive.

R. Emerson asked what the definition of “new patient” was. B. Teckmeyer said it was a CPT code designation; this code would not be used for patients that had been previously seen in a TVHC clinic for another problem. They were truly new patients to the TVHC system.

C. Larson asked what a full patient load in Victor would be. M. Felchle said 600 encounters a month would keep 2 providers busy 100% of the time—the clinic would be rocking and rolling with this many visits.

M. Felchle talked through health fair (see CEO report attachment). He said A. Loyola was planning to talk more about the publicity etc, but left the office sick earlier in the day and was therefore not at the meeting. He said her marketing campaign was focused on promoting the convenience of our hours and the full compliment of TVHC’s services. M. Felchle thanked everyone who had stepped up and helped pull together the return to Victor.

Comments made and not written on report: Flu update

M. Felchle said the H1N1 vaccine was only available to certain staff. He added that TVHC’s greatest concern was an outbreak in the facility and that staff was taking all steps to prevent this possibility.

Comments made and not written on report: Surgical Specialists

M. Felchle said that Dr. Jake Poulter was already booked with appointments and procedures. Urologist Dr. Lowe was also fairly established. Dr. Ray Hansen and Steve Larsen would be starting in the near future. The framework for visiting specialists was still not perfect and we were continuing to work on issues such as the transfer of patient care. Even so, M. Felchle said he was very encouraged by the progress TVHC had made with this model.

M. Whitfield asked if we had a way of tracking the financial outcomes of visiting specialists. He pointed out the 2010 budget was based on the expectation of collecting significant revenue from this area and asked if some sort of report could be provided. B. Teckmeyer said yes, a report could be run for each individual provider that would show these numbers. M. Whitfield asked these reports be provided to the board over the next couple of months.

Dr. Brown said Dr. Clark Allen highlighted the benefits provided by contracting with BMH specialists. He said Dr. Allen was great to work with and that BMH had agreed to supply the equipment TVHC did not have for some of his procedures—Dr. Brown this type of situation would be impossible without BMH. He said it had been really easy to bring in the BMH physicians; they were helping TVHC out painlessly.

R. Emerson asked how the message about these additional services was being sent to the community. M. Felchle handed out a flyer A. Loyola had been working on that was meant to highlight the services offered by TVHC from surgeries to urgent care in the clinic. D. R-Malheiro asked how these flyers were getting to the public. M. Felchle apologized for not knowing and said the A. Loyola had a plan on how to do this—unfortunately she was absent.

Dr. Brown said the number one goal of bringing in these specialists was to provide safe, needed services to the community. For example, TVHC was fortunate that Dr. Allen could safely perform a large range of procedures here (for example, discectomies). M. Felchle said direct advertising for the specialists was also being done; appointments for Dr. Porot and Dr. Poulter had come directly from their ads. Dr. Brown said the biggest publicity for these services would be TVHC’s FPs.

C. Larson said he had noticed the ads in the paper. He thought they were effective and that the word was getting out to the community about the changes happening at TVHC.

B. Benedict asked about the appropriate response to the letter Dr. Lofaro sent to all board members a few weeks ago. M. Whitfield said it should be and was a response through M. Felchle and hospital staff. M. Felchle said he and B. Teckmeyer had talked with her several times; she was not willing to be under contract for clinic appointments but would like to still use the OR. M. Felchle thought the situation was fine, she had been followed up with in person since the letter went out.

B. Benedict thought we still owed Dr. Lofaro a response and said he would like a copy of the response

we sent her. M. Felchle said we had not sent a written response; rather she received a personal face-to-face response with the CEO, the Chief of Staff, and the Clinic Manager. M. Whitfield said he did not think it was appropriate for board members to respond to individual medical staff. D. R-Malheiro agreed that the response to Dr. Lofaro was a medstaff and CEO issue. She said she sent her comments directly to M. Felchle. R. Emerson agreed but asked if it could be clarified where the responsibility for this type of situation lay so that everyone would be on the same page moving forward. M. Whitfield said it was an administrative function—not a board function.

