

**SOUTH PENINSULA HOSPITAL, INC.
REGULAR BOARD MEETING**

SPH Conference Rooms

March 25, 2009

Call To Order

The BOD went into Executive Session to discuss personnel and financial matters prior to the start of the regular meeting.

*******Into Executive Session – 5:30 p.m.*******

*******Out of Executive Session – 6:50 p.m.*******

******* Regular Session – 7:00 p.m.*****.**

President Barbara Howard called the regular meeting to order at 7:00 p.m.

Present:	Kelly Cooper	Nina Allen
	Kent Haina	Walter Partridge
	Bernadette Wilson	Barbara Howard

Also Present: Bob Letson, CEO
MaLisa Mudgett, CFO
Dr. William Roberts
Marilyn Romans, Administrative Assistant
Julie Woodworth
Matt North
Jan Hanenberger, Homer Secretarial Services

A quorum was present.

Announcements, Welcome Guest & Public

President Howard welcomed guests. Ms. Cooper introduced Julie Woodworth, with Wells Fargo and Matt North, with Edward Jones. There were no announcements.

Approval of Agenda

Ms. Cooper requested adding two resolutions under New Business: Resolution 09-23, Approving Analysis and Recommendation of the SPHI Pension Plan as Item 11-b; Resolution 09-24, Appropriation of Interest Income as Item 11-c. Ms. Cooper also requested adding New Business Item 11-d, Consideration to Appoint New Board Members.

Allen/Wilson moved/seconded:

To approve the agenda as amended. Motion passed.

Comments of Audience

No comments.

Approval of Consent Calendar

Wilson/Partridge moved/seconded:

To approve the consent calendar.

Secretary Wilson then read the consent agenda into the record:

- A. Consideration to approve the minutes of February 25, 2009 regular Board of Directors meeting.

Motion passed.

Presentations:

A. Dr. Martha Cotten, Credentialing Process

Since Dr. Cotten was unable to attend this evening's meeting, Dr. William Roberts volunteered to provide the presentation on the credentialing process used by the Medical Executive Committee to ensure physicians are properly trained to practice at SPH. The various steps taken in the process were reviewed. Questions and answers followed.

B. Bainbridge: Board's Fiduciary Responsibilities: Education Committee Presentation

Mr. Partridge provided background on the hospital's Darlene Bainbridge videos that contain educational information for Boards of Directors at rural hospitals. The committee chose the *Board's Fiduciary Responsibilities* video for this evening with discussion on the material to take place later on the agenda. Mr. Partridge mentioned other Bainbridge videos have been scheduled through the month of July.

Reports:

A. Service Area Board Representative

No one present from the SAB this evening.

B. Chief of Staff: Dr. Martha Cotten

Dr. Cotten was unable to attend this evening.

C. Chief Executive Officer

CEO Letson commented on the stellar achievements by the Business Office, Registration, and Medical Records Coding Department during the last few months on billing collections. This month the collections were higher than gross revenue with one day's collection coming in at \$1,119,195.00, and days of cash on hand are above 50 days.

President Howard commented on the trip by staff for computer software training and requested the BOD be kept informed on the progress in addressing the system problems.

Mr. Partridge asked if HEA will be able to meet the schedule for installing the equipment for Homer Medical Clinic's imaging services. CEO Letson said they will meet the timeframe needed at a savings and the resolution passed for purchase of the generator will not be needed.

D. Chief Financial Officer

CFO Mudgett mentioned:

- Cash collections are going very well and A/R days are at approximately 77.
- Private pay collections are down.
- Staff is currently working on Accounts Receivable cleanup. Occasionally when this happens it may generate concerns from community members. Board members may hear comments regarding this.
- There are two new indicators on the Performance Indicator Report: Average Length of Stay and Net Income.
- Meeting went well with KPB Mayor Carey on Monday. The \$525,000 left to finance for the MRI will be loaned to the SAB by the KPB. It will be re-paid over the next five years using service area funds generated at approximately 3% interest. Next month the BOD will be brought a resolution in support of the loan by the KPB to the SAB. If it passes it will then be forwarded to the SAB to be approved at the borough level.
- Craig Chapman, KPB Finance Director, provided an updated version of the budget with revenues. In the FY 2011 projection they are estimating the mill rate will drop from 2.3 to 2.2 and will generate the same revenue as the 2.3 in 2009.
- They are working on RFPs for furniture for the expansion.

E. Board Committees:**Education**

Other than his written report Mr. Partridge added:

- Committee discussed providing a Darlene Bainbridge video called “Being a New Board Member” to new members as part of their orientation. In reviewing their policy it states orientation material is to be decided upon by collaboration between the Marketing, Membership and Education Committees. Education Committee would like input from the Chairs of the other committees.
- Darlene Bainbridge will be returning May 14 and 15 to meet with the hospital concerning QI. The committee discussed the BOD meeting with her and she is interested in doing so. Since those are not regular meeting dates the committee would like to hold a special meeting on May 14 at 6:30 p.m. This date is the regular meeting of the SAB and those able to attend the Bainbridge meeting will meet in the cafeteria. Topic will be comparison of the QI Program at SPH versus the best QI Program she has come across in her travels.

Finance Committee

Mr. Partridge mentioned the committee discussed:

- LTC occupancy and filling the vacant bed.
- CFO Mudgett will conduct a financial analysis next month to decide if money should be moved back from the KPB to SPH.
- Current results for FTE per Occupied Bed.

Governance Committee

Ms. Cooper reported the committee has started their work for the year. Work on the SWOT will be continued after a joint meeting of the committees and they have a clearer definition of who should be handling what to avoid duplicating efforts.

Quality Assurance

Ms. Wilson provided a brief review of her written report. Highlights were:

- Infection rate at SPH compared to the national average:

Acute Care national average – 5.0%

SPH FY 2007 – 1.4%

SPH FY 2008 – 1.7%

SPH FY 2009 – 1.0%

LTC national average – 20.0%:

SPH FY 2007 – 22.0%

SPH FY 2008 – 25.0%

SPH FY 2009 – 19.0%

- Maternity Practices in Infant Nutrition and Care Survey: A national survey of infant feeding practices in facilities that provide maternity care services conducted for Centers for Disease Control and Prevention between August and December, 2007.

National – 35%

State – 28%

Hospitals comparable in size to SPH – 42%

SPH – 58%

- Pharmacy and Acute Care have developed an Alert System for identifying certain drugs that are similar but have different strengths, or have similar names, in order to reduce medication errors.
- A Health Information Management project has been established to improve the quality of health care data in computerized patient records.

Board President

Other than her written report President Howard mentioned she attended the Chamber of Commerce luncheon yesterday for the Community Survey Program. CEO Letson, Derotha Ferraro, and Nina Allen are on the CORE Committee. There were no questions from the members.

Unfinished Business

There were no items under this agenda item.

New Business**A. Education Source Membership**

Mr. Partridge provided a report from the Education Committee on sources of material for the BOD to use for self-education or the continuing education process. The committee also researched Board Source, which was used for several of the projects they covered during their retreat. Board Source is not healthcare specific but is for non-profit boards. It has resources that could be used to develop the BOD at a relatively small expense of \$99 for a

sponsor at the hospital and \$59 for each guest member with a minimum of 10. The Education Committee recommends joining Board Source at an annual cost of \$689.

Cooper/Haina moved/seconded:

To approve the Education Committee request to join Board Source for a total annual cost of \$689. The source of the funds would be the Board Education budget. Motion passed.

B. Consideration for Approval of Resolution 09-23, a Resolution of the South Peninsula Hospital Board of Directors Approving Analysis and Recommendation of the South Peninsula Hospital, Inc. Pension Plan.

