

**BOARD OF TRUSTEES MEETING  
TVHC Board Room  
WEDNESDAY, FEBRUARY 23, 2011**

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

**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 5:34 pm.

**INTRODUCTION OF JASON HOTCHKISS:**

V. Boss introduced the new Controller for Teton Valley Health Care, Jason Hotchkiss. Jason gave background information on his prior experience.

**CHANGES/ADDITIONS TO THE AGENDA:**

C. Larson added a Med Staff committee report to be included with other committee reports.

**MINUTE APPROVAL:**

● **MOTION:** B. Benedict moved to approve the 1.26.10 minutes as amended. Motion seconded by C. Larson and carried unanimously.

**REVISED MEETING CALENDAR FOR APRIL AND MAY:**

S. Dietrich said that due to absences of key board members and the Memorial Day holiday, he would like to post pone the April meeting to May 18<sup>th</sup> and combine the two months into one meeting. Dietrich also asked for submittal of a CEO report and a finance report for both April and May.

● **MOTION:** D. Work moved to approve the change of schedule omitting the April meeting and setting the next meeting date for May 18<sup>th</sup>. Motion seconded by B. Benedict and passed unanimously.

**BOARD DEVELOPMENT:**

S. Dietrich said that the primary search for a candidate would normally be lead by the CEO and that Boss was happy to take this on. We also had board members offer to meet with candidates before hand. We are still seeking someone with a medical background to become a voting board member. This vacancy may not be filled until summer. It is a constant recruiting process and we have a strong conviction to get the right person. S. Dietrich offered to draft an announcement/notice to circulate to the board for approval, then publish in the newspaper.

**FINANCIAL AUDIT:**

Luke Zarecor from Dingus, Zarecor and Associates reported on the financial audit for FY 2010.

Zarecor said there were very few adjusting entries, most were pension and retirement related. This was a marked improvement from 2008.

On the balance sheet, cash was up significantly due to tax proceeds. Comparing 2009-2010, cash was going to operations instead of paying back money owed. Zarecore reported no adjustment on estimated third party accounts, this is very rare.

Days in inventory- this area was high due to having an orthopedic surgeon on staff. However it is managed

better than in the past.

Capital expenditures are consistent in 2009 and 2010.

Liabilities and net assets were much improved. We have little debt for a hospital of this size and little operating debt. The balance sheet is healthy and much improved.

Revenue and expenses- Net patient service revenue is up 5 % due to rate changes. With the economy, most patients are putting off anything non emergent. This is consistent with other hospitals.

Operating expenses- salaries and benefits comprise most of these expenses. This is consistent with most other health care facilities.

Operating income- we had a gain in 2009, a loss in 2010.

Non operating revenue is consistent between the last 2 years.

All accounting policies are consistent with other hospitals, nothing of concern.

Revenue cycle issues- this area needs attention. Luke has worked with Beverly Park, new Revenue Cycle Manager and credits her to be valuable to the operation.

Foundation- we had to make adjustments in journal entries in the foundation audit only this year. In prior years, adjustments had to be made to the hospital as well. The foundation needs involvement from hospital finance staff. Hospital finance staff has not been involved in the past. Other hospitals put the foundation under hospital finance in order to get accurate accounting.

V. Boss said that change would be made for the future. We are in the planning phase of changing over to the foundation being part of the hospital's finance department.

Policies and procedures- need to follow through better with implementing policies. Zarecore found that staff did not know what to do in certain situations.

No review of journal entries- checks and balances were deficient in the past but now we have enough staff to get rid of these deficiencies. We need better segregation of duties. Zarecore recommended using someone from a different department to cross check or complete transactions.

S. Dietrich asked if the forensic audit had any bearing on the financial audit. Luke said there were no surprises.

Days cash on hand is better than in the past but still needs to come up in order to sustain the hospital.

Contractual adjustments- These are agreements with insurance companies to write off what insurance won't pay. We are lower than other hospitals in this area. There may be opportunities for more revenue here. We may be able to bill out more.

Charity care can be used more efficiently by looking at patient's finances ahead of time and not wasting efforts on billing. Make charity determination up front and reduce bad debt.

S. Dietrich commented that we need to be efficient about looking at improving the hospital in the future. We have to execute when the opportunity arises.

