

**BOARD OF TRUSTEES MEETING
TVHC Board Room
WEDNESDAY, MAY 25, 2011**

Trustees Present: Steven Dietrich, Aaron Hansen, Chris Larson, Janine Jolley, Bob Benedict

Trustees Absent: David Work

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

Guest Ex-Officio: Jeff Daniels, Jake Erickson

Minutes Recorded by: Marni Vasseur

Meeting called to order by Steven Dietrich, Board Chair, at 5:36 pm.

CHANGES/ADDITIONS TO THE AGENDA:

V. Boss introduced TVHC's new Human Resources Manager Dory Harris.

MINUTE APPROVAL:

● **MOTION:** B. Benedict moved to approve the 3.23.11 minutes. Motion seconded by C. Larson and carried unanimously.

FINANCE REPORT: SEE ATTACHMENT

J. Hotchkiss summarized the financial report. There was an increase in cash of \$200,000 which was generated from operating income. This puts our unrestricted cash amount at over a million dollars. Days cash on hand was up to 42.9 days. The bond payment, due June 13 for just under \$200,000, is included in the cash on hand amount. We will see a drop when the payment is made.

A decrease in A/R for the month included Blue Cross and Medicaid A/R collections. AARS returned \$269,000 in collections. Self-pay increased to \$300,000.

We had a \$93,000 decrease in A/P. Our expenses are decreasing because we are paying bills more timely. Vendor contracts are net 30. We have had issues in the past making these payments on time but are doing better.

A. Hansen asked when the sale of the home health business is final.

J. Hotchkiss said we had to send a refund to the insurance companies to settle up and close the books on the home health business. We have received cash for the sale of the business but are still settling the books.

In patient revenue, Hotchkiss expressed concern with the downward trend. He said we are finding ways to identify the trend. Volume in May appears to be improving and is much better than May of last year.

B. Benedict said we are running at 16% contractuals where we only budgeted 13%. Maybe we should raise this in the next FY budget. Insurance contracts determine the contractual amount.

J. Hotchkiss pointed out other factors that may determine contractual amounts such as not filing claims in a timely fashion and overpayments by Medicare. We have to estimate but have found specific places where we are losing money. Contractuals are also less this year because our collections are better, specifically with insured patients and Medicaid. Contractual allowances are improving and we should be able to follow this trend with better billing practices. The decrease in bad debt is related to an increase in A/R. We are not sending clinic bills to collections until 90 days after statements go out in May, even if the date of service was in February. Patients can call if they need financial counseling and /or cannot pay their bill at the time it is due.

By the end of the year when we find old A/R that we will not collect on, we will write it off and it will go to bad debt. This money has already been reserved at 90%. We will only be writing off 10%. It costs us to

process these old claims even when we don't collect on them. We need to bill in a timely fashion to keep this from happening in the future.

We had a \$71,000 improvement in salary cost. Supplies and equipment also improved due to less purchasing and less volume.

Hotchkiss reported that we have capital grant money coming back from the window project and IT upgrades. We have adjusted our purchasing strategy for the new CT and will be paying cash from Levy II. The leasing option did not work out because we are county owned and it goes against the Idaho code. The County has to approve any capital leasing. This needs to be done during budget approval. We started looking at leasing in the first place because we did not know if we would have levy funds available yet. We do have the funds and it works out well for us to purchase the CT. With the CT purchase, we can show the public where levy funds are going, and it costs TVHC less to pay outright and not finance.

V. Boss said it would show TVHC to be in more debt if we had financed the CT. Now we can show a clean balance sheet with a cash payment.

We will be finishing up old refunds. The refunds will show up in A/R but there will be no income statement impact.

CEO REPORT: SEE ATTACHMENT

V. Boss reported on a concerted effort to use local vendors and contractors on construction improvements. Construction improvements started May 16th and are a day and a half ahead of schedule.

Boss summarized the suicide prevention demographic sheet (see attachment). Teton County ranks 26th in morbidity. There are many factors working against us. We are 3rd in the state for healthy behaviors. Teton County has a clinical care ranking of 42. Twenty percent of Idaho's population is uninsured; Teton County is at 32%. People are waiting to get medical care due to lack of insurance. Patients come in with more advanced illness because they are waiting to get care. They cost more to treat, then can't pay their bill. We will watch this trend and try to promote preventative care. The #1 factor of how the county is ranked is based on high school graduation numbers. Teton County ranks 45th in dollars per capita spent for suicide prevention.

The annual Western Symposium opportunity for 2012 will be held in Big Sky, MT.

Dr. Reinertson will be speaking to the board in July but we have a change of venue to the county chambers.

