

**Mountainview Medical Center
Board of Directors Meeting
May 24, 2010**

Present: Bill Galt – Chair, Ron Burns, Chad Evans, Otto Ohlson, Joy Short, Jim Witt, Chris Schlepp, Shane Sereday, Bill Schendel, Woodie Jarvis, Aaron Rogers – CEO, Tony Pfaff – Cypress Healthcare.

1. Call to Order

Bill called the meeting to order at 7 p.m.

2. Minutes

Bill asked if there were any corrections or additions to the minutes of 4/26/2010. Ron moved to approve them as presented, Chris seconded. **Motion Passed**

3. CEO Report

Aaron has implemented a new form for all employees, patients or community members who visit with him. The purpose of the form is so there is a record and issues can be resolved. The form will be signed by the person along with Aaron and hopefully it will keep everyone on the same page. This will even be completed with board members. It will be kept on file.

A question was asked of Aaron regarding the management company and how it is reimbursed on the cost report; it is approximately 70%.

The charge master review will be on June 22nd and 23rd. A couple of days will be spent compiling numbers. They will take the information and in approximately 4-5 weeks we will have a report.

4. Financials - April:

Net profit of \$43,649 - due to mill levy received

Cash as of 5/18/10 was \$356,995

Days in AR: 51.2

Health insurance for employees has increased 21.7 % this year. Last year MMC covered the cost of the basic plan with a 70/30 copy for full-time employees. That cost is reimbursed at 70% on the cost report.

4. Medical Staff –

Reappointment of Scott Meissner PA-C – his reappointment to Medical Staff will be for two years. Motion made by Otto, seconded by Joy. **Motion Passed**

Provider resignations: Resignations have been received from Dr. Jenkins and Laurie Brown; both are dated May 20th. Dr. Jenkins gave a 30 day notice, but has offered to stay for 45. He previously committed to covering the 4th of July. Laurie Brown's last day is June 20th.

Motion was made to accept Dr. Jenkins resignation by Ron; seconded by Woodie. Ron would like to keep it at 30 days, as per contract. Otto question why not let him cover the 4th. Ron feels that the bad press and publicity has been bad for the facility. It was moved and seconded to accept Dr. Jenkins resignation with a 30 day notice. Vote taken: unanimous.

Motion Passed

Laurie Brown's resignation – Joy asked why she was leaving. Aaron stated that she did not give a reason. A member of the public asked if the resignation was not public information. Aaron would want her permission before releasing it. Question was then asked if she new Dr. Jenkins was leaving, would she stay. Ron has spoken with her; she stated the job situation is not working for her. She is under stress and has health concerns.

Comment from public (Marcy) if this is similar to the nursing issues; why are we not advocating to keep her. Do you have the financial records that she brings in the most money into the facility? She then made a comment to how much Laurie has brought into the facility; the financials are not public; mentioned a report on how much each provider has brought in separately – Aaron interjected that he is not sure if the numbers are right. Bill stopped her and stated she could comment at the end of the meeting. She continued that a majority of the people see Laurie and the board needs to consider how many providers we have lost. She then questioned if the board has tried to keep her and what have they done. Bill told her that if she got Laurie's permission they would continue. She then said that by then it will be too late and another provider will be lost. Aaron has called her and she has not responded. Ron stated that was not true. Aaron made one phone call to her. That is the only contact. Bill doesn't see what is not true. Comment made by the public that it is the board's responsibility to see why she is leaving. Bill tabled Laurie's resignation until the end of the meeting so the public could get Laurie's permission.

5. DON Report:

- 25 ER visits
- 26 acute days
- 31 skilled swing days
- 480 intermediate days
- Census of 16: long-term care patients
- Nurse hires: 1 RN, 2 CNA's
- 6 traveler shifts for CNA, 0 for RN, LPN

Quality meeting was held on May 19th. Motion was made to accept the quality meeting minutes, seconded by Chris; minutes accepted.

2 satisfaction surveys were returned with very good and good ratings. Chad inquired to who receives the surveys. They are included with every ER – 25 in April, 2 were returned. The survey is a questionnaire that patients fill out and return on their own.

6. Board Chair

Nominations: Bill stated that there will be 1 seat vacant after this meeting; if Joy and Doc whose terms are up choose to renew.

Ron requested that this be his last meeting; the stress and emotion is involving too much of his time. He thought that someone else who has new ideas and more input could step up.