L. Kraml said this was all good dialogue and added that, at Bingham, this responsibility belonged to the CEO, not the board.

Dr. Brown said medstaff was in favor of Dr. Lofaro staying. He said her main complaint was that she used a global billing system that we didn't have here (eg: OB/deliveries were a set rate for the whole procedure from start to finish rather than billed for individual appointments). TVHC's point was that we need her clinic time listed in our cost reports; M. Lofaro didn't think her time needed to be on our cost report—her point was that she could function here two days a month, these days would not show up on the cost report. M. Felchle was under the impression that was not true. J. Daniels confirmed this; he said as a rural health clinic, TVHC was not allowed to rent space out—which was essentially what was being done when Dr. Lofaro came to the clinic and saw patients as she now did. Dr. Brown said he understood that Dr. Lofaro had been advised differently. J. Daniels said it wouldn't affect the cost report if she saw patients in a separate room that no one else used when she wasn't using it. However, this was not the case.

L. Piquet asked if we could bill for her procedures and let her bill for her OB (global billing). M. Felchle said she was not willing to do that. L. Kraml thought perhaps someone may need to talk to her one more time about the model. He believed that if Dr. Lofaro's reasons for not wanting to contract were purely financial, she may not completely understand the agreement; it would actually be more cost effective for her to contract with TVHC than not. He suggested that one of the specialists from BMH (or elsewhere) talk to Dr. Lofaro about the visiting specialist model and how it worked. He thought she may be reluctant to sign because she was afraid of being cheated out of something. However, this wouldn't happen and the model would actually reimburse her at a higher rate than she currently received. Dr. Brown thought this would be a great idea.

D. R-Malheiro thought TVHC needed to explore all options with OBGYN, especially with physicians like Dr. Lofaro that had a following in the area.

M. Felchle said Dr. Dwayne Hansen was in a position similar to Dr. Lofaro. He did not agree to contract with TVHC but still had access to the OR. He noted that Dr. Hansen recently sold his surgery center in Rexburg and thought this may affect Dr. Hansen's relationship with TVHC.

Comments made and not written on report: Physical Therapy

M. Felchle said a meeting with High Peaks was scheduled the following day; he hoped a final agreement would be reached. He said TVHC was trying to pay more attention to discharge planning and after care; PT was a big part of this and settling the PT contract needed to happen in order to move forward. .

Comments made and not on the report: Bingham

B. Benedict clarified that BMH would provide the benchmarks talked about in September at the next meeting where they were scheduled to present an update to the board. He was comfortable with this, but asked to see the metrics, benchmarks and an update on the billing to show where TVHC was making progress at the next meeting. He pointed out that progress in this department was an important component of gaining community support. M. Felchle suggested this be put on as a separate agenda item in the November meeting.

Comments made and not on the report: Providers

Dr. Horrocks had agreed to be the Clinic Medical Staff director. M. Whitfield thanked both Dr. Brown and Dr. Horrocks for helping keep TVHC open over the last year. The board echoed this sentiment.

M. Felchle said Dr. Johnson would start as our third FP November 9. He thought TVHC would have great coverage moving forward with our medical staff.

Comments made and not on the report:

B. Benedict added that terminating the Sterling contract greatly improved the financials. M. Felchle said we had back-up CRNA coverage for all of December and January. R. Emerson thanked M. Felchle for the great job he had done on everything over the last several months.

C. Larson asked if urgent care was something we were accommodating or promoting in the Driggs Clinic. M. Felchle said it was both. On one hand, we were trying to better accommodate the needs of the community; on the other hand, we wanted to start diverting ER “urgent care” appointments to the clinic; we would provide a better service for a better price that way. C. Larson agreed with this goal of trying re-brand the clinic a little but said the message was sort of buried in the promo literature. R. Emerson said it was something the Community Relations committee was working on. M. Felchle said we had been holding off on promoting it full steam until hearing whether or not we had to notice Medicare of the change. L. Piquet said she had heard back just before the meeting that TVHC did not have to notice Medicare, so we could begin promoting that part of our service more.