V. Boss reviewed the upcoming BOT meeting calendar. There are 10 meetings scheduled for FY 2012 with the April and May meetings being combined and also the November and December meetings will be combined.

● **MOTION:** B. Benedict moved to approve 10 board meetings for FY 2012. Motion seconded by J. Jolley and passed unanimously.

Boss reported on the first students from Idaho State University that have become paramedics. Chris Taylor and Kim Sorenson are among the new paramedics.

S. Dietrich said that we are in the final 36 days of the 2 year contract with BMH. We went through a renegotiation and lowered our cost.

V. Boss said he will get back to the board on specifics when we have another proposal for consultation as needed with BMH.

BOARD DEVELOPMENT:

S. Dietrich has asked V. Boss to lead the recruiting efforts in finding new board candidates. Dr. Thomas Simmons, board candidate, is in attendance. The terms for trustees are 36 months from October to September. Dietrich's term will be 34 months since he was brought in mid-year. Dietrich wants new trustees

to understand that they may complete a vacancy then move into the next 36 month term.

Chris Larson and Janine Jolley's terms will expire in September of 2011 and both have indicated an interest in renewing their positions on the board.

V. Boss said he has had several conversations with Dr. Simmons. Simmons has read minutes from prior meetings and is catching up on issues. The board is focusing on governance not just operational items.

J. Jolley said that she has known Dr. Simmons since 2004 when he moved to the valley. He will add positive input to our board.

D. Ray-Malheiro said she wants a member with healthcare delivery experience on the board. She said that Simmons has this experience and also runs a business. Simmons can be very valuable as a board member.

Malheiro also commented on the trend of changing the role of providers from treating illness to preventing illness. As a board we need to look forward to the challenges of cornering the preventative market.

S. Dietrich said they can address this in board development and recruiting. We may need to find someone with expertise in the area of preventative medicine.

● **MOTION:** S. Dietrich moved to nominate Tom Simmons to the Board of County Commissioners at the June meeting. Motion seconded by B. Benedict and passed unanimously.

V. Boss said they will send a formal request to Dawn Felchle, assistant to the Board of County Commissioners, by Monday.

S. Dietrich commented on the Board Expectation sheet and asked board to add information to this document. Dietrich said he wants to recruit new members who will continue to improve the board. This sheet will be accessible to candidates on the TVHC website upon approval.

D. R-Malheiro said the healthcare delivery aspect needs to be more direct. In addition to business or healthcare business experience, the board wants a hands-on medical professional, someone who has been in the trenches.

Mo Brown agreed that it is important to TVHC's med staff to have a medical professional on the board.

J. Jolley added that it is important to have someone familiar with the community as well.

V. Boss said that we have a list of criteria to watch for. The County has to run their standard ad but we can amplify our needs on the TVHC website. Boss said he will check with Dawn Felchle to see if this is approved. We can have up to 9 board members. Boss suggested having any extra new members work on committees prior to working on the board.

● **MOTION:** B. Benedict moved to approve the Board Expectation sheet with the addition of 'health care provider experience'. Motion seconded by C. Larson and passed unanimously.

MED STAFF APPOINTMENTS:

L. Piquet presented med staff bios for reappointment.

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

QUALITY SERVICE COMMITTEE:

L. Piquet presented the quality report; see attachment.

B. Benedict asked why there are so many retakes in medical imaging.

A. Booker said retakes can happen if a necklace is left on for a chest x-ray, sometimes techs don't get the correct image, sometimes the patient does not hold still or does not hold their breath. Retakes are being tracked as a measure of quality.

D. R-Malheiro said mistakes can happen but we are trying to avoid operator error.
C. Larson said that according to the report, it looks like the ED is drifting away from their goals.
L. Piquet said that the ED gear up and do well then get busy and drift away from goals. Piquet said she will talk with Anna Baler, who plans the goals for the ED.
D. R-Malheiro said that admissions can move to a higher goal from 90% to 99% accuracy.
L. Piquet said they have upped the bar in admissions and increased their goal.
Malheiro also commented on housekeeping's goal saying that we don't want to rely on bad survey results to attain the goal. We want positive goals. Also in doctor's coding and billing, we want 100% accuracy.
L. Piquet reported on compliance (see attachment). Piquet said that the Board should understand compliance and it is her job to train the board on compliance and discuss the board's responsibilities. We have a compliance plan in place. Piquet wants the board to review the compliance plan and sign off that they have reviewed it. Confidentiality and HIPPA training are coming up. Piquet asked that staff report any violations to her or V. Boss.
L. Piquet reported that in the latest med staff meeting, staff reviewed the Delineation of Family Practice document. The board needs to approve this form. It states physician privileges and physician oversight for all mid-level activity.
A. Hansen asked what would happen if med staff goes outside of their privileges.
D. R-Malheiro said the Chief of Staff would review the situation and come up with corrective action.

