

STEELE MEMORIAL MEDICAL CENTER

P.O. BOX 700 ~ SALMON, IDAHO 83467 ~ (208)756-5600 ~ FAX (208) 756-4169

BOARD OF DIRECTOR'S MEETING OCTOBER 28, 2008

MINUTES

MEMBERS PRESENT:

Stan Jensen, Chairman
JoAnn Wolters, Vice Chairman
Vic Phillips – Secretary/Treasurer
Shayne Holmes
Jason Smith
Ryan Allen
Dennis Lile

Ex Officio:

Victoria Alexander-Lane, Chief Executive Officer
David Yanoff, MD, Chief of Staff
Robert Cope, Lemhi County Commissioner

OTHERS PRESENT:

Abner King, CIO
Linda Aсталos, COO/CNO
John Johnson, QHR Regional Vice President
Adam Deutchman, MD
Mike Reese
Stillman Bond
Roy Barrett
Minutes recorded by Lori Schneider, Executive Assistant

CALL TO ORDER:

The meeting was called to order at 5:28 p.m. by Chairman Jensen.

MOTION: Motion was made by Mr. Lile, and seconded by Mr. Phillips to move into executive session under Idaho Code 67-2345. Motion carried unanimously. The general session reconvened at 7:14 p.m.

Mr. Jensen introduced Stillman Bond and Mike Reese, mayor of Leadore, as potential new board members, and introduced Roy Barrett as a new member to be installed during this meeting.

Mr. Jensen invited Dr. Adam Deutchman to address the board with his concerns. Dr. Deutchman explained that in response to recent communications from the county to the Steele Memorial Medical Center's Board Chairman, he and Dr. David Yanoff composed a joint letter to the county commissioners. Dr. Deutchman read the letter to the board. The letter explained that the outcome of the last meeting of the county commissioners was the appointment of a new member to the hospital board of directors and changing the county commissioner representative position from a non-voting member to a voting member. Dr. Deutchman went on to explain that making these unprecedented changes without expressing any concerns to the board prior to the

decision, was undermining and effectively expressed a vote of no confidence in the board. It is the doctors' contention that these actions suggest a growing rift in communication from the county that will eventually hinder care if improvements are not made.

Dr. David Yanoff, chief of staff expressed his concern for patient care and explained that all decisions regarding hospital issues should be made for the good of the patient, even if it isn't in the personal or political interest of the other parties, such as the staff, governing board and the county. He expressed concern over the deterioration of communication from the county commissioners and requested that concerns be brought to the appropriate people in a professional manner to be discussed and resolved effectively. He asked that this hospital not be taken for granted, so this valuable asset will not be put at risk.

PRESENTATION:

Ms. Alexander-Lane presented the Board of Directors with the "Exceeding Patient Expectations Award" for excellence in healthcare service and quality. The award was given by Avatar International, a third party consulting group with expertise in measuring patient satisfaction.

CEO REORT:

Ms. Alexander-Lane gave her CEO report to the board. She informed the board regarding the progress on the development of a local VA clinic. The agreement has been made with the VA to move forward with the project, but the economy has made it difficult to recruit a physician. A recruiting agency has been retained to assist in the effort, and as soon as a physician is located, a local VA clinic will open. Ms. Alexander met with the American Legion earlier in the month to speak about this issue, as she was informed of misconceptions.

She also reported that an agreement has been reached with Portneuf Medical Center to bring oncology services to the outpatient clinic. Oncologists will be on site once each month and will be working with local providers to provide continuity of care. Portneuf Medical Center is also willing to provide urologists for the clinic, and progress is being made towards an agreement.

Ms. Alexander reported that the Avatar Employee Survey is underway and has been progressing smoothly. It will conclude next week.

RAC

John Johnson, QHR Regional Vice President, informed the board of a new government program that will be affecting Critical Access Hospitals beginning in August of 2009. Recovery Audit Contractor Overview, (RAC), is supposed to detect and correct past improper Medicare payments, prevent future improper payments, and target actions aimed at preventing future improper payments. In RAC's three year demonstration project affecting only three states, over \$1 billion was collected from participating hospitals. The concern is that the program will place unrealistic financial burdens on already struggling hospitals across the country. Mr. Johnson encouraged the board and the staff to become educated and prepare for the program rollout in August.