L. Kraml agreed this was a great opportunity and said a great side affect was that it would allow TVHC to introduce new patients to family practice doctors through urgent care and expand the patient base. D. R-Malheiro suggested putting together something to give those new patients.

M. Whitfield asked those in attendance if they had any comments. N. Siverd thought that whoever answered the phones at TVHC needed to be well informed about the two clinics, the hours, the visiting doctors etc. She said she did not know whose job this was but said when she had called in the past, whoever answered at the front desk didn’t even know who Ann Loyola was. M. Felchle agreed this was critical and said TVHC had struggled with turnover and training issues in this area.

N. Siverd also thought it was important to make sure TVHC’s name was out up at the ski hill. M. Felchle said a meeting with the operations manager at Targhee was scheduled for later in the week; a meeting with the ski patrol had already taken place. He agreed with N. Siverd and said there was work being done on building that relationship.

Dr. Horrocks said patient suggestion boxes were a good way to at least get community feedback started. He was not sure if this had been implemented this yet, but pointed out that if we first focused on getting the patients who already use the system happy, TVHC would greatly benefit from the positive word-of-mouth PR these patients would spread in the community. M. Felchle said A. Loyola had a patient satisfaction survey ready or nearly ready. B. Teckmeyer said it need one more change and then would be put at both clinics; it was a one page questionnaire with 8 to 10 questions and would be offered to everyone.

Comments on Annual Report

M. Felchle clarified the annual report given to the board with packets was a work in progress and that he and L. Piquet had not given staff much time to complete their portion.

B. Benedict said the EMS report concerned him a little because they weren’t tracking training or development. He thought they should follow the example provided by the nursing department in this area and track it rather than saying they trusted and knew that their individual EMTs were up to date on training.

C. Larson said it would be better to have a little more consistency in the presentation of each report in the future. D. R-Malheiro agreed and said that many of the departments had not filled out the action plan. M. Felchle said it was because many of them had no objectives; this was one reason he was excited about the Studer Pillar program, it’s implementation would help a lot with this lack of direction. He said the annual report would be better next year if the board wanted to do it again; this year was a first attempt in the right direction.

R. Emerson thought the report was on the right track and supported making it an annual expectation. He asked if the pricey kitchen/dietary purchases listed in the report were accounted for in the budget.

M. Felchle said not necessarily. He said an equipment reserve needed to be strategically looked at;

hopefully this could be done in January. The goal would be to set a dollar amount a side monthly—it was not something TVHC had the luxury of affording in recent past, but was critical. B. Benedict said there was a way to plan this from a board level. He had received some information on how to do this at the IHA conference and agreed to distribute to the board.

M. Whitfield thought the annual report was a great start but pointed out that metrics were not included in many of the areas—particularly in the business office. D. R-Malheiro asked if numbers were available for utilization of hospital services such as inpatient admits, surgeries, etc. M. Felchle and L. Piquet said it would be possible to create a report with some. L. Piquet handed a report to D. R-Malheiro that she had recently received. L. Piquet asked D. R-Malheiro if that was what she had in mind. D. R-Malheiro said yes, the report was a good example and thought it would be nice to have the numbers all pulled out into one place (for the year). She and the board agreed that these numbers needed to be shared with the board on a quarterly report.

B. Benedict asked if TVHC has a formal definition of “charity care.” L. Piquet said yes, we were required to. B. Benedict asked to see a copy of this policy because he was often asked about it and wanted to be able to provide the correct answer.

Dr. Brown left the meeting at 7:30 pm.

