

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

**SPH Conference Rooms**

**July 28, 2010**

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**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 – 6:58 p.m.\*\*\*\*\***

**\*\*\*\*\* Regular Session – 7:04 p.m.\*\*\*\*\*.**

President Kelly Cooper called the regular meeting to order at 7:04 p.m.

Present:	Kelly Cooper	Vickey Hodnik
	Nina Allen	Kent Haina
	Walter Partridge	Bernadette Wilson
	Matt Hambrick	Matt North

Excused: Julie Woodworth

Also Present: Robert Letson, CEO  
Lori Meyer, Controller/Acting CFO  
Derotha Ferraro, Public Relations  
Larry Shirts, Director of Support Services  
Sara Karnos, Administrative Assistant  
Robert Whitehead, Health Information Manager  
Judith Lund, SAB Chair  
Dave Carey, KPB Mayor  
Susan Wilcox, KPB Chief of Staff  
Mako Haggerty, KPB Assembly Representative  
Jan Hanenberger, Homer Secretarial Services

A quorum was present.

**Announcements, Welcome Guests & Public**

President Cooper welcomed everyone. CEO Letson introduced the hospital's new Health Information Manager, Robert Whitehead. Mr. Whitehead then provided a brief background on his experience. There were no other announcements.

### **Approval of Agenda**

Ms. Wilson requested adding Consideration to Approve Resolution 2010-15-A, MRI Building Project, as Item B under Unfinished Business.

Partridge/Allen moved/seconded:

To approve the agenda as amended. Motion passed.

### **Comments of Audience**

Mayor Carey introduced Susan Wilcox, KPB Chief of Staff.

### **Approval of Consent Agenda**

Hambrick/Hodnik moved/seconded:

To approve the Consent Agenda. Motion passed.

Board Secretary Wilson read the Consent Agenda items into the record:

- A. Consideration to Approve the Minutes of June 23, 2010 Board of Directors Meeting.

### **Presentations:**

#### **A. Comments from the Mayor and Assembly Members**

Mayor Carey mentioned it has been a pleasure to see the height of alignment between the borough's interest, the interest of the residents, and the services provided by SPH. Numerous examples were mentioned. He also mentioned:

- He would not support the sale of SPH to a for-profit group.
- Five for-profit groups have been studying CPH and will be presenting arguments to the Assembly, in Executive Session, why the Assembly should let one of the groups purchase CPH.
- CEO Letson has been working as a very strong advocate for the new MRI and building. It will be back before the Assembly at their next meeting and Mayor Carey is very hopeful they will approve the resolution.

Questions were then asked of Mayor Carey and Assembly Representative Mako Haggerty. Answers followed. Mr. Haggerty, along with Mayor Carey, encouraged individuals to write letters and emails, and attend the meeting to provide testimony to the Assembly members in support of the MRI. Mr. Haggerty also offered to arrange for a teleconference set-up at the local KPB office.

#### **B. Laundry Project Presentation – Larry Shirts, Director of Support Services**

Mr. Shirts provided a brief review of the Laundry Department Improvement Project material provided in the members' meeting packets. They are looking for ways to lower operating costs and Mr. Shirts provided various examples. Questions and answers followed.

Mr. Letson mentioned Mr. Shirts helped the architects and engineers save money on the bioengineering portion of the MRI bid by providing ideas on how to reduce costs.

**Reports:**

**A. Service Area Board Representative**

Chair Lund had no report.

**B. Chief Executive Officer**

In addition to his written report CEO Letson mentioned:

- New president of ASHNHA, Karen Perdue, will be visiting SPH on August 10<sup>th</sup> at 2:30 p.m. She will be given a tour and they will be talking about healthcare issues in Homer. BOD members are invited to join them.
- SPH had a very successful Sports Physical Night with 88 physicals given to high school athletes.

**C. Chief Financial Officer**

Acting CFO Meyer had nothing to add to the Finance Committee written report. She mentioned receiving notification from Medicare that they reviewed the hospital's 2007 cost report. Their initial proposed adjustment was that SPH owed \$212,000 but the result was Medicare owed SPH an additional \$38,000.

**D. Board President**

President Cooper thanked Ms. Woodworth for stepping in for her while she was gone and the board members for all their extra work. She mentioned after visiting four medical facilities in Alaska and Washington during the last month SPH is equal to none.

**E. Marketing Report**

Nothing to add to the written report.

**F. Board Committees:**

**Finance**

Mr. Partridge had nothing further to add to his written report. He mentioned even though they didn't make the EBITDA anticipated in the budget they still met the Finance Committee's target of every four years meeting the depreciation costs for equipment.

**Governance**

Nothing to add to the written report.

**Education**

Mr. Partridge announced Ms. Allen has volunteered to be the Chair of the Education Committee. The date Darlene Bainbridge is scheduled to come back to Homer is not going to work for the BOD for another workshop with her. It is hoped they will be able to arrange another date. The following education items are planned:

- Orlikoff/Reinertsen series on patient safety and quality training.
- Things going on in HR and the hospital.
- Series on board roles in quality and patient safety.

**Pension Plan**

Mr. Partridge reported they are working on compiling a portfolio that will contain a comparison of what the returns are in straight market indexes versus returns through their third party.

**BOD Representative to Service Area Board Meeting**

No report

**Unfinished Business**

**A. Second Reading of Bylaw Changes – Governance Committee**

Ms. Wilson mentioned when prior changes were made to the Bylaws the committee had done extensive research. Discussion followed. Mr. Hambrick provided the second reading. The committee will research and the third reading will be on the agenda next month.

**B. Consideration to Approve Resolution 2010-15-A, MRI Building**

Partridge/Allen moved/seconded:

To approve Resolution 2010-15-A, a resolution of South Peninsula Hospital Board of Directors supporting Kenai Peninsula Borough Resolution 2010-61, August 6<sup>th</sup> substitute, approving a change order to authorize construction of a Magnetic Resonance Imaging building at South Peninsula Hospital under the existing construction contract.

Roll call vote: Yes – North, Wilson, Cooper, Hambrick, Hodnik, Partridge, Haina, Allen

No – 0

Absent – Woodworth

Motion passed.

**New Business**

**A. Consideration to Approve Resolution 2010-14-A, Collective Bargaining Agreement**

CEO Letson reported on July 21<sup>st</sup> hospital members of the Teamsters Union voted very positively to ratify the Collective Bargaining Agreement negotiated with SPH. It was recommended the BOD pass and adopt Resolution 2010-14-A.

Allen/North moved/seconded:

To pass and adopt Resolution 2010-14-A, approving the Collective Bargaining Agreement between South Peninsula Hospital and the General Teamsters Local Union 959.

Roll call vote: Yes – Haina, Hodnik, Partridge, Cooper, North, Wilson, Allen, Hambrick

No – 0

Absent – Woodworth

Motion passed

**B. Consideration to Approve Strategic Plan Action Items for FY11**

CEO Letson reported action items are steps in fulfilling the strategies of the Strategic Plan. The plan was developed by senior management with feedback from the Medical Executive

Committee, Active Medical Staff, Mary Lou Kelsey on behalf of the certified nurse midwives, and department managers. There are 18 priority actions, items will be reviewed at the weekly senior management meetings, and a quarterly report will be provided to the BOD. Mr. Letson then reviewed the items. Questions, answers, and discussion followed.

Allen/North moved/seconded:

To approve Strategic Action Plan FY11 as presented. Motion passed.

### **C. Consideration to Approve Travel for CEO and Board Members**

CEO Letson reported the annual meeting of the Alaska Hospital and Nursing Home Association will be held in September in Fairbanks. Mr. Letson has been asked to serve on one of the panels to represent critical access hospitals and asked for board approval. Governance Committee felt it might be beneficial for a board member to also attend to network and learn helpful information. There also are other helpful board seminars coming up this fall.

Hambrick/Hodnik moved/seconded:

To approve travel for CEO and one Director to attend the ASHNHA Annual Meeting for a total cost of \$4,710, and travel for two Directors to attend a Leadership Conference for an estimated cost of \$7,800, to be paid from Administration and Governing Board travel and meeting budget line items.

Roll call vote: Yes – Cooper, Hodnik, Allen, Haina, Partridge, Wilson, Hambrick, North

No – 0

Absent – Woodworth

Motion passed.

Ms. Karnos will send a memo to the board members to see who would be interested in attending the Fairbanks meeting and the Leadership Conference meeting.

### **Comments from the Audience**

- Mako Haggerty thanked everyone for their support on the MRI building and encouraged letters of support be sent in care of the KPBC Clerk's office. They should reference the Haggerty Substitute because there are two resolutions before the Assembly. He also mentioned they have come a long way. History shows that in the 1950's injured and sick people had to be transported to Seldovia to receive medical attention.
- Judith Lund wondered why the Assembly is looking at the MRI building again since it had already been voted on and passed. Discussion followed.

### **Comments from Chief Finance Officer**

No comment.

### **Comments from Chief Executive Officer**

Robert Letson thanked Mr. Haggerty for his excellent job, thanked Ms. Lund and the SAB who have been very helpful throughout this process, and thanked the BOD members for their patience and support.

**Comments from Homer Secretarial Services**

Jan Hanenberger appreciates the work done by Administration, both the SAB and the BOD, and Mr. Haggerty. She also thanked Ms. Karnos for recording and providing the minutes of the May meeting.

**Comments from Service Area Board Representative**

Judith Lund thanked the BOD and Mr. Haggerty for working so hard and felt they are doing a tremendous job.

**Comments from the Board**

- Matt Hambrick said it was nice to see Ms. Cooper, thanked Mr. Letson for his presence at various events in the community, and felt they were doing excellent work with the laundry project.
- Vickey Hodnik was exciting about the laundry project and the technology, felt Homer has a lot to be proud of and they should be optimistic, and appreciates being able to serve on the board.
- Matt North said he appreciates the hard work done by Mr. Haggerty, the SAB, and Mr. Letson, and congratulations on the union contract.
- Kent Haina felt it was good to be back to some good news, it's sad to see politics playing in a very noble project, and he appreciates all the efforts everyone is doing to push forward.
- Bernadette Wilson said congratulations on the union contract, has also seen Mr. Letson out and about in the community, thanked Mr. Shirts for the excellent presentation, and an excellent job was done on the FY11 Strategic Action Plan.
- Nina Allen seconded everything said by the others and congratulations on the union contract.
- Walter Partridge thanked Ms. Cooper and everyone for all the hard work done regarding the MRI and congratulated them on the Collective Bargaining Agreement. He appreciated the new format for the credentialing on reappointments, and thanked everyone in Administration for all their help.
- Kelly Cooper felt they have hit the hurdles and are clearing them, the BOD is a unified group, and thanked everyone for all they do.

**Announcements as a result of the Executive Session**

Ms. Wilson said after review and consideration of the MEC recommendations, she moved to approve the following appointments:

- Appointment of Kristen Murray to the Courtesy Medical Staff
- Reappointment of Daniel McCallum to the Active Medical Staff
- Reappointment of William Jay Marley to the Consulting Medical Staff
- Reappointment of David Sonneborn to the Courtesy Medical Staff
- Reappointment of James Zirul to the Courtesy Medical Staff
- Reappointment of Theodore Barton to the Courtesy Medical Staff
- Reappointment of William Mayer to the Courtesy Medical Staff
- Allied Practitioner Appointment of Harry Cotler to the Category B Allied Staff

- Allied Practitioner Reappointment of Kathryn Carssow to the Category B Allied Staff
- Allied Practitioner Reappointment of Dennis Christensen to the Category B Allied Staff
- Locum Tenens Appointment to Thomas Mezzetti for August 9 – August 13, 2010
- Accept Voluntary Resignation of George Rhyneer from the Courtesy Medical Staff
- Accept Voluntary Resignation of Bobbie Behrens from the Courtesy Medical Staff

Ms. Allen seconded the motion. Motion passed.

Wilson/Allen moved/seconded:

To approve the Radiologist Contract and Memo of Understanding as presented in Executive Session. Motion passed.

There were no further actions for Executive Session.

**Adjournment**

North/Hambrick moved/seconded:

To adjourn. Motion passed.

Meeting adjourned at 9:10 p.m.

Respectfully submitted,

Accepted:

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Janet E. Hanenberger  
Homer Secretarial Services  
Minutes Approved: \_\_\_\_\_

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Kelly Cooper, President  
\_\_\_\_\_  
Bernadette Wilson, Secretary