

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

SPH Conference Rooms

August 26, 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 – 6:02 p.m.*******

*******Out of Executive Session – 6:55 p.m.*******

******* Regular Session – 7:07 p.m.*****.**

Vice President Kelly Cooper called the regular meeting to order at 7:07 p.m.

Present:	Kelly Cooper	Vickey Hodnik
	Kent Haina	Walter Partridge
	Julie Woodworth	Bernadette Wilson
	Matt North	

Excused:	Nina Allen	Barbara Howard
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Also Present: Robert Letson, CEO
Lori Meyer, Acting CFO, Controller/Materials Manager
Derotha Ferraro, Marketing Coordinator/Grant Writer
Sara Karnos, Administrative Assistant
Sheila Burgess, HIM Manager/Privacy Officer
Judy Lund, SAB Chair
Jan Hanenberger, Homer Secretarial Services

A quorum was present.

Announcements, Welcome Guests & Public

Vice President Cooper welcomed everyone.

Announcement: Chamber Mixer will be tomorrow evening hosted by the SPH Home Health Department, Dr. Boling and Coastal Realty starting at 5:30 p.m.

Vice President Cooper noted the following changes to the agenda:

1. KPB Quarterly Presentation – Derotha Ferraro, moved to be Item A under Presentations moving Building Performance Pyramids, Bainbridge DVD to now be Item B.
2. Add: Consideration to Approve Medical Staff Rules & Regulations as Item E under New Business.
3. Add: Consideration to Approve Resolution 10-09, Cost Report Contract as Item F under New Business.

Approval of Agenda

Partridge/Woodworth moved/seconded:

To approve the agenda as amended. Motion passed.

Comments of Audience

None

Approval of Consent Calendar

Wilson moved to approve the consent calendar and read the items into the record:

- A. Consideration to approve the minutes of July 22, 2009 regular Board of Director meeting.
- B. Consideration to approve Allied Practitioner Manual.

Dr. Hodnik seconded the motion. Mr. Partridge asked to make a small amendment in Item A, the minutes of July 22, 2009. On page 3 under Finance Committee, last sentence should be corrected to read, *The committee suggests having a central point of contact person as a way to control using Ms. Meyer's Mudgett's time.* Ms. Wilson asked for clarification regarding the last bullet under Acting Chief Financial Officer report and wondered what type of rate increase it was. Ms. Hanenberger will listen to the statement again to clarify. Motion passed.

Presentations:**A. KPB Quarterly Presentation – Derotha Ferraro**

CEO Letson reminded the members the September KPB Assembly presentation will be held in Homer. Since he will be out of town attending a continuing education seminar at the American College of Hospital Administrators, Ms. Ferraro will provide the presentation to the Assembly. Ms. Ferraro then provided the presentation and asked for comments and suggestions from the members. Suggestions for changes followed.

B. Building Performance Pyramids, Bainbridge DVD

The next DVD of a series of Darlene Bainbridge DVDs was presented. Mr. Partridge mentioned the Education Committee felt this DVD was very fundamental and may be something to consider using for their Retreat.

Reports:**A. Service Area Board Meeting Representative**

Chair Judy Lund reported:

- SAB met this month and had not met June or July.
- SAB elections will be in October. There were three vacant seats and two new candidates have filed leaving one seat still open.

B. Chief of Staff: Dr. Martha Cotten

Dr. Cotten was not present during the regular meeting but had provided her report to the members during Executive Session.

C. Chief Executive Officer

Other than his written report CEO Letson had noting else to add. Questions and answers followed regarding items in his written report.

D. Acting Chief Financial Officer

Lori Meyer reported:

- Auditors have completed their work and have an exit conference scheduled with Ms. Meyer and Mr. Letson tomorrow. A report will be provided at the October BOD meeting.

E. Quarterly Quality Improvement – Sheila Burgess

Ms. Burgess provided a review of the information included in the members' packets. Questions, answers, and suggestions for additional information followed.

F. Board President

President Howard was unable to be present this evening.

G. Board Committees:

Finance

Mr. Partridge reported:

- SPH had a very good month. Revenue is good, expenses are below budget, and it's hoped Days of Cash on Hand will come up after receiving reimbursements.
- Michael Bell has responded with a proposal for consulting for Critical Access Hospital issues with Ms. Meyer during the CFO search period. They have prepared a resolution regarding the Medicare and Medicaid cost reports, as well as a cost bid for answering questions, such as insuring service contracts with a vendor met the criteria for CAHs. Questions and answers followed.

