

**South Peninsula Hospital Service Area Board
Regular Meeting
March 9, 2006**

<u>Call to Order</u>	Chairman Green called the meeting to order at 6:00 p.m.
<u>Roll Call</u>	<p>Present: Board Members Steciw, Anderson, Green, Dentz, Walli, Byrd, Stark, Howard</p> <p>Excused: Board Member Cabana</p> <p>Staff: CEO Charles Franz, CFO Brenda Parnell, Director of Support Services Larry Dallas, LTC Manager Sue Shover</p> <p>BOD Representative: Board Member Terry Thompson</p>
<u>Approval of Agenda</u>	Board Member Dentz added the possible purchase of a duplex/four-plex by SPH as Item E under Old Business. The agenda was approved as amended.
<u>Comments from the Audience</u>	Maria Victoria Soto was glad to see the members.
<u>Approval of Minutes – February 9, 2006</u>	Board Member Dentz corrected the following on page 4 under Possible Purchase of 4-plex: Mr. Franz said SPH is sending spending approximately \$30,000. Board Member Byrd moved, Board Member Dentz seconded, to approve the February 9, 2006 minutes as amended. Motion passed.
<u>Committee Reports:</u>	
<u>Finance Committee</u>	No report, committee did not meet.
<u>Current Financials</u>	<p>CFO Parnell provided a PowerPoint presentation on the financials. Highlights were:</p> <ul style="list-style-type: none"> • Patient service revenue was down at \$16.9 million from a projected figure of \$17.7 million. • Cash on hand is approximately \$740,000 less than budgeted. Days cash on hand is at 32 compared to the budgeted 45. • Net accounts receivable is at \$4.7 million compared to a budgeted figure of \$4.4 million, and A/R days are down to 72 with a budgeted number of 68. • Occupancy year-to-date is much lower than in 2005 at 37% with a budgeted amount of 40%. ER visits were slightly down, surgeries were some what higher, and Home Health visits are up at 20.6% compared to 17.1% in 2005. • Review of the ChargeMaster showed prices should be increased.
<u>Administrator</u>	<p>In addition to his written report CEO Franz mentioned the following:</p> <ul style="list-style-type: none"> • Leases on the rental spaces for Community Health

**South Peninsula Hospital Service Area Board
Regular Meeting
March 9, 2006**

	<p>Services and the Education Department expire March 31. Six responses to the advertised RFP have been received. A formal proposal will be presented to the SAB next month for space at the Ocean Shores Motel store front area at 95 cents per square foot.</p> <ul style="list-style-type: none"> • Mr. Franz and Ms. Parnell met with Community Mental Health to look at opportunities to collaborate on services provided and sharing expenses due to budget concerns with Medicare and Medicaid funding. • Seldovia Village Tribal Clinic is in final stages of hiring a staff physician. The doctor would like to be on staff at SPH and share OB call. • Avian Influenza is a concern. Mr. Franz attended a presentation by the Director of Public Health and preliminary plans are being formed on how to educate staff and public. • A Career Fair will be held on March 31 at the Homer High School sponsored by the Rotary Club. Staff from SPH will participate.
<p><u>Planning/Construction</u></p>	<p>Mr. Franz reported an advertisement regarding the construction project was in today's newspaper. Mr. Green, Ms. Parlow, and Mr. Franz gave presentations on the project at the last Rotary Club meeting.</p>
<p><u>Operating Board of Directors</u></p>	<p>Mr. Thompson had nothing to report.</p>
<p><u>Governance Committee</u></p>	<p>Other than the written report Committee Chair Steciw had nothing further. Ms. Steciw asked to go into Executive Session at the end of the meeting to discuss a recommendation to the SAB.</p>
<p><u>Joint Audit Committee</u></p>	<p>Committee Chair Walli reported the committee met on February 28. Committee is comprised of Mr. Alderfer and Mr. Thompson from the BOD, and Ms. Dentz and Ms. Walli from the SAB. Next meeting is tentatively scheduled for March 13.</p>
<p><u>SPH Foundation</u></p>	<p>In addition to the meeting minutes in their packets, Ms. Dentz reported the following:</p> <ul style="list-style-type: none"> • Grant for remodel of LTC bathrooms has a drop dead date of May 1. Certain requirements by the KPB Public Works Department, and time constraints, may cause return of the grant funds. Mr. Franz felt they may be able to obtain an extension.

