

**BOARD OF TRUSTEES MEETING  
TVHC Board Room  
WEDNESDAY, AUGUST 24, 2011**

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

**Ex-Officio Present: Virgil Boss**

**Minutes Recorded by: Marni Vasseur**

Meeting called to order by Steven Dietrich, Board Chair, at 5:33 pm.

**CHANGES/ADDITIONS TO THE AGENDA:**

S. Dietrich requested the addition of Executive Session be added to the agenda.

**MINUTE APPROVAL:**

● **MOTION:** S. Dietrich moved to approve the 7.27.11 minutes as amended. Motion seconded by C. Larson and carried unanimously.

**BOT EDUCATION TOPICS: Branding** – Ann Loyola, Paul Kotter

Paul Kotter gave a presentation on branding and gave background on Bingham’s progress.

**MED STAFF APPOINTMENTS:**

L. Piquet presented med staff bios for reappointment.

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

**QUALITY SERVICE COMMITTEE:**

L. Piquet answered questions on the quality report submitted by D. R-Malheiro. Malheiro was not able to attend the meeting.

Piquet summarized the Studer Pillar goals. Piquet is encouraging staff to know their departmental goals. When surveyed the response was only 66% of employees who knew their goal. The following month the rate of employees who knew their goal had gone up to 77%. Piquet expected this number to increase even further.

**FINANCE REPORT:**

Aaron Hansen reported the finance committee is meeting about once a month but are reporting quarterly. All official meetings are quarterly. During budget time, there were some ad-hoc meetings in addition to the quarterly finance committee meetings to discuss departmental budget issues.

**FINANCIAL OPERATING REPORT: SEE ATTACHMENT**

J. Hotchkiss reported we increased cash from June to July through collection efforts and operational income. Today's cash balance was \$1,831,000. We are exceeding our cash on hand goal and the trend is still increasing.

A/R decreased from June to July with improved cash collections. Self-pay accts (A/R) grew \$77K, less than the previous 4 months. Again, this is a result of better collection efforts.

C. Larson asked if we collect on self-pay accts at the time of visit.

Hotchkiss said he expects admitting staff to try to collect payment at time of visit but if patient can't pay, we will bill them.

V. Boss reported that 89% of patients are paying at time of visit.

J. Hotchkiss said we are collecting 300-400% more than in past now that we are using AARM. This applies to all self-pay accounts. These accounts won't go to collections with AARM until they are at 90-120 days out. We are just now reaching 90 days with AARM. We would like to campaign to patients when they are getting close to collections and ask them to work with us before it damages their credit.

A/R will be measured at year end with an entire 12 month period.

S. Dietrich recommended that if we aren't going to make 65 days in A/R to give the board some warning to expect this.

J. Hotchkiss said he doubts we will reach 65 days in A/R.

V. Boss added that we are off the mark due to a delay in getting AARM up and going. We signed on in January but did not start collecting until May.

J. Hotchkiss commented on the cost report settlement (Medicare) as of June 30. He said he reserved conservatively at \$130,000. DZA estimated a \$9,000 receivable. Hotchkiss said he needs to back out the \$130,000 estimate as bad debt. This will affect year end receivables. Hotchkiss said he made the estimate based on previous years.

V. Boss said reimbursement is based on the cost of doing business. We changed staffing model so the cost of doing business is less, therefore, reimbursement is less. The rates are based on the prior FY and cost to charge ratio.

A/P increased due to the new CT and digital mammography.

On the income statement, Hotchkiss reported that inpatient revenue was low. We need \$200,000 to make a profit.

V. Boss reported that 80% of surgeries are outpatient. This is not good for the bottom line.

J. Hotchkiss said the staff discussed ambulance transfers in the med staff meeting to determine if we could have kept any of the transfers here. The answer was that all transfers were necessary but we could get patients back for recovery/swing bed. Patients can come home sooner and recover locally. We can go to other hospitals that our patients were transferred to and recover the patient by ambulance.

Hotchkiss reported that expenses and salaries are under control and improved over last year. Supplies and equipment have gone up significantly, mostly pharmaceuticals or drug infusions. Cost is trending with revenue, we are making the money back that we are putting out for expenses.

This month we purchased new surveillance equipment for hospital security.

The FY2012 budget was approved by the county. We reported \$154,000 in net operating income.

## **STRATEGIC INITIATIVES:**

S. Dietrich updated the board on the BMH initiative saying that we have finalized the Letter of Intent with our legal counsel and BMH. The Letter of Intent was presented to the Board of County Commissioners and executed jointly with the BOCC. The target plan is to produce an agreement to convert TVHC to a 501c3 from a county owned entity. The schedule for the target plan is on track and we should have a draft of the conversion plan for the BOT by mid to late September. Dietrich asked that board members be available the week of September 19<sup>th</sup> for a one topic special meeting. Preliminary meetings have been constructive and specific between BMH, legal counsel, board members and V. Boss. Spirit and cooperation between the parties has been positive. BMH suggested that both parties share counsel cost for drafting of the documents.

BMH is bringing a lot to the table. Dietrich is impressed with dynamics between TVHC and BMH. BMH remains consistent in their assistance to help TVHC be self-sustaining. We are trying to create a new entity where TVHC would lease the property of the hospital and also re-work a management agreement between TVHC and BMH.

B. Benedict pointed out that after we go through the 501c3 process, statutes are set up so that the current board is the starting point for a new board. Current board members will still be board members after the conversion.

V. Boss is working on identifying costs for the conversion. This will take time to research.

S. Dietrich suggested a special meeting before the next BOT meeting with an emphasis on resolving the questions in terms of the steps that lie ahead. Dietrich said it would be timely to go forward at this point and that this is ultimately a BOCC decision. Dietrich also mentioned that he is impressed with Herb Heimerl's ability and experience in serving as counsel for TVHC.

D. Work asked how long the conversion will take.

V. Boss said typically 9-18 months.

### **CEO REPORT: SEE ATTACHMENT**

V. Boss summarized the CEO report. Boss commented that we will try to sync up decisions on the 501c3 with press time. This has paid off in keeping public questions to a minimum. Boss is talking with other hospitals to see how their conversions have gone, steps taken, cost, etc. Our retirement plan could change with preferential treatment not going to physicians anymore. This could create pothole but we will work through it. There are large legal documents to be filled out but they are in a template format.

We are transitioning patients from Dr. Snyder to our new DO, Dr. Nathan Levanger. Dr. Levanger will be here the 6<sup>th</sup> of September. We will do a community press release and orientation to the public after he is oriented with staff and clinic and hospital processes. Boss gave the board a handout with info on DOs vs. MDs. There has been a dramatic growth pattern for DO's and their holistic approach to medicine. DO's create more referrals to physical therapy and will compliment our orthopedic doctor. The DO program is out of CA, where Levanger did his residency. There is a newly created Northwest campus in Corvallis, OR where residents are designed to study and stay in this region to build their practices. This is the program that BMH is becoming involved with. BMH will get reimbursement for their involvement in this residency program.

In our 1<sup>st</sup> month having our new digital mammo we did 39 mammograms vs. 15 last year. CT was even with last year. Dr. Lamb, Radiologist spoke at the med staff meeting on all of the modalities we can do with the new CT. Dr. Lamb introduced a new affiliation of Rexburg and Idaho Falls radiologists. This will create new specialties and will raise the bar in expertise to read our films. Lamb called it a quantum leap upgrading from 4 to 16 slice CT. We would have sent out 2 patients without the 16 slice CT and could have missed a critical diagnosis. Those 2 items create big revenue for TVHC, keep patients here and Dr. Brown can do more for his patients.

Ambulance approval from the BOCC was passed without question.

Foundation development is going well. Diane is meeting on a new statewide grant award. We had a \$100,000 pledge by Jon Huntsman which was based on the quality care that he received personally at TVHC. Boss said that the pledge scale normally works on tier level with the Huntsman's but TVHC was put at the top tier from the beginning. This is usually a 5 year rolling commitment. We are honored and grateful for the full donation given by the Huntsman's.

We received a \$81,790 check from the Tin Cup Challenge. There were increases in matching donors, runners and donation amounts. This was a good community rally especially considering the bad economy. The Suicide Prevention Task Force/Teton Valley Community Foundation also received a good amount of donations.

A. Loyola added that there were about 20 new donors to TVHC, our reputation is recuperating.

There was a total of 3.7 million dollars produced from the Tin Cup Challenge. This is very important for

non-profits.

Boss reported that donor lunches are giving donors an opportunity to air their concerns and have conversations with him and Diane. Giving donors a chance to be heard is producing good results and opening new doors.

S. Dietrich said the Reinertsen presentation had a significant impact and was very beneficial. It was good timing in terms of our interests at this time. Reinertsen seemed to express ownership in TVHC as his hospital and was very interested in helping our facility succeed. Dietrich asked if we can build on this and utilize him further.

V. Boss said that Reinertsen had already agreed to come back and speak to the board again. Boss commented on our departmental goals saying that he would like to see more collaborative goals since we are a small facility. This would be more manageable and more meaningful to each employee. Boss would like to see employees turn their goal into a cultural piece. We are working with Reinertsen's suggestions and strategies. He is a tremendous resource. Reinertsen gave Boss free access to his website which he usually charges for.

J. Jolley requested a transcript of Reinertsen's presentation. Boss has it and will provide a copy.

D. Work made a comment that the phones are not being answered in the clinic. He said that he called and was directed to voice mail. He was concerned and hoped that this is not a recurring issue.

V. Boss said that we have been monitoring where problems are. We are focused on admission quality and accuracy, and also that there is no barrier for patients to gain access to an admissions representative. Boss reported that we now we have a full time healthcare concierge who knows all of the ins and outs of the hospital. We also have new software for this PBX Operator position. The software combined with the right personnel and appropriate space to do the job should keep patient barriers to a minimum. We are including Victor Medical Clinic in our upgrade.

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

**Executive Session began at 8:43 pm**

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

**Trustees Absent:**

**Ex-Officio members present:** Virgil Boss

**Executive Session ended at 10:02 pm.**

● **MOTION:** C. Larson made the motion to adjourn at 10:02 pm. T. Simmons seconded the motion and passed unanimously.

**10:02 pm: Meeting adjourned.**

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Steven Dietrich, Chairman

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