Mr. Partridge reported CFO Mudgett is preparing the BOD for analyzing the SPHI Pension Fund Plan. The committee recommends they perform the analysis that will allow them to answer budgeting questions as well as other questions.

Cooper/Allen moved/seconded:

To approve Resolution 09-23 approving the analysis and recommendation of the SPHI Pension Fund Plan.

Roll call vote was taken: Yes – 6: Partridge, Cooper, Allen, Wilson, Howard, Haina
No – 0
Absent – 0

Motion passed.

C. Consideration for Approval of Resolution 09-24, a Resolution of the South Peninsula Hospital Board of Directors in Support of Appropriating \$625,000 of Interest Income to Pay the Cost of Capital Improvements.

Mr. Partridge reported the resolution would appropriate \$625,000 of interest income from the bonds at the KPB for the construction project to provide a permanent unit to house the MRI. The Finance Committee recommends approval.

Cooper/Haina moved/seconded:

To approve Resolution 09-24 in support of appropriating \$625,000 of interest income to pay the cost of capital improvements.

Roll call vote was taken: Yes – 6: Wilson, Howard, Cooper, Haina, Allen, Partridge
No – 0
Absent – 0

Motion passed.

D. Consideration to Appoint New Board Members

Ms. Cooper introduced appointees Julie Woodworth and Matt North. Private ballot vote was then taken. Both Ms. Woodworth and Mr. North received unanimous approval. Ms. Woodworth's term will be until December, 2011 and Mr. North's term will be until December, 2010.

Discussion Only: Board's Fiduciary Role Responsibilities (20 minutes)

Mr. Partridge was this evening's facilitator and Mr. Haina was the timekeeper. Information was provided including a brief update by CEO Letson on the Document Retention Plan that was created to address proper record keeping. Mr. Letson reported meeting with an attorney regarding the correct policies and procedures in protecting medical records. A board report will be provided at the April meeting. Comments and discussion followed on various items: Conflict of Interest, Duty of Loyalty, Checks and Balances, and development of a Board's Role in Leadership pledge.

It was decided that if a video is used for an educational presentation discussion should follow directly after the video instead of later in the agenda.

Comments from Chief Finance Officer

No comments.

Comments from Chief Executive Officer

No comments.

Comments from Homer Secretarial Services

No comments.

Comments from the Board

- Bernadette Wilson congratulated the Finance Department on their good work and welcomed the new members.
- Kent Haina welcomed the new board members.
- Walt Partridge welcomed the new board members and congratulated the Finance Department on their hard work. CFO Mudgett mentioned in appreciation of all their work a Pizza Party was held to say "Thank You" to all the employees in the Business Office, Registration, and Medical Records.
- Nina Allen welcomed the new members, thanked those responsible for the format and efficiency of the agenda, and thanked the Finance Department.
- Kelly Cooper thanked the Mr. Letson and Ms. Mudgett for all their hard work, welcomed the new members, and mention she also likes the agenda format.
- Barbara Howard thanked the new board members for their interest and reminded the other members to include them in emails, asked Mr. Haina to be Mr. North's mentor and Ms. Howard will be Ms. Woodworth's mentor, thanked Marilyn Romans for all her help, and thanked Mr. Letson and Ms. Mudgett for all their hard work.

Actions Resulting from Executive Session

Dr. Keith M. Brownsberger reappointed to the Courtesy Staff of South Peninsula Hospital.

Dr. Brian J. Plasil approved for temporary privileges as requested.

Executive Session

The BOD then went back into Executive Session to discuss personnel and financial matters.

*****INTO EXECUTIVE SESSION – 8:55 P.M. *****

*****RETURN TO REGULAR SESSION – 10:00 P.M.*****.

There were no actions taken.

Adjournment

Meeting adjourned at 10:00 p.m.

Respectfully submitted,

Accepted:

Janet E. Hanenberger
Homer Secretarial Services
Minutes Approved: _____

Barbara Howard, President

Bernadette Wilson, Secretary