**South Peninsula Hospital Service Area Board
Regular Meeting
March 9, 2006**

<p><u>Education/Recruitment Committee</u></p>	<p>Committee member Anderson reported they have not met but they are checking into a presentation on holistic care.</p>
<p><u>Secretary/Marketing</u></p>	<p>Secretary Howard reported the KPB Legal Department has requested copies of SAB resolutions. Board members Steciw and Cabana were asked to check through the records given to them by past Chairperson Berg-Forrester for resolutions.</p> <p>There was nothing to report on marketing.</p>
<p><u>Chairman</u></p>	<p>Chairman Green reported the following:</p> <ul style="list-style-type: none"> • Budget presentation to the KPB went well and commended Ms. Walli and Ms. Byrd for the detailed work done on preparing the budget. CFO Parnell mentioned the borough accepted the numbers forwarded by the SAB and charged SPH an administrative fee of approximately \$2,300. • SAB members attended the last Rotary Club meeting and spoke regarding the expansion project. He encouraged the members to speak at various meetings they may attend which will help educate the community on the project. • New digital x-ray used in ER provided a turn-around time of 10 minutes in assisting with a diagnosis. <p>Board Member Walli asked to be excused at 6:44 p.m. for another commitment.</p>
<p><u>Old Business:</u></p> <p><u>Service Area Board Budget for FY 07. Report on presentation to Borough. Chair Green</u></p>	<p>Previously reported.</p>
<p><u>Board Appointed Committees. Discussion and consideration for approval of recommendations presented in the report. Governance Chair Steciw Board Appointed</u></p>	<p>Secretary Howard provided background and recommendations regarding the SAB committees and sub-committees. It was recommended the committees be reviewed, guidelines be arrived at, and an update of the members on the committees be done. Secretary Howard moved, Board Member Dentz seconded, to accept the recommendations within the report. Board Member Steciw suggested each committee prepare a job description of their committee and present it to the whole board at the April meeting. Secretary Howard withdrew her motion and moved to accept the recommendations within the</p>

**South Peninsula Hospital Service Area Board
Regular Meeting
March 9, 2006**

<p><u>Committees.</u> <u>Discussion and consideration for approval of recommendations presented in the report continued:</u></p>	<p>report and for each committee to receive resources, including a template for their requirements and job description, be asked to prepare this, and return it to the Governance Committee by April 5 to be presented at the April 13 SAB meeting. Board Member Dentz seconded. Motion passed.</p>
<p><u>Official Spokesperson for the SAB.</u> <u>Discussion and consideration for approval of recommendations presented in the report. Governance Chair Steciw</u></p>	<p>Discussion took place regarding SAB attendance and representation at BOD meetings and speaking on behalf of the SAB in public.</p> <p>At 7:13 p.m. Board Member Steciw requested going into Executive Session for further discussion which may prejudice the reputation and character of a person. Chair Green asked if the person was present. Ms. Steciw said yes and it was Chair Green. Chair Green declined going into Executive Session and requested staying on record. Board Member Dentz requested Deputy Chair Stark conduct the meeting to allow for discussion by Board Member Steciw and Chair Green. Further comments and discussion took place. Board Member Dentz moved that a SAB member be responsible for attending an Operating Board meeting on a rotating basis, and if unable to attend they will see that someone else does. After some discussion Ms. Dentz withdrew her motion. Board Member Dentz then moved, Chair Green seconded, to recommend that the wording and the verbiage for participation at the Operating Board be written into the Policies and Procedures, and a format be presented at the next meeting by the Governance Committee.</p> <p>AYES: Dentz, Steciw, Green, Anderson NOES: Byrd, Stark, Howard ABSENT: Cabana, Walli</p>
	<p>Chair Green returned to conducting the meeting.</p> <p>Break taken at 7:46 p.m.</p> <p>Meeting reconvened at 7:56 p.m.</p>
<p><u>SPHI response to KPB purchasing requirements.</u></p>	<p>Chair Green provided a review of this issue, the letter from BOD President Eckert to the SAB, and the plans for SPH to possibly work with Central Peninsula Hospital in addressing the Borough purchasing requirements.</p>
<p><u>Duplex/Four-Plex Purchase</u></p>	<p>Board Member Dentz reported on her search of the Multiple Listing properties for duplexes, tri-plexes, and four-plexes</p>