### **MED STAFF APPOINTMENTS:**

L. Piquet presented med staff bios for reappointment.

Piquet added Scott Griffith for reappointment. He is a first assist to Dr. Maura Lofaro. Griffith was already approved by med staff.

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

L. Piquet reported on Studer pillars- see attachment

Piquet added that TVHC received a \$5500 incentive payment from Blue Cross for reaching our goals.

### **QUALITY SERVICE COMMITTEE:**

D. Ray-Malheiro reported on utilization stats and surgeries- see attachments.

## **MED STAFF REPORT:**

C. Larson reported that the message that Dr. Brown wanted to send to the board was that he understands why the board is focusing on finances but he wants the board to remember that medical care at TVHC is top notch. Larson felt that we are sending a mixed and confusing message to the public where we are saying things are great but then we report on financial issues where we have problems.

Malheiro added that the message needs to say that the quality of care is good and that the financial issues are not going to determine patient care. We need to deliver a consistent message.

The external message from the press is focusing on the forensic audit and the internal message from Ann Loyola, Public Affairs Manager, is that things are good. The message needs to be more coherent.

B. Benedict said that we should promoting the new equipment (CT and Digital Mammo) and services offered at TVHC.

D. Work suggested publishing the surgery stats that Malheiro reported on. People are using the hospital, we have a lot of visiting specialist activity.

V. Boss reported that Ann Loyola will meet with BMH to work on a branding strategy. Boss also added that we need to take the high road when it comes to reporters. They are antagonistic and if the public believes what the press writes it can cause trouble for us but we can't get involved in the mud slinging.

J. Hotchkiss offered to speak publicly about his perspective in terms of coming to this particular hospital and his belief of our journey to turn this hospital around. He made reference to the BP oil spill disaster where the company took accountability for the biggest natural disaster in U.S. history and how that accountability went a long way.

## **FINANCE REPORT: SEE ATTACHMENT**

A. Hansen reported that there was no committee meeting in January.

J. Hotchkiss reported that inpatient revenue numbers were down since most of those patients went to observation.

V. Boss said that he asked Angela Booker, Director of Nursing, to get data on transfers and see if we could have kept any of the transferred patients. It was found that all transfers were necessary and emergent.

S. Dietrich asked V. Boss what his thoughts were on capital spending and if we are on target.

Boss said we have committed all of the dollars from the levy. We are still talking to Wells Fargo about buying the lease for new equipment so we can stretch out the levy money for 5 years.

B. Benedict suggested using final audit numbers for projections in budgeting for the future.

## **CEO REPORT: SEE ATTACHMENT**

V. Boss reported that we have many applicants if we need to ramp up mid level staffing for summer. We are running very lean. If someone gets sick it is difficult to cover shifts but we will continue to run this way until business picks up.

Boss reported that we had an incident with an Emcare physician who came to work late and created a 2.5 hour wait for patients. Laura Piquet called those patients to apologize for their wait. The Emcare physician was fired and will not return to TVHC. He was also turned in to peer review.

Boss reported on the employee engagement survey. Improvements were made even though we started on the high side of the curve at the last survey date. We have replaced the revenue cycle manager who was a problem in the last survey. Communication has improved.

Boss discussed a report on rural healthcare. The next line of service offered at TVHC may be oncology, where we could offer infusion.

We are looking for a new Human Resources Manager. Carla Romero-Erlanson went to Bethel, AK to be the HR Director for a hospital in that area. We have gotten positive responses from applicants and should have candidates to choose from in about 2 weeks.

S. Dietrich said that he and B. Benedict will review V. Boss' performance goals and report back to the board before the next meeting.

S. Dietrich also discussed incentivizing employee performance in the future saying that if expectations are met and profits are produced, employees should get an incentive. Dietrich wants to show that the board stands behind the hospital and supports the employees.

There was a change of trustees in the defined benefit plan to remove Blaine Ripplinger and add Jason Hotchkiss.

**PLAN B- FINALIZATION: SEE ATTACHMENT**

S. Dietrich discussed options to accomplish success of TVHC. Dietrich said he would have adequate advisors to help with the process. Other board members said they did as well. The board will shelf the discussion until the May meeting and look at benchmarks at that time.

● **MOTION:** C. Larson made the motion to adjourn at 9:06 pm. J. Jolley seconded the motion and passed unanimously.

**9:06 pm: Meeting adjourned.**

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Steven Dietrich, Chairman

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