INSTALLATION OF
BOARD MEMBERS:

Commissioner Robert Cope installed Mr. Roy Barrett to an initial three year term, and re-installed Mr. Phillips and Mr. Smith to new three year terms on the Steele Memorial Medical Center Board of Director's.

CONSENT CALENDAR:

Included in the consent calendar were the Minutes from the September 23, 2008 meeting, Patient Care Services Report, Medical Staff Report, the provisional affiliate privileging of Donald J. Konrad, D.O. Also included were the Emergency Management Policy & Procedure Manual, Safety Policy & Procedure Manual, Engineering Policy & Procedure Manual, Blood Bank Policy & Procedure Manual, and the 2009 Organizational Performance Improvement Plan. **MOTION:** Motion was made by Mr. Lile, seconded by Mr. Phillips to approve the consent calendar. Motion carried unanimously.

Dr. Yanoff discussed the concussion management that the sports medicine department offers the high school sports teams, explaining the neuropsychological testing that is similar to what colleges are using. He further explained that the high school athletes are assessed by a trainer to insure their safety.

COMMITTEE REPORTS:

Mr. Phillips reported the finance committee met with several motions to be brought forward in open session.

MOTION: Motion was made by Mr. Smith, seconded by Mr. Jensen to approve the agreement with Dingus, Zarecor & Associates, PLLC to perform the annual audit. Motion carried unanimously.

MOTION: Motion was made by Mr. Holmes, seconded by Ms. Wolter's to approve depository resolutions to open accounts with Eastern Idaho Credit Union and US Bank for the purpose of being additional sources for secure investment opportunities. Motion carried unanimously.

MOTION: Motion was made by Dr. Cope, seconded by Mr. Holmes to approve Project Requisition Number 55 authorizing the disbursement from the Project Account in the amount of \$122,055.73 for the purpose of paying off the Ortho Remodel Lease. Motion carried unanimously.

Mr. Phillips reported that a bond payment policy will be brought before the board at the next meeting.

Mr. Lile reported the Quality & Credentialing Committee met earlier today to discuss the Organizational Improvement Report. Ms. Astalos reported on the quarterly Avatar Patient Satisfaction report that shows an overall score of 88.85. She explained that each response is carefully evaluated and investigated to help improve quality and the patient experience.

DISCUSSION: Discussion was held regarding the administration of epidurals and interthecals during childbirth. Dr. Richard Natelson explained that both are available here, and the difference is that an epidural is a continuous stream of medication while an interthecal is a onetime injection, and both are effective for pain relief.

BOARD EDUCATION: *“Navigating the Boardroom: 40 Maxims..Things You Must Know and Do to Be a Great Director,”* by Dennis D. Pointer will be discussed in next future board meetings.

OTHER BUSINESS: A letter from the Lemhi County Commissioners addressed to Stan Jensen, Steele Memorial Medical Center Board Chairman, was read to the full board. The letter stated the commissioners had opted to apply the \$40,000 payment that is traditionally given to the hospital each October to help cover the cost of indigent care, to the bond payment instead. Ms. Alexander-Lane expressed her concern that nothing had been communicated or discussed with the board or management in advance of this decision.

Mike Reese, also a Leadore EMT brought up a concern regarding a supply issue between the Leadore EMT’s and the hospital that had come to his attention through a county representative. Ms. Astalos, COO/CNO, was aware of the misinformation and has scheduled a meeting to coordinate strategies and resolve any existing issues.

Discussion was held regarding many miscommunications that have been occurring and creating bad will at the expense of the hospital. Ms. Alexander-Lane, and Dr. Deutchman both pointed out the opportunities to improve the communication process, so communication will be appropriate, with a positive attitude and the understanding that all parties want to work together for a common good.