MOTION: J. Jolley moved to approve the Delineation of Family Practice form. Motion seconded by B. Benedict and passed unanimously.

D. Ray-Malheiro reported on 2nd quarter utilization stats. See attachment.
Outpatient surgeries are up but all other surgeries are down. Lab was up. Radiology was down. Clinics were down 2.3%. Specialist visits were up even though Driggs clinic was down.
Malheiro made a correction on the surgery stats sheet saying that the title should say 2011 not 2010. She reported a decrease in revenue despite an increase in surgeries. There was an increase in pain cases, a decrease in specialist surgery cases, and Orthopaedic cases dropped over \$3,000 per case due to lower acuity.
B. Benedict commented that cases by Drs. Hansen and Waterhouse have dropped off.
Malheiro explained that Dr. Waterhouse had an enrollment issue and Dr. Hansen comes and goes. Waterhouse is back on the May schedule.
J. Jolley asked what kind of procedures the pain specialists are doing at \$1500 per case.
Malheiro said injections mostly.
B. Benedict asked if we are trying to recruit more specialists.
V. Boss replied that we are looking at ENT, gynecology, dermatology and plastic surgery specialists.

D. R-Malheiro said that we are up to date on reporting for our quality indicators. We are participating in the Blue Cross incentive program called 'Boards on Board' which involves hospital boards in quality. Caribou Hospital won the top award this year. They received a trophy and \$8500. There is a provision with this program where quality reporting needs to be at beginning of the board meeting. Malheiro will look into this to see if TVHC will qualify for the award and will report back on the agenda change to satisfy the provision of reporting on quality at the beginning of the meeting.

L. Piquet said that she reported our participation to Blue Cross and we got a \$1500 incentive payment. She will apply for the Blue Cross award next year.

MEANINGFUL USE:

J. Hotchkiss gave a presentation on Electronic Health Records and HIPPA 5010. (See attachment).

V. Boss added that the first part of the software installment will be in October. We will assess how the system runs and evaluate it from other facilities as well.

BOT EDUCATION TOPICS: Branding- see attachment

V. Boss presented the branding education topic for Ann Loyola who was unable to attend.

We are working on staff confidence of our 'brand' to convince them that we are doing our best and doing well. If our staff has confidence, it will be evident to our patients. We want staff to endorse our services. We also need to garner the importance of having a hospital in our community.

D. R-Malheiro said that according to the patient satisfaction surveys, our staff is our biggest asset. This is who we are.

V. Boss said that our Public Relations Manager, Ann Loyola, has the marketing experience and is working with BMH on branding so as to not reinvent the wheel. We want the business side to look as good as medical care side. We want no cynics on our team.

S. Dietrich said that when you are hurt, you come to TVHC, get fixed, and don't get an infection. This is what Dietrich sees with TVHC.

D. R-Malheiro said that the average person equates quality with service. Their expectation is that they aren't going to get an infection. They expect quality of care and a high level of service.

C. Larson said that patients want to walk away with a warm happy feeling.

A. Hansen added that the last step in our process is often an incorrect bill. When this happens, everything else we do right is forgotten about.

V. Boss asked everyone to send ideas to him or Ann. He said that he wants TVHC staff to demonstrate an internal feeling of who we are. We can't keep promises to the community if we can't deliver those promises to our staff. We must believe in ourselves; that we deliver quality in what we do. Other medical facilities can beat us in price and services so we have to deliver top quality on what we do at every level.

● **MOTION:** S. Dietrich moved to go into Executive Session pursuant to Idaho Code 67-2345 1 (b,d,e) to conduct deliberations concerning personnel, contracts and board governance. Motion seconded by C. Larson and carried unanimously by roll call vote.

Executive Session began at 9:28 pm

Trustees Present: Steven Dietrich, Aaron Hansen, Janine Jolley, Chris Larson, Bob Benedict

Trustees Absent: David Work

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

Guest Ex-Officio members present: Jeff Daniels, Jake Erickson

Executive Session ended at 10:18 am.

● **MOTION:** B. Benedict made the motion to adjourn at 10:18 pm. J. Jolley seconded the motion and passed unanimously.

10:20 pm: Meeting adjourned.

Steven Dietrich, Chairman

ATTEST: _____
Marni Vasseur, Executive Assistant