

**South Peninsula Hospital Service Area Board
Regular Meeting
January 12, 2006**

<p><u>Call to Order</u></p>	<p>Chairman Green called the meeting to order at 6:06 p.m.</p>
<p><u>Roll Call</u></p>	<p>Present: Board Members Green, Dentz, Walli, Stark, Howard, Byrd, Cabana, Anderson Excused: Board Member Steciw Staff: CEO Charles Franz, CFO Brenda Parnell, Director of Support Services Larry Dallas BOD Representative: Dr. William Marley KPB Assembly: Milli Martin</p>
<p><u>Approval of Agenda</u></p>	<p>Chairman Green suggested presentations by Craig Chapman and Tim Navarre, of the KPB, be first on the agenda prior to comments from the audience. Agenda approved.</p>
<p><u>KPB Budget Guidelines for FY2007 – Craig Chapman, Finance Director</u></p>	<p>Mr. Chapman provided an overview of budget outlooks for the next year including the process taken, where SPH is presently, and dollar amounts available for projects. He mentioned the borough's general fund will no longer cover operational costs for services requested by service areas. A plan for charging for these services is expected to be in effect by the end of January and be incorporated into the budgets for FY07. To help offset these charges the service areas will be receiving interest payments on operating funds, as well as funds from a proposed increase in DMV fees. Mr. Chapman offered to assist SPH during their budget preparation process.</p>
<p><u>KPB Mayor's Transition Report – Tim Navarre</u></p>	<p>Mr. Navarre provided Mayor Williams' transition report and supporting documents to the members.</p> <p>He provided an update on SPH's construction project and the meeting with RIM Architects on January 5. RIM promised to meet the schedule and have the construction drawings to the KPB by March 8. Rider Hunt's final report has been sent to the hospital. A discussion followed regarding the current design and future needs and possible design changes.</p> <p>Milli Martin, KPB Assembly, mentioned hearing the Seldovia Village Tribe Health Clinic was sending patients to the hospital's ER if they did not fit into their system financially. This would affect tax payers and she asked if there was any information regarding this. CEO Franz said they are monitoring ER admissions. Ms. Martin voiced concern and questioned if it was cost effective, regarding the KPB charging for services requested by services areas and will check into this further.</p>

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<p><u>Comments from the Audience</u></p>	<p>No comments from the audience.</p>
<p><u>Approval of Minutes – December 8, 2005</u></p>	<p>Board Member Anderson moved, Board Member Cabana seconded, to approve the December 8, 2005 minutes as presented. Motion passed.</p>
<p><u>Committee Reports:</u></p>	<p><u>Finance Committee</u></p> <p>Committee Chair Byrd reported the following:</p> <ul style="list-style-type: none"> • November gross patient revenue was under budget, days of cash on hand were at 43 compared to 35 last year, and accounts receivable days were down to 75 from 81. • A letter to be sent to patients regarding payment of their portion of charges was reviewed. • The committee discussed running invoices for payment of SAB operating expenses through SPH to expedite payment from the KPB. • The borough required return on investment and business plan for the CT-scanner is being worked on • Ms. Parnell is developing a new finance recording model which would provide a simplified report monthly and a more detailed report quarterly.
<p><u>Current Financials</u></p>	<p>CFO Parnell provided a PowerPoint presentation on the November financials. Highlights were:</p> <ul style="list-style-type: none"> • Year-to-date revenue for November is off by \$515,000, cash on hand is at \$2.8 million. • Days cash on hand is at 43 and was budgeted at 45. • Accounts receivable is at \$5 million. • Net A/R days decreased to 75 with a goal of 68. • Bad debt is under the budgeted amount and charity care is running at the projected rate. • Census information shows November was very low in AC, the ER, and newborns, surgery was up somewhat, and LTC and Home Health clients are doing well. <p>Ms. Parnell then reviewed the current billing process which has had marked improvement in receiving payments.</p>
<p><u>Administrator</u></p>	<p>In addition to his written report CEO Franz mentioned the following:</p> <ul style="list-style-type: none"> • SPH is prepared for possible eruption of Augustine Volcano.

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<p><u>Administrator – continued:</u></p>	<ul style="list-style-type: none"> • The new generator will be tested next Monday. • Rural Hospital Performance Improvement Project consultants were very pleased with the cooperation and input from SAB and BOD members and community members. A draft of suggestions regarding hospital operation issues will be provided in early February, with the final report planned for the hospital retreat on February 25. • Negotiations have been completed with the union. Ratification vote by the staff is planned for January 19 and 20. • Susan Christenson, SPH marketing consultant, interviewed staff on marketing steps currently being used. Her report is planned for the end of January.
<p><u>Planning/Construction</u></p>	<p>Nothing further to report.</p>
<p><u>Operating Board of Directors</u></p>	<p>BOD representative, Dr. William Marley, reported they are ready to move forward, and felt the hospital expansion meeting with RIM Architects and KPB Mayor Williams went well. There is one seat currently open on the BOD.</p>
<p><u>Governance Committee</u></p>	<p>No report.</p>
<p><u>Joint Audit Committee</u></p>	<p>No report.</p>
<p><u>SPH Foundation</u></p>	<p>Ms. Dentz reported the following:</p> <ul style="list-style-type: none"> • Open House is scheduled for the Triangle of Compassion rooms in Acute Care (rooms 211, 212, and 213) on Thursday, January 19, from 4:00 p.m. until 6:00 p.m. • ER teddy bears (“Boo Boo”) for children coming to the ER will arrive next week. • The next roundtable luncheon, held in conjunction with the Education Department, will be January 17 from 12:30 p.m. until 1:30 p.m. Dr. Welles and Dr. Roberts will be giving a presentation on the imaging services available at SPH. • Dues for membership in the Foundation are \$25. • A fund raising raffle will begin soon for a twin engine Bayliner.
<p><u>SAB Rep to BOD Meeting</u></p>	<p>Chairman Green had nothing further to report.</p>

**South Peninsula Hospital Service Area Board
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January 12, 2006**

<u>Education/Recruitment Committee</u>	Due to several items on the agenda Ms. Stark reported the presentation on LTC was postponed.
<u>Chairman</u>	Chairman Green had nothing further to report.
<u>Secretary</u>	Secretary Howard had nothing to report.
<u>Old Business:</u>	
<u>Discussion and Possible Action Regarding the SPHI Board of Directors Response to the KPB Internal Audit</u>	Moved to Executive Session.
<u>Construction and Expansion Program Update. Discussion and Consideration Adopting a Resolution Regarding the Construction Project as Recommended by the BOD</u>	Board Member Walli moved, Board Member Anderson seconded, to approve the resolution regarding the construction project as recommended by the BOD. After a brief review the motion passed.
<u>Hospital Retreat February 25 Possible Date</u>	The retreat will be held Friday evening, February 24 and Saturday, February 25, at the Islands and Ocean Visitor Center. It was suggested Susan Christenson be invited to present a summary of her marketing report on Friday evening.
<u>Revisions to Sub-lease and Operating Agreement Representation, Board Guidance and Time Table</u>	Chairman Green provided background and asked for volunteers to work with BOD representatives on this item. Board Members Dentz, Cabana, and Anderson volunteered. Craig Chapman, KPB, has indicated there were some items regarding finance that should be incorporated. Ms. Dentz requested the members review the agreement and provide suggestions.
<u>New Business:</u>	
<u>Budget Process Presentation, KBP Finance Department</u>	Previously covered. Input from the SAB due at the KPB by February 13. Board Member Howard requested adding a line item to cover the expense for providing education and information on the expansion and the possible bond issue. Board Member Byrd to follow-up on this with the Finance

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<p><u>Budget Process Presentation, KBP Finance Department – continues:</u></p> <p><u>FY 07 Capital Budget Approved by BOD</u></p> <p><u>Discussion of an Annual Work Plan Work Calendar</u></p> <p><u>Consideration to Approve Extension of Property Lease</u></p> <p><u>Comments from Audience</u></p> <p><u>Comments from Board/Staff</u></p>	<p>Committee.</p> <p>Board Member Dentz moved, Board Member Anderson seconded, to accept the FY 07 capital budget forwarded by the BOD to the SAB and approve and forward to the KPB for approval. Motion passed.</p> <p>Secretary Howard requested this be postponed and added to the agenda for the next meeting. Her plan is to provide a report to the service area taxpayers, and hold an annual meeting with the public to answer questions prior to elections in October.</p> <p>Board Member Dentz moved, Board Member Byrd seconded, to approve the extension of the property lease at 397 Elderberry Court. Motion passed.</p> <p>No comments.</p> <ul style="list-style-type: none"> • BOD representative Marley enjoyed attending the meeting. • Board Member Walli gave an example of how a small construction project design change can cost a large amount of additional money. She asked for a copy of the Rider Hunt report. Since it is an extremely large report Mr. Franz will provide a summary to the members. Ms. Walli thanked Ms. Dentz for the gift. • Board Member Stark felt every one should be congratulated for moving forward and hopes there will be a chance during the retreat to look at long range planning. • Board Member Anderson thanked Dr. Marley for attending the meeting this evening, thanked Ms. Dentz for the gift, and hoped everyone had a merry Christmas. • Board Member Dentz asked who pays for the retreats. Mr. Franz said both boards contribute. Ms. Dentz suggested both boards meet socially and informally to get to know each other better during the retreat. Ms. Dentz will contact BOD member Parlow and try to arrange this. • Chairman Green shared his experiences playing Santa for the hospital Christmas party this year. Individuals
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<p><u>Comments from Board/Staff – continued:</u></p>	<p>were mentioned who volunteer their time and services in LTC. It was felt a press release should be done to thank them publicly.</p> <p>On a motion by Board Member Byrd, seconded by Board Member Anderson, the SAB convened the general meeting to executive session at 8:45 p.m. to discuss matters, the immediate knowledge of which could clearly have an adverse effect upon the finances of SPH.</p> <p>Chairman Green reconvened the open session at 9:00 p.m.</p> <p>On a motion by Board Member Walli, seconded by Board Member Anderson, the board agreed to continue the Internal Audit agenda item and requested Chairman Green to contact Finance Director Chapman requesting a final report that addresses the outstanding audit issues. When this report is received, the matter will be agendized for review and possible action to be taken by the Service Area Board. The motion passed unanimously.</p> <p>There being no further business Board Member Dentz moved for adjournment, seconded by Board Member Walli.</p> <p>The meeting ended at 9:05 p.m.</p> <p>Respectfully submitted,</p> <p>_____</p> <p>Janet E. Hanenberger Homer Secretarial Services</p> <p>Minutes Approved: _____</p>	<p>Accepted:</p> <p>_____</p> <p>David Green, Chairman</p> <p>_____</p> <p>Barbara Howard, Secretary</p>
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