**South Peninsula Hospital Service Area Board
Regular Meeting
March 9, 2006**

<p><u>Duplex/Four-Plex Purchase – continued:</u></p>	<p>available for purchase in Homer. There are five ranging in price from \$265,000 to \$795,000, as well as a four-plex she knew of that is not listed and available for \$200,000. Board Member Howard moved, Board Member Byrd seconded, to ask Administration to prepare for the SAB the proper procedure needed to follow in order to begin the process of purchasing property. CEO Franz suggested issuing an RFP stating SPH is looking for a multi-unit property. Board Member Steciw made a friendly amendment to the motion to include in the request to Administration the expected use of the facility. After discussion it was decided the proper procedure would be to present this request to the BOD instead of Administration. Board Member Howard and Board Member Byrd agreed to change the motion to direct the recommendation to the BOD. Board Member Steciw also changed her friendly amendment to address this to the BOD. Board Member Byrd seconded the amendment. The friendly amendment passed. The motion passed.</p>
<p><u>New Business:</u></p>	
<p><u>Discussion of expansion of services into the Anchor Point and Ninilchik communities.</u></p>	<p>Background on this subject was provided by CEO Franz and Board Members Dentz, Anderson, Steciw, and Chair Green. Anchor Point is very interested in providing health services in their area and has formed the Anchor Point Health Services, Inc. Mr. Franz reported some physicians have indicated their interest and felt this was an opportunity that should be pursued. Board Member Steciw asked for names of the members of the corporation and will contact them. Board Member Anderson suggested the corporation members be invited to the next SAB meeting.</p>
<p><u>Discussion and direction to prepare a Code of Conduct to include e-mailing.</u></p>	<p>Chair Green reported this topic rose out of the Rural Hospital Performance Improvement meeting. It was decided a common code of conduct should be arrived at between the BOD, SAB, and the Medical Staff. A copy of the existing SAB Code of Conduct was provided with suggested changes and discussed by the members. After the Medical Staff has provided their information it will be placed on the agenda again under Old Business.</p>
<p><u>Discussion and determination of Multi-Detector CT Scanner as a change in level of service. Chair Green</u></p>	<p>CEO Franz referred to a copy of a letter from David Pierce, Department of Health and Social Services Certificate of Need Coordinator. The letter was in response to Mr. Franz's letter asking if the purchase of a new CT Scanner would be considered a change in level of service and require a certificate of need review. Since it is a replacement of an existing</p>

**South Peninsula Hospital Service Area Board
Regular Meeting
March 9, 2006**

<p><u>Discussion and determination of Multi-Detector CT Scanner as a change in level of service. Chair Green – continued:</u></p>	<p>scanner a review will not be necessary. He then asked the SAB if they considered this to be a change in the level of service and to make their decision part of the meeting record. Board Member Howard moved, Board Member Stark seconded, that the purchase of the new multi-detector CT Scanner does not represent a change in service as described by Mr. Franz. Motion passed.</p>
<p><u>Discussion of Marketing Report</u></p>	<p>CEO Franz provided an update. The report will be reviewed and the plan is to start working on some of the more financially viable recommendations from the report. Board Member Stark commended the work done on the marketing report.</p>
<p><u>Discussion of Rural Hospital Report</u></p>	<p>After some discussion Board Member Dentz moved, Board Member Steciw seconded, to table this item until the next meeting. Motion passed.</p>
<p><u>Comments from Audience</u></p>	<ul style="list-style-type: none"> • Scot Wheat, Center for S.E.A.L., thanked the members for all the work they do. • Marie Victoria Soto recommended checking out www.cdc.gov/flu/avian for information regarding Avian Flu. Mr. Franz also mentioned www.pandemicflu.gov. Ms. Soto thanked the SAB for their commitment and for the support given to employees who were asked to participate in depositions.
<p><u>Comments from Board/Staff</u></p>	<ul style="list-style-type: none"> • Board Member Steciw felt staff is doing a great job on accounts receivable and encouraged going forward on the search for a multi-unit property. • Board Member Stark appreciates having a dates and page numbers on reports and would like all members to develop the capacity to trust. • Board Member Byrd encouraged the members to look at the action plan quickly due to the two month time limit. • Board Member Anderson felt there had been good discussions this evening and thanked Ms. Soto and Mr. Thompson for coming. • Mr. Thompson thanked the SAB for their invitation to the BOD members to attend their meeting and extended an invitation for the SAB members to attend the BOD meetings. • Chair Green felt the report from the RHIP has provided them with guidelines to work with and would like to go forward in working on them as soon as possible.

**South Peninsula Hospital Service Area Board
Regular Meeting
March 9, 2006**

<p><u>ADJOURNMENT</u></p>	<p>There being no further business Board Member Byrd moved, seconded by Board Member Steciw, for adjournment. The meeting adjourned at 9:15 p.m.</p> <p>Respectfully submitted, _____</p> <p>Janet E. Hanenberger Homer Secretarial Services</p> <p>Minutes Approved: _____</p> <p>Accepted: _____</p> <p>David Green, Chairman</p> <p>Barbara Howard, Secretary</p>
----------------------------------	--

**South Peninsula Hospital Service Area Board
Regular Meeting
March 9, 2006**

--	--