Governance

No report.

Quality Improvement

Ms. Wilson asked if there were any questions on her written report. There were none. She then referred to a copy of a survey done to compare hospitals which included SPH. SPH had a better score than all of the other hospitals reporting in Alaska and all other states. Mr. Partridge asked if a survey has ever been done on patient opinions and understanding of the billing system. They did not believe this has been done and will look into doing a survey.

Marketing/Website

No report.

Construction.

No report.

Strategic Plan

No report.

Education – Walt Partridge

Mr. Partridge referred to his written report and mentioned the committee would like the members' input for the Retreat they are planning in January. Information from the last retreat

will be provided to the new members on the BOD. A one day workshop on Quality is also being planned using grant money.

CEO Letson asked the members to tentatively save the date of November 14 for the QI Program. Several different speakers are being considered.

BOD Representative to Service Area Board Meeting – Julie Woodworth

Ms. Woodworth mentioned recruitment was the main topic for the evening and highly recommended the members attend a SAB meeting.

Unfinished Business

A. Consideration to Approve Resolution 10-05, Appropriating Funds for Board Participation in ASHNHA Annual Meeting

Mr. Partridge provided a brief review of the resolution. Funds are available and members attending can be reimbursed through the education budget. Those attending should notify the BOD President or a committee member to qualify for reimbursement. The Finance Committee recommends adoption.

Partridge/Woodworth moved/seconded:

To adopt Resolution 10-05, a resolution of South Peninsula Hospital Board of Directors approving the expenditure of funds for board participation at the Alaska State Hospital and Nursing Home Association annual meeting.

The Vote: Yes – Wilson, Cooper, North, Hodnik, Partridge, Woodworth, Haina

No – 0

Absent – Howard, Allen

Motion passed.

B. Consideration to Approve City & Borough CIP Lists

CEO Letson reported the city list has been sent in as discussed at the last meeting. He proposed sending the full list of items, shown on page 123 of the board meeting packet, to the KPB. There was no discussion.

Woodworth/Partridge moved/seconded:

To adopt the Capital Improvement Project List as identified on page 123 of the packet. Motion passed.

C. Consideration to Approve Issuance of RFP

CEO Letson reported the RFP would be to secure a third party administrator for the hospital's 403(b) retirement plan. Deadline for the listed vendors to respond is September 25, 2009. The RFP document has already been approved by the BOD. Mr. North mentioned they had discussed adding J.B. Bean & Associates to the list.

North/Partridge moved/seconded:

To approve the list of vendors for the SPH Request for Proposals for the Third Party Administration of the hospital's 403(b) Plan to include also on that list J.B. Bean & Associates. Motion passed with Ms, Woodworth abstaining.

New Business

A. Consideration to Approve Resolution 10-06, Transfer of Funds for Acute Care Tub

Mr. Partridge reported if approved the request would then go to the SAB for approval. Funds are reallocated funds from 2009 for items that were no longer needed. Ms. Meyer and Mr. Letson have been working with Craig Chapman, KPB Finance Director, discussing every item currently on the list to make a decision on whether the item should stay on the list or if the funds should be released back to the SAB and authorized for the tub. The Finance Committee recommends adoption.

Partridge/Hodnik moved/seconded:

To adopt Resolution 10-06, a resolution of the South Peninsula Hospital Board of Directors approving the transfer of funds for the purchase of an Acute Care patient tub and to forward this resolution to the Service Area Board for their consideration to approve.

CEO Letson mentioned a wound care service has been added in AC and this type of tub will help with treatment of patients with wounds.

The Vote: Yes – Haina, Partridge, Cooper, North, Wilson, Hodnik, Woodworth

No – 0

Absent – Howard, Allen

Motion passed.

B. Consideration to Approve Resolution 10-07, Purchase of Lab Equipment

Mr. Partridge provided background supporting the resolution which will improve patient safety and quality of care. The purchase of the equipment would be done with cash on hand funds and then they would seek reimbursement from the SAB emergency funds, which will require SAB and KPB Assembly approval. