

**BOARD OF TRUSTEES MEETING  
TVHC Board Room  
WEDNESDAY, JUNE 22, 2011**

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

**Trustees Absent:**

**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 5:32 pm.

**SWEARING IN OF NEW TRUSTEE:**

B. Benedict swore in new Trustee, Dr. Thomas Simmons.

**CHANGES/ADDITIONS TO THE AGENDA:**

S. Dietrich requested that item number 8 be taken off the agenda as there will be no Chairman Comments.

C. Larson suggested an executive session be added to discuss personnel issues, pursuant to Idaho Code 67-2345 1 (b).

● **MOTION:** D. Work motioned to add executive session as mentioned above. Motion seconded by C. Larson and passed unanimously.

**MINUTE APPROVAL:**

● **MOTION:** D. Work moved to approve the 5.25.11 minutes. Motion seconded by J. Jolley and carried unanimously.

**BOT EDUCATION TOPICS: Governance**

Herb Heimerl, Esq. gave his bio and each board member introduced themselves.

Board Governance and Title 31 topics were discussed.

The overlap in protection for county hospital boards was discussed.

Statutory protections under Idaho code for BOT members are covered under Chapter 6 and 9. A county will protect its county officials. Determining malice and criminal intent is important in discriminating if a claim is valid against a county official. 3607 of Title 31 describes hospital official duties.

It is important to pass resolutions to keep under Idaho statute for hospital boards. It is especially important when it is just one person on the board who is going to be performing an action.

It is better to be broad in scope, rather than narrow, to provide protection for the member.

Boards should be aware of pending and threatening litigation. Quarterly litigation reports are a good example of methods for handling this.

The board needs to recite why they are going into executive session. As long as the topics are related to the initial topic, boards are compliant.

## **FINANCIAL OPERATING REPORT: SEE ATTACHMENT**

J. Hotchkiss reported a \$406,000 increase over May for June. May's also included the tax levy funds, so this June report is exceptional.

AARM has collected \$112,000 on 736 patient accounts. 307 accounts worth \$121,000 have been set up on payment plans. There were 2700 statements sent out on 5/13. Of those statements there were 8600 patient visits. We sent AARM \$2.2 million in A/R some dating back to 2007.

## **CEO REPORT: SEE ATTACHMENT**

V. Boss reported that the Medical Imaging Suite is nearing completion.

Louis Kraml, Jake Erickson and Jeff Daniels met with Virgil Boss and discussed wrapping up the end of Bingham's contract with TVHC. A handout was passed out to board members detailing a further relationship.

Jake Erickson thanked the board for the opportunity to work together. He commented that he learned a lot and thanked V. Boss for giving Bingham the opportunity to collaborate with TVHC.

It's been a great couple of years, and Jake commented that he was proud of our staff here. We have come a long way.

● **MOTION:** J. Jolley made a motion to thank BMH formally for their hard work and dedication to helping us. B. Bendedict 2<sup>nd</sup> the motion.

V. Boss discussed the possible partnership between St. John's Medical Center and Four Peaks. Discussions are continuing with St. John's CEO Pam Maples to provide an amicable arrangement with referrals.

There has been no confirmed date for Dr. Reinertsen to speak with us, but he has committed to do so. We are lucky to have him come, and will arrange a larger venue for his discussion with us.

The Idaho Hospital Association emailed V. Boss informing him that Medicare and Medicaid payments are being suspended. Boss spoke with State Representatives Marc Gibbs and Tom Loertsher, and had a candid conversation with them about Idaho's economy. Their discussion also centered on roadblocks with the potential lease on the CT scanner. Rep. Loertsher explained that the new law that passed was more broad than helpful.

## **MED STAFF APPOINTMENTS:**

L. Piquet presented med staff bios for reappointment.

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

## **QUALITY SERVICE COMMITTEE:**

D. Ray-Malheiro discussed compliance issues on the quality committee.

Malheiro said that global perspective and board oversight are different than an actual provider experience. Educational resources to boards with respect to compliance and quality are available. Malheiro has copies of these documents if anyone is interested.

Quality continued with a discussion on the quality report by Laura Piquet. She discussed the Studar Pillars and the Compliance plan.

## **FINANCE COMMITTEE:**

Dave Work and Aaron Hansen discussed the capital equipment list for Fiscal Year 2012

The largest change is the Electronic Medical Records computer system upgrade.

D. Work discussed the need to replace older equipment, regardless of these other needs.

B. Benedict brought up the need to not only look at different governance models, but also to look at the need for a capital campaign.

S. Dietrich stated that when he did the cash flow analysis in December of 2010, they never dealt with the question of the long term goals for TVHC. The Frasier Act wasn't decided at that point, and strategic affiliations were not dealt with.

Dietrich stated that we are not out of the woods on metrics. However, we have shifted gears from a Plan A and B focus, to looking forward in time to long-term planning. We are excited to see how the hospital is coming together with improvements happening every month. Concerning capital expenditures needed, Dietrich stated that everything begins with a "wish list" from the management of the hospital. One of our challenges is our 70 (approx.) year old facility. S. Dietrich challenged the finance department to look forward in dealing with regulatory issues, and our capital needs in the future—not on a year-to-year basis, but strategic planning for the long haul.

D. Work discussed bonds and the best timing to ask for help from our community.

D. Work would like to have more time in Finance committee meetings to discuss these issues. Now that we are doing better with finance issues, perhaps more time can be spent with the above topics.

A. Hansen discussed the 2012 draft budget summary. The Finance Committee will discuss this more in their meeting on the 21<sup>st</sup>.

J. Hotchkiss discussed the draft budget summary in depth. He told the board that they are assuming there will be a 30% increase to health benefits for fiscal year 2012.

There was only a 3% increase in supply costs for next fiscal year due to management and BMH's expertise in cutting costs.

Hotchkiss discussed timelines for the budget finalization process. The budget should be finalized on the 22<sup>nd</sup> of August, 2011.

A. Hansen brought up the ambulance service's benefits to the hospital.

V. Boss discussed the fire district's need to coordinate with TVHC on injury and 911 calls. There is some need to improve coordination of care and need to keep crews on their priority strengths.

The hospital is now monitoring every single interaction of the ambulance crews in the hospital. 60% of their service does not include actually using the ambulance to provide care. The ambulance crews help in many ways, including security and other help for the hospital. Hospital management is concerned about the costs of paramedics and ambulance crews vs. nursing staff but agree that we need to continue to provide services. The fire district is unionized. This has been a disadvantage for hospital staff. We carry more experience at the paramedic level than the fire district currently has. The EMT's are feeling as though they are not being treated fairly. In 18 months, a decision will be made on contracts.

S. Dietrich stated he sympathizes with Jim Gaines troubles and to please have management pass this along to him and his other staff.

A. Hansen stated that the Finance Committee is working on a line of credit. The hospital must show the business cycle is profitable. J. Hotchkiss has met with Key Bank. Wells Fargo has not fully progressed in a discussion. Key Bank is excited about how we are trending, but still has concerns. Key Bank stated that they are not ready to extend a line of credit yet.

Our YTD numbers are good, but they are too recent to consider it a solid trend.

A capital campaign has been suggested by a private individual to help fund our needs. Key Bank stated that we may have better luck in January. They assigned benchmarks that we would need to meet to be considered for a line of credit.

Out of area banking institutions will now be considered.

There are financing options possible, and leasing options possible if we can overcome the hurdles with a legal opinion and the BOCC's help.

● **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 B. Benedict and carried unanimously by roll call vote.

**Executive Session began at 9:35 pm**

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

**Trustees Absent:**

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

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

**Executive Session ended at 10:15 am.**

● **MOTION:** B. Benedict made the motion to adjourn at 10:16 pm. J. Jolley seconded the motion and passed unanimously.

**10:16: Meeting adjourned.**

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Steven Dietrich, Chairman

ATTEST: \_\_\_\_\_  
Marni Vasseur, Executive Assistant