

**Mountainview Medical Center  
Board of Directors Meeting  
November 23, 2011**

Present: Bill Galt – Chair, Otto Ohlson, Chris Schlepp, Dave Wendt, Helen Hanson, Rick Seidlitz, Aaron Rogers – CEO, Tony Pfaff – Cypress Healthcare.

Absent: Shane Sereday, Bill Schendel, Lisa Gilbertson

1. Call to Order

Bill called the meeting to order at 4 p.m.

2. Minutes

Bill asked if everyone had reviewed the minutes; were there any corrections or additions. Otto moved to accept the minutes as written; Rick seconded. **Motion Passed**

3. CEO Report

Audit Approval: The final audit was just received electronically. Bound copies have not been received yet. The only changes since the draft were grammatical. Aaron will email the final version or bound copies will be arriving soon. The numbers are exactly the same as reviewed at the last board meeting. It can be accepted now or at a later date if they want a bound copy. It can't be given out until the Board accepts it. Otto made the motion to accept the audit with changes; seconded by Helen. No discussion. **Motion Passed.**

CT Numbers: Brett is currently in the process of keeping track of potential CT numbers. The week after last month's meeting there were 11 patients that needed a CT; 5 could have been kept as patients at MMC instead of being transferred. There has been comment made of the facility only wanting the revenue; the patients need the scans (mostly for rule out) so they have to travel. All critical patients would be transferred regardless. It would cut the expense of an ambulance or car ride out of town. Rick added there is also risk of the ride in the weather just to bring them back. Bill asked Rodney his opinion. He thinks there is a good chance we could make it beneficial. Both he and Tina are licensed; they would just need some time to become familiar with it. There are only good things as long as it is financially responsible. There are leasing options, with a flat fee, but is very expensive. It could be tried out for a year to see if it is feasible. Discussion continued regarding prices of machines and ways to save on the renovation needed. Dave is working with the electrical bid. Roughly there are approximately 25-30 patients per month that need scanned. They will pay the same for the scan if it is done here or elsewhere.

4. Financials

Christina gave an overview of the October financials:

- § General checking balance (Bank of the Rockies) as of 10-31-11: \$759,064
- § US Bank account: \$705,170
- § Dutton State Bank: \$320,976
- § Bank of the Rockies – Restricted: \$218,898
- § Net patient revenue: \$405,150

- § Net profit: \$21,889
- § Cash collected: \$385,868
- § Days in AR: 53
- § Bank of the Rockies checking balance as of today: \$690,467

Profit was due to acute days being up, which drives other outpatient services up.

Format on the front sheet is different. Aaron wanted the amounts divided out for Dutton, US Bank and restricted funds. That way it is easier to see where the funds are especially since some money from general was moved to Dutton (250k) and US Bank (50k). It is tough to figure out from the computer generated financial statements.

#### 5. DON Report for October:

- ER visits: 60 (maybe the highest in the 3 years Aaron has been here)
- Acute days: 38
- Observation days: 5
- Skilled days: 24
- 299 clinic visits
- Intermediate days: 497
- Average Census 16.03
- New hires: 5 nursing assistants
- Shifts by travelers: 4 CNA shifts
- 1 survey returned

#### 6. Chair Report

Bill relayed that he, Aaron and a provider met with some people that have not been gifting or giving funds to the MMC because of bad press and perceived disarray. After what they have read in the paper they were not sure they wanted to contribute or bequest to MMC. Bill doesn't think their view is unique; as in the past three years donations have gone down. They were able to shine a different light on MMC and change how they thought things were being done.

On this note, Bill has found that in most communities the biggest fund raising events are for the hospital. There is more to it than making money for the hospital; which is doing well and operating with money in the bank. If one mandated overhaul or CT machine is needed, it makes one nervous that we don't have enough money or a big enough nest egg to support the hospital; because of the press received. Many of the communities have a Hospital Foundation Board. Their purpose is to raise funds for the hospital. The money is held by the Foundation and any spending is determined by the Foundation Board. Bill believes that it would help restore a lack of confidence in MMC and what happens to the money given. A Foundation is a way to insulate that and build a difference for the hospital. Bill just wanted to bring it to the Board and get their thoughts.

Aaron added that the people they talked with were disappointed in the misinformation received and very pleased with the facts given to them. It's too bad that you can't trust avenues that should be able to give proper information. They were very happy with looking at

financials and audits. They were surprised at the open door and the ability to see anything that was not protected by HIPAA or privacy. It was not as they thought.

Helen likes the idea. It is a good resource for fundraising. She asked if Tony has had experience in starting other foundations. He is familiar with the concept and believes it is reasonably easy to get started with the first board which then becomes self perpetuating. Question was asked if it would be organized under the same 501(c)3. It can be, but Tony recommends a separate one, to not be part of hospital, so it isn't public. Anonymous donors like it better. Money can be given for specific purposes and held. There is more control over the money and where it is spent, as the Foundation Board has total control. There is more security in giving and the donations are not just put into the general fund.

It was noted that now MMC doesn't need money for operations and are not financially strapped. This is the time to start it especially with the good light shined for not having that mandatory taxation. Any money given to special projects sits until it is ready. Truthfully, there are people better at raising money than the Board.

Aaron clarified that donations haven't stopped, some still come in but they are significantly smaller than in the past. The trend is downward. It was also noted that once the Foundation is established to possibly add estate planning and open another door to help people.

The Board agrees and likes the idea. It will be discussed again next month. Bill would entertain a motion have Tony and Aaron proceed in looking into and researching a Foundation and report back. Helen moved and Rick seconded to proceed with investigating a Hospital Foundation Board. Chris added, including seed money. **Motion Passed**

Aaron noted that one item needs to be discussed from financials. US Bank representatives Penny Doak and Rob Thornburg attended the finance committee meeting to discuss options for MMC's investment funds. Currently of the over \$700,000 in US Bank about 25% (soon to be 32%) is in money market. It is not gaining because of fees and is actually costing us money. Their recommendation is to take the funds in the money market account and invest it in secure stocks to get some type of return.

Previously when there was \$3 million in the account, 60% was invested in stocks. Long term growth is better at realizing a return than in the money market. We would allow them to invest 25-30%, leaving it flexible so if good stock comes available or money is better they can work with it. They figure they could get a 2-2.5% return on dividend based stocks; which is better than money market. Otto made the motion for up to 30% be invested in high secure, AAA rated dividend stocks. An authorization form has to be signed stating our wishes. Discussion held regarding the type of stocks and yield. 30% gives them leeway to slowing change it over. Chris seconded the motion. Helen asked if we would be notified of increases or changes; not necessarily. Bill asked if there was an absolute limit on funds instead of percentage. Was it 30% of 800k or 30% of 600k? It needs to be worded so the fixed amount can't be touched or the treasury bonds. Discussion held. Aaron will work on the wording and email to the committee. Motion amended by Otto to authorize up to \$183,000 (which is 30%) in stocks. Chris seconded the amended motion. **Motion Passed**

#### Information Items

Employee Representative – pagers. The new pager system is installed. It is digital and was paid for by a grant. Fourteen pagers were bought and the system is fully HIPAA compliant. Paging is done from any phone. Some testing has been

completed and it already exceeds the 20 minute response time and cell phone coverage. It has been in place for a month and everyone is adjusting well. There is no talking capability. We would like to donate the old pagers to fire or search and rescue or to the County in general.

Rodney then mentioned the HVAC – Aaron stated that was an internal issue and should be talked about before it comes to the Board. It is potentially a million dollar fix. Not a lot we can do.

Aaron stated that the haunted house was a huge success. Over 250 people went through. All the advertisements in the paper were paid for by MMC. There have been no pictures published. Kim Hamm took photos and they are on the website (mvmc.org); there are some great ones. It's a shame when the only media coverage is our website.

Aaron also announced that the Bair Memorial Trust has given us our yearly grant of \$60,000 to be used over the next two years. They have given approximately 10 million to the facility in the last 30 years. The lesser amount is all because of the financial situation in the country. It can be used entirely this year or divided up. The amounts distributed are totally stock market driven; it is no back mark against the hospital. The scholarships for college expense have risen dramatically, also. MMC appreciates everything they have done for us.

Legal fees: Bill asked what the total cost is from the Meagher County News lawsuit. Total fees are \$4,350.

Public Comment – none

Motion made by Chris to adjourn regular meeting at 5 p.m. seconded by Rick. There will be an executive session following. **Motion Passed**

Executive session ended. Meeting adjourned at 5:19 p.m. Motion made by Rick, seconded by Otto.