The updated strategic plan was given to the board for review and discussion at the November board meeting.

ADJOURNMENT: The meeting was adjourned at 9:00 p.m. by Mr. Jensen.

las

Stan Jensen, Chairman

Adam Deutchman, MD, FACS
David Yanoff, MD
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Lemhi County Board of County Commissioners
C/o Terri Morton, County Clerk
206 Courthouse Drive
Salmon, ID 83467

October 27, 2008

Dear County Commissioners Lemhi County:

Your recent action has sent a troubling message to the Steele Memorial Medical Center Board of Governors, employees, health care providers and the people served by the Medical Center. In the most recent Lemhi County Commissioner meeting, you opted to exercise your statutory authority to claim a voting position on the Medical Center Board. You followed by appointing a new Board Member without prior discussion with the hospital governing body. Although this appears to be within your scope of discretion, it not only departs from previous patterns of interaction but also smacks of hidden personal political agendas. Such sequence of events serves to undermine the authority of the current Steele Memorial Medical Center Board of Directors; in effect sending a vote of 'no confidence'. These maneuvers suggest a rift exists between the Board and the County Commissioners. Undoubtedly, unless you are able to improve your communication with the Hospital Board, that rift will expand at the peril of patient care and safety.

As we understand it, you justified your action by citing the need for greater County influence on behalf of Lemhi County taxpayers. The implication of this justification is that the County Commissioners feel that the Hospital Board has failed to serve the interest of Lemhi County residents. We cannot recall a Hospital Board of Directors meeting in which the county expressed such a concern. In what way has the Board failed to serve the people of Lemhi County?

The Medical Center Board of Governors has spent countless hours in board education and training to become an effective and responsible board. They have moved away from micromanagement toward governance. They have made the effort to make balanced decisions based upon data and effective communication. Professional communication requires a unique discipline that the Medical Center Board has come to respect. They

strive to leave innuendo, rumor, and gossip at the door. On the other hand, we question whether all of the County Commissioners concerns have come to light.

As Lemhi County Commissioners, you have long held an ex-officio seat on the Steele Memorial Medical Center Governing Board. If you were to have a substantive concern then you already had a process in place to express and lobby your position. As the Hospital Board adheres to Idaho Open Meeting Law, any conceivable element of concern could have come to light in either open meeting or executive session. No such expression has come forth prior to this time.

As a Commission, you failed to communicate your concerns or intent with the Medical Center Board in regards to adding a new member. This significantly deviates from historical interaction. One can only speculate about possible hidden agendas and political maneuverings. If this is so, this serves to further undermine the mission of Steele Memorial Medical Center in its effort to provide an environment of safety and high level of quality medical care.

We hope that if there were substantive issues pertaining to County interaction, quality of care and safety, or governance held by the County Commissions, that such concerns would be forthcoming Vis a Vis open and clear communication through established processes and forums.

We recognize that your actions were within your statutory authority, however, we question your indirect method of sending a vague message to the Hospital Board, its Principals, employees and the public it serves. Your recent decisions appear to have lowered the bar for direct professional communication, interaction and mutual respect. Going forward, we ask that you exhibit greater insight to the implications of your decisions. We feel that there are no issues too complex to solve provided all stakeholders come to the table prepared to consider factual data in an environment of clear communication and mutual respect.

Sincerely,

Adam Deutchman, MD, FACS

David Yanoff, MD

Cc: Robert Cope, Lemhi County Commissioner
Bret Barsalou, Lemhi County Commissioner
Richard Snyder, Lemhi County Commissioner
Stan Jensen, Chairman, SMMC Board of Directors
JoAnn Wolters, Vice-Chairman SMMC Board of Directors
Vic Phillips, Secretary/Treasurer SMMC Board of Directors
Shayne Holmes, Member SMMC Board of Directors

Dennis Lyle, Member, SMMC Board of Directors
Jason Smith, Member, SMMC Board of Directors
Ryan Allen, Member SMMC Board of Directors
Terri Morton, County Clerk, Lemhi County