PRELIMINARY FINANCE REPORT (SEE ATTACHMENT #4):

B. Ripplinger started with the income statement and said September was left open a few extra weeks in order to capture everything at year end. Since board packets were sent out, an additional \$18,000 in expenses were captured. Additionally, he had received the Medicare cost report from the auditor yesterday; there was \$250,000 of anticipated receivables for FY 09. This entry was added to contractals. J. Daniels said this entry would overstate the revenue side on cash and B. Benedict noted that it would have to be adjusted for correctly on the cash flow model. J. Daniels said Medicaid would be included in the actual cost report when the audit was completed—Medicaid was a little more complicated. B. Ripplinger said we were two years behind with Medicaid and still had \$70,000 in receivables from them.

B. Ripplinger said net patient revenue was at \$1.1 million now. Operating income had only a \$34,000 loss after the adjustments had been made. Our expenses decreased more than our revenues did and the excess of revenue was a positive \$80,000. He said this was a 1.5 million difference over two years.

On the balance sheet, B. Ripplinger said AP was up due to the return to Victor and FP recruitment. He noted there was a \$1.8 million difference in current liabilities and that the current ration was now 1.6.

B. Ripplinger commented on the arrow sheet that gross days in receivable was higher because of the May retro billing—it was a four month average. He said net days in receivable stayed the same and was 3 days below the budget. He noted we hoped to drop this number 20 days in the next year.

B. Ripplinger moved to the cash flow model and said there had been \$234,000 in the bank when he checked that morning. He said AP was at \$259,000 which was still in a normal/safe range. He said collections in September were a little better than projected, meaning the monthly cash used/provided would be higher. He noted that October had three payroll weeks which always made it harder to show what you collected (he pointed out that January would be the same way). He said cash increased by \$118,000 in September; as long as TVHC kept collecting like they had been and revenue remained strong, he did not think we would need the back-up line of credit from the County.

B. Benedict pointed out that AP had increased \$100,000 recently and asked if that was indicative of a problem or simply a normal fluctuation. B. Ripplinger said we had higher expenses but lower cash in September, therefore increasing AP. He said it was starting to come back down and thought it was just a fluctuation. J. Daniels added that AP increased because of the re-opening in Victor and the hiring of Dr. Snyder. M. Whitfield added that it would take a little time before revenue caught up with those added expenses.

B. Ripplinger said all of the severance pay was now completed (there were four individuals we had been paying off).

B. Ripplinger said he recently finished reconciling the checking account (something that had not been

done for several years). This meant it should be ready for the audit; he did not anticipate there would be any adjustments. He asked if the board had questions. There were none. The board thanked him.

EXECUTIVE RECRUITMENT DISCUSSION:

M. Whitfield asked the members of CEO committee to chime in if they had an additional comment. He said the CEO team started with 36 applicants and had completed 17 interviews. He noted that N. Siverd had not missed one interview. He said the committee had selected seven candidates out of the 17 for a follow up interview; these interviews had been completed on Monday. The goal of this follow up interview was to ask more specific questions in order to narrow the number of candidates down to three or four.

These three or four candidates would then be invited for a rigorous onsite visit. He anticipated these onsite interviews to be an opportunity to truly engage with TVHC staff and community. The committee was working on the details of the visits but was planning on including a community event, meetings with medstaff, hospital staff, the governing board, etc. The intention was to run the candidates through all possible checks during the visit (a background check would be done before they arrived). He said the committee was hoping to choose those final three to four candidates tomorrow. M. Whitfield said the good news was that the committee believed they had 7-9 excellent candidates to choose from at this point.

M. Felchle said the CFO committee had received 21 applicants and had completed eight phone interviews. He said five of the candidates had indicated they would be interested in coming in as CFO and then transitioning to CEO. One of the top candidates had taken another position and was no longer available. He commented there were also sound CFO candidates who had no interest in becoming CEO. M. Whitfield asked if any of them had CEO experience. M. Felchle said a couple of the candidates did, but not many of them.