He then stated that Bill was unfairly attacked in the press by the Tribune and the Independent Record. We are fortunate to have him working for the hospital and the community. He goes overboard to make it work. This will be his last meeting. Motion made by Joy to accept Ron's resignation; if that is his wish, motion seconded. **Motion Passed.**

Meeting moved on to the vacant seats. There is a possible 3 vacancies; including the 2 positions whose terms are expiring. Joy stated that she hates to leave in the middle of everything; she would like to stay. Doc is running for County Commissioner, if he is elected he will have to step down; but he can serve for a couple of months. A couple of people in the public then volunteered. Bill stated for those that were interested to contact Aaron.

Lisa Gilbertson (public) asked if the positions had to be filled tonight. Will it be different for those who have expressed an interest before tonight? Bill indicated that this is out of the norm. Discussion moved to a form that some members filled out prior to being placed on the board. It was then pointed out that the Commissioners have two vacant seats that have never been filled. It was explained that the Commissioners have the right to appoint one member per year up to three. So far, they have been appointing one for one year terms. Ron asked Bill to state the budget: the County Mill Levy constitutes 5% of the total budget, and they can have 25% of the board. The comments made that the board is self appointing is not completely factual.

Bill then brought up another suggestion – that will have to be researched and bylaws will have to be amended. He would like to have one seat on the board held by an employee; that is elected by the employees. Research will be done, as they are not sure if it is legal for them to vote on things that affect them. If that is the case, they could be a non-voting member. The by-laws currently state that an employee cannot be a board member. There is time to sort this out as the board can run with 7 members. Joy then questioned how the public will know if a seat is available. Bill commented that a 12 member board is plenty big; if they replace the one vacant seat with an employee and commissioners fill their seats. Jim was then asked if he was going to be reelected; he didn't know. He will ask, as he would like to keep his seat.

It was then noted that the bylaws state new members are elected in May. This allows them one meeting to sit in on before their start of July 1st.

The first thing to address is the legality of the employee seat and bylaw change. Joy made the motion to look into the legality and make a position on the board, elected by the employees and to start the 30 notification for the bylaw change, seconded by Shane. Question was asked of who is eligible. Discussion held. Comment made by public (Pam) that some employees will not go to supervisors, but will go to peers, administration and managers should be excluded for a true pulse of the employees. Reply made that managers don't have anymore access to CEO and board than the employees. The CEO, Directors and providers are hired by the board, they could be excluded.

Joy restated her motion: that we look into research if an employee can serve; if so it starts the 30 day notice: an employee seat that is elected by employees; excluding a director or executive; for a one year term. Shane agrees for the second. Vote – **Motion Passed**

Aaron then stated if anyone is interested in the positions, administration will have a form.

Bill then recommended tabling the elections until the new board is seated. They could reappoint Joy and Doc. Jim moved to reappoint Joy and Doc, seconded by Chris. Vote – unanimous, **Motion Passed**

The list of interested people will be given to the Commissioners. Bill is willing to make an exception if they want to fill the empty seats, they can stagger the terms. Otto made the motion to approve a one time exception that the Commissioners could fill all three seats, staggered terms, seconded by Doc. Vote – unanimous. **Motion Passed**

Regarding the one vacant seat, Otto suggests it be held for the employee position. It could be approved at next meeting, but employees would have to elect a person. They could go ahead and have someone ready who could sit in on the meeting and not vote. Woodie made the motion for the employees go ahead and elect their person. Joy seconded.

Joy stated that it wasn't finalized how people would know there is a vacancy, in the future. Members are elected in May, effective July 1. A running list could be kept. Past history no one has wanted to serve; until the latest incidents, now we interest. Generally the public is not involved until problems arise. Much discussion was held. Group seemed to agree that it be on the agenda in March. The public interjected with a couple of comments about diversity and it being a nice gesture to put an ad in the paper to show a position is open. Joy made the motion to advertise any vacant position in March, Chad seconded. Question called. Vote – unanimous. **Motion Passed**

County Commissioner Meetings: It has been requested that MMC attend the monthly commissioner meetings. It needs to be determined first if it is necessary, if so who will attend. Joy stated if they have a possible 3 seats of representation, there is no need. This is not a County hospital, they have representation, she doesn't see why the CEO has to meet with them every month. Otto said to play the game and meet with them. Foster a relationship; if you do as they request, they may decide after awhile you don't have to anymore. Ron asked Jim if they have ever asked him to report. Why are they not talking to their current representative? Jim should be the one giving them the information. Comment made that there is a middle ground. Until they have their seats filled, a committee could go and meet with them. Not make it mandatory. A regular monthly slot could be given and whoever wishes to go can, until they fill their seats. Chad agreed; continue to work together in a joint effort instead of battling.

Chris asked if this is a recent request. Aaron met with them every month for the first year, now we just take financials over. Bill and Aaron have been over numerous times, upon request. They are welcome at our meetings also. Joy made the motion that they have representation from County, it is not necessary to send the CEO to regular meetings. They are not using the representative they have. Ron seconded. Chris doesn't think a motion is necessary. Joy made the motion to respond to the letter that it is not necessary, they have representation, have financial reports, can come to any meetings, and have two vacant positions on the board that are not filled; nothing is mandated, seconded. Vote taken – 1 opposed. **Motion Passed.**

7. Cypress Healthcare

HIT laws start coming into effect and meaningful use of EMRs has to be implemented by 2015. The government does have incentives for the next 4 years. It is expected in the next year to convert to EMR. The approximate payment is \$40,000 per provider, hospitals is cost

plus 20%. It is almost fully funded, not 100%, but closer than what the government usually does. There is not much choice, after 2015 they will start taking money away. CPSI is certified, so we are one step closer using them. Chris asked if Tony has seen it implemented anywhere. Some bigger institutions have, but not overall. The biggest problem for us is that if we transfer a patient, the receiving facility can't read it. It will be similar to what PACs systems for radiology have done. There are still a lot of questions and regulations to work out.

Provider recruitment: there are 2 ways to recruit; so far MMC has been lucky and hasn't had to pay recruiters. First is contingency. This is where they send someone and you pay the recruiter. It is a routine search, you hire upfront. Second is a routine search. This is more aggressive. Contingency works for provider; routine works for the facility. Question asked regarding fees. It is a \$1500 upfront fee and \$1500 a month for 3 months; \$6,000 total. The company they have been negotiating with is MRC Black Sheep. Public interjected (Marcy) What exactly is Cypress's role. What are we paying you for, in general? Tony responded that MMC pays for the CEO and Cypress is responsible for the management of the hospital as well as CEO oversight. She then commented on the amount MMC pays Cypress and why doesn't it include recruitment. Physician recruitment, as far as firms, is not part of the contract. They have provided physicians and will continue to do that, but it may take longer. She then questioned the free sites that are available and contacting Dr. Gebhardt who was willing to come back and help us out. She then requested a copy of the contract, which was denied. Bill then requested she wait for the public comment portion of the meeting to comment further.

Tony then asked the board how aggressive they wanted to be. In light of the 2 resignations, they need to get to going. They have had a contingency firm in place for almost a year. Not one name has been presented since October. Conversation moved to using MHA as well as others. Consensus was to get going, have the company do a profile of us and go from there.

8. Information Items

June board meeting date: this was discussed at the last meeting. Tuesdays are out as Tony is unavailable. Chad made a motion to schedule June and July's meetings for the fourth Wednesday at 6 p.m., seconded by Chris. **Motion Passed**

Joy informed the board that the hospital guild donated approximately \$3,000 worth of equipment. A commercial food processor and slicer was purchased for the kitchen and lab draw chair. The guild is also working with historical society to provide art work in the clinic. An article will be put in the paper.

Ron apologized to Bill, he had talked to Laurie at 6:30 this evening. She has offered to talk to them as a group or individually if anyone wishes.

Back to medical staff provider resignations. A motion is needed to accept Laurie's resignation, Joy stated they have to accept it. Comment made they can accept it, but still try to convince her to stay. If she did change her mind the resignation could be pulled. Accept it

with reservation. Chris moved to accept her resignation with reservation, Shane seconded. Vote – unanimous. **Motion Passed.**

9. Public Comment

Question was asked if they could have an emergency meeting and speak about why Laurie is resigning. Ron will have to elaborate on that, as he spoke to her. Bill stated they have her reasons. Marcy's understanding was that it was due to Cypress and Aaron. She is not able to verify that. Bill then stated if her facts can't be verified or disclosed, it won't be discussed and stopped the comments.

Pam Sundstrom asked if Aaron if he wanted her to stay, did he do everything he could when she came to him with concerns. She doesn't believe he did everything he could to keep her here. The entire board backs Cypress and Aaron.

Marcy then accused Cypress of running a hospital into the ground in Oklahoma; and questioned what their agenda was. The board asked what she suggested they do. Her response was: fire Cypress, hire a CEO that is qualified, and fire the DON. They are siphoning off \$200,000 for management. Otto responded that previously MMC was in financial dire, under their management they have furnished a doctor as well has brought us out from under a 2 million dollar debt to \$700,000 to the positive. She commented on her concern at the lack of complete financial records.

Pam Hatfield stated she has been here a good while and seen lots of things change. We just about lost the hospital because of board members. Now with the new members, we see where money is going. Since they came in there has been 3 raises and 2 bonuses. They continue to bring in money and manage it. The facility just about went under the way it was controlled before. She doesn't want to see the board or management company go. She appreciates all the time and effort they have put in with everything that has happened. This has nothing to do with administration; it has to do with the community. They need to get back together and not be divided

Marcy stated it is not the fault of the board, financials are not complete the last 2 months. 11 positions resigned. She was asked what was missing in the financials that is not complete. How much are we spending for the nursing staff? Aaron responded that they are not split out by who we paid and what. Aaron talked with her for 2 hours, gave her his background and now he is unqualified. Her sources are inaccurate.

Chad asked what her name was Marcy Rethwisch, RN. Does she work for the hospital? No, she travels, but has lived here since August.

Otto responded that several members have been through numerous CEO's and management companies. Everyone can honestly say this CEO and Cypress have revolutionized MMC. Financials are readable and can be understood. They are gaining overall and putting money back. They are open to let people see everything. Bill then stated if she had specific charges with facts and names of her sources, they would continue. She said two were sitting right here: Pam and Steve. They commented they made their reasons public, in the paper: patient care issues, staffing, and preferential treatment.

Look at the good people have lost in the last four months, you let Dr. Gebhardt go. Bill stated that the board did not let him go. Bill had a meeting with Dr. Gebhardt and was to have a meeting and before the meeting was held he was emailed a resignation. This is different from his version. He stated it was either be asked to leave or go voluntarily. This is not Bills view. The meeting never happened. Dr. Gebhardt and he have talked about this for several hours.

Marcy gave credibility to the board and appreciates their time. This is not an issue with the board; it is Cypress and the DON. She continued on about the Oklahoma hospital. Bill stopped her stating the Board has hired Cypress and stands behind them. We have lots of problems, and the Board has weighed in on every issue. If she has a problem with Cypress; she has a problem with the board.

Pam asked if we were 2 years in debt. She was under that impression when Jan was the administrator we made great strides. Bill stated (from memory) at the time Jan left they had \$800,000 payment due to Medicare. When Denzel came in he warned the Board that 1.2 million dollars was due back to them in the cost report. We were in debt. The Bair funds were locked up as collateral for the loan on the building. Cypress came on board; 1.2 million was paid back to Medicare. We made some strides and are staying the course. We are not making money, but when it's all combined we are moving forward. The building loan has been paid off. MMC doesn't owe a nickel to anyone. There was so much stuff behind the scenes and under the surface. Now the board is open.

Pam wants to know the expenses above and beyond \$120,000 plus 4% for Cypress. Are we ever going to be at a point where we hire a CEO that only takes \$120,000? Otto stated that the previous CEO and 2 officers underneath made more than Cypress and the CEO combined now. Would you need that, we are operating with out it now. We are running today for what the salaries were. The unique thing about Cypress and CEO wages is they are reimbursed at 70% on the cost report by Medicare. So if they make \$220,000, Medicare pays \$154,000 back and we only pay \$66,000 for both of them. You can't get a CEO for that.

Bill heard about Cypress through friends, he got names of people and researched him by talking to main street businesses and people on the Deer Lodge board. There was not a detractor, he literally saved the hospital. Deer Lodge hospital speaks for itself. Deer Lodge is thriving, doing pretty well. They also manage Ennis.

Steve commented about looking at recruiting providers, and retention of staff. The picture out there is they don't try to keep people. Bill has taken phone calls and worked hard. How are they dealing with this problem?

Pam questioned Lisa Gilbertson and if she still worked at the facility. She stated she resigned to be on the board, Aaron tried to deter her. From her point of view, he tried to keep her. Had she known bylaws were to be changed, she would have stayed. She was asked what her motivation was to get on the board. She is not an agricultural person. She wants to help; not to point out things to be changed. She is a young person wanting to start a career; she can't make money as a real estate agent if the hospital is not here. There are issues, but to sit here and complain is not right. She wants to be a part, voice opinions and offer a

different aspect. Marcy asked her what specifically did she want to change. Lisa responded, as a member of the community, she grew up here and was raised here. She brought her spouse to the community and she wants to raise children her children here. She would like to see this place thrive. Neither of you (Marcy and spouse) work here; have never tried to work here, we don't pay enough. (Marcy) chooses to work elsewhere.

Comment then made that the board is making headway with the interactions and having other options for members. There is some dialogue. They are on the same page; we need this place and need to retain help.

Jim made the motion to adjourn, seconded by Joy.

Meeting adjourned at 9:04 p.m.

APPROVED