During the second round of interviews, M. Whitfield said the CEO committee asked for each candidate's opinion/reaction to a staged entry into the facility. The question was phrased something like, "with regards to TVHC's cash flow etc, what do you, as a candidate, think about coming in first as a collaborator with our interim CEO, focusing on our revenue cycle for a period of time (functioning as an interim CFO), then assuming full-time CEO responsibilities later on?" Additionally, the committee asked each candidate if they had other suggestions/ideas to help approach the cash flow concerns of TVHC. He said candidate responses to this questions ranged from "the situation would be great for two weeks" to "yes, great idea, I'm willing to come on full time after 6 months;" no one flat out turned the offer down, although some expressed concern about being out of practice with the CFO role.

D. R-Malheiro thought the transition period in this scenario would be beneficial for the TVHC staff and would help provide continuity. J. Erickson said this approach would also allow TVHC to get a good, close look at the candidate before making them CEO. C. Larson asked what the downside to this scenario would be—would we have to settle for a lower level candidate? M. Whitfield said no, we would not have to.

L. Kraml thought an additional benefit to a staged entry was that TVHC would see a change in cash flow to the revenue cycle faster than if a CEO was hired first, then a CFO. D. R-Malheiro thought it would also probably give greater flexibility for how that whole management team functioned down the line.

B. Benedict asked if any of the seven candidates interviewed would be eliminated if the decision was made to move forward with a staged entry. M. Whitfield said yes, it would greatly inform how the final three to four candidates were identified. N. Siverd added that three or four finalists could also be clearly chosen if the board did not want a staged entry. She thought, regardless of what decision the board made, it would be in TVHC's best interest to hire a CEO that was comfortable with the financials.

L. Piquet said no CEO in the past had a strong knowledge of the financials. This caused TVHC to rely on individuals that maybe didn't correctly have their finger on the pulse, but we had no way of knowing this. She thought it would be phenomenal to have someone in the CEO role who understood the finance position.

R. Emerson asked what some of the limitations to this option would be. B. Benedict said the final candidate would have to have to be able to successfully collaborate with M. Felchle in order for the transition to work. R. Emerson agreed and said the roles and responsibilities would have to be very clear in order for it

to work. M. Whitfield said, in all fairness, there would still be a lot of details to work out with this scenario. However, one candidate pointed out that he/she would have to actually meet M. Felchle, staff, the board etc before he/she was sure it was a situation they would feel comfortable with.

M. Whitfield reported that quite a number of CEO candidates said they would prefer participating in the CFO recruiting process after coming in as CEO. He added that candidate availability ranged from next week to 90 days. He said almost all of the candidates had experienced turn-around situations—some worse than TVHC's.

N. Siverd said the CEO committee consciously explored how familiar each candidate was with this area, the weather etc in an effort to ensure that the top three or four candidates would not come for a visit and decide they did not like it here. Many of the candidates had either been here or had family here and their spouse/family was supportive of relocating to the valley. M. Felchle added that the CFO committee had done the same thing with the candidates they had interviewed.

N. Siverd said some candidates commented on the possibility that it was not necessary for TVHC to have a full-fledged CFO. M. Whitfield added that L. Kraml agreed TVHC was on the cusp of being small enough to not need both high-powered executives (CFO & CEO).

M. Whitfield said much of last week's discussion revolved around the financial limitations of the search. He reminded the board that no conversation should take place in open session that referred to specific employee salaries etc, but said he still wanted to keep as much of the search process and financial considerations as transparent as possible. He said the major concern was that TVHC's cash flow would not be able to support new executives in both positions at the same time.

M. Whitfield said they had asked J. Daniels to provide some basic financial scenarios in order to get a handle on TVHC's capability to hire both positions. J. Daniels handed out an attachment (see attachment #4.5). He said he started with operating income then looked at the high and low ranges of potential salaries. He then compared these with what was budgeted for the hiring of these positions (essentially, he took the expenses already in the budget and then added the additional costs over the budgeted amount as best he could). He did this both for hiring only a CEO and then for hiring only a CFO. R. Emerson asked if the projections on the handout included the tax levy. J. Daniels said no because the levy would be there regardless; what these numbers showed was the impact the hiring would have on cash flow. C. Larson thought the numbers clearly showed that only one of the two positions should be hired now.

R. Emerson asked how the numbers would change if the board chose to pursue a staged CEO entry as presented earlier. J. Daniels said the numbers would be somewhere between 40-60% lower.

B. Benedict proposed the board/CEO committee pursue the idea of a staged entry and arrange site visits. He did not think too many of the CFO candidates would be lost if the visits took place by Thanksgiving.

D. R-Malheiro asked if there were any CFO candidates that would work in the transitional role. M. Felchle said there was only one. R. Emerson thought that candidate should be looked at by the CEO committee as soon as possible. J. Erickson agreed to get the resume from J. Daniels and score the candidate by the following day.

M. Barge asked for some clarity on what was happening to the CFO search—was it being put on hold? B. Benedict thought the current list of candidates should at least be narrowed down to three or four. He then suggested the CEO committee look at the one potential CFO candidate and no more; the CFO committee would then hold off on the search for some time. M. Barge said she wanted to have a clear understanding of what she needed to tell the recruiters working on the CFO search with regards to timelines etc. The board agreed she should tell them the search was being put on hold.

C. Larson said he was more comfortable with filling the CEO position before the CFO position. R. Emerson asked if there was anyone who disagreed with the staged approach. A. Hanson said he thought it was the best approach. D. R-Malheiro thought it was probably the most effective use of TVHC's current resources and provided the quickest access to the needed assistance with TVHC's revenue cycle / financial issues.

L. Kraml said the BMH consulting team had spent a lot of time discussing the best approach in this situation. He said they had come to an agreement that hiring a CFO (from the CEO candidates) that would

then move into the CEO position was the strongest and most viable approach at this time. He said this approach would be their request as a consulting entity.

→ *The board reached a consensus that the CEO search process would move forward while the CFO process would be put on hold. The CEO search would continue with the intention/goal of hiring a CEO candidate that would move in to the CFO role temporarily, become familiar with the revenue cycle, and work alongside M. Felchle for as long as six months; this individual would then transition into the CEO role. At that time, the CFO search would be revisited.*

REVIEW OF STRATEGIC PLAN, ACCOMPLISHMENTS & UNFINISHED WORK:

M. Whitfield said he did not want to go into a lot of depth on this, but reminded everyone that one year ago, there was no strategic plan. He said the hospital would be giving a quarterly report to the BCC in the near future. This report would be given under the framework of the strategic plan. He said he wanted board input and asked that each trustee provide input on the committee they were responsible for. B. Benedict said the commissioners wanted this to be a written report so they could review the background info beforehand. M. Whitfield asked the board members to have this in to him by Tuesday of the following week.

M. Whitfield said M. Felchle had covered much of the information/update on TVHC's progress in his CEO report. He wanted to highlight the significant improvement in medstaff relations and the recruitment of two new FPs.

M. Whitfield briefly went through the strategic plan (available online @ tvhcare.org), providing a quick update summary on the progress made in most of the sections. He pointed out TVHC was still working the seamless billing processes for the clinic and hospital and that the project still had a long way to go before being completed. He noted that TVHC had met some of the fiscal measures in the plan and had been challenged by others.

R. Emerson asked if this would be an appropriate time to update the rest of the board on the interview completed with Steven Dietricht. M. Whitfield said yes. R. Emerson said he and M. Whitfield met with S. Dietricht for about an hour. Overall, he seemed like he would be a very good fit for the board and particularly for the finance committee. He had a background in corporate financing and had been VP of finance and treasurer for a large timber company. Additionally, R. Emerson thought S. Dietricht had the right reasons to want to be on the board. S. Dietricht told them his friends had asked him to consider joining for a long time; he had stewed around the decision for awhile before choosing to step forward. M. Whitfield echoed these sentiments.

M. Whitfield summarized, saying, "we have Aaron and Steven, and would like to bring them to the county for approval and advance the membership in November." The board agreed to move forward with this recommendation.

COMMUNICATIONS COMMITTEE UPDATE(SEE ATTACHMENT #5):

R. Emerson said they had struggled with turn-out for both the non-profit board and Driggs town halls. After these two extremely disappointing turn-outs, the committee chose to restructure the rest of the series. He said they would be holding a town-hall in Alta tomorrow night (they had at least five RSVPs).

Originally, the committee thought about combining the Tetonia forum with the Alta forum but decided instead to look into different ways of reaching the Tetonia community. He said he had spoken to the Tetonia mayor about the low turnout concern; the mayor said the same happened with public hearings etc but provided the committee with a few other suggestions of reaching the population. Now, the committee was looking into doing some TVHC mail stuffers to be included with resident's water and sewer bills. One side of the stuffer would have information about TVHC, the other side a brief survey. R. Emerson said the mayor reported they often had good return on little mail surveys like this.

R. Emerson said A. Loyola was working on putting together a 12-18 month skeletal marking plan that would be reviewed by the committee. He said the committee had engaged in some good conversation about

building a stronger alliance with Grand Targhee.

The committee decided to put the employee engagement survey (previously postponed) back on the early 2010 agenda.

C. Larson said he would like to talk to R. Emerson about the website and provide some suggestions as to how TVHC could better use it as a publicity resource.

FOUNDATION REPORT:

No Foundation Report was given because A. Loyola was not present. M. Felchle said he knew the Foundation Board was thinking about running a "Give us the Keys to Our Building" campaign in an effort to raise money to help purchase the Driggs Clinic space. He added that the Driggs Clinic lease ended in December. He suggested going into a quick executive session to discuss a few details of this if the board had more questions.

Before moving into executive session, B. Benedict asked to have Victor and Driggs financials broken out separately on the financial reports from now on. He wanted this done because there was no approved budget for the Victor clinic. B. Ripplinger and J. Daniels said that would be possible.

M. Felchle asked if the meeting dates for November and December needed to move because they were so close to Thanksgiving and Christmas respectively. The board agreed to move the regular November meeting to Monday, November 23 at 5:30 pm in the TVHC boardroom. They also agreed to move the regular December meeting to Monday 21 at 5:30 pm in the TVHC boardroom.

● **MOTION:** C. Larson moved to add an Executive Session pursuant to Idaho Code 67-2345 1(c) in order to acquire an interest in real property. The expiration of the Driggs Clinic lease would be discussed. Motion seconded by R. Emerson and carried unanimously.

● **MOTION:** M. Whitfield moved to go into Executive Session pursuant to Idaho Code 67-2345 1(c) in order to acquire an interest in real property. The Driggs Clinic lease expiration and options moving forward would be discussed. Motion seconded by R. Emerson. A roll call vote was taken and carried unanimously.

Executive Session began at 8:57 pm

Trustees Present: Michael Whitfield, Deborah Ray-Malheiro, Bob Benedict, Robert Emerson, Chris Larson

Trustees Absent: Janine Jolley, Brooke Blackwelder

Ex-Officio members present: Mitch Felchle

Ex-Officio members absent: Dr. Mo Brown

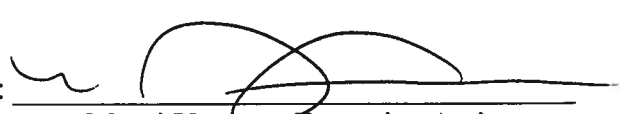
Executive Session ended at 9:16 pm.

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

Meeting adjourned at 9:18 pm.



Michael Whitfield, Chairman

ATTEST: 

Marni Vasseur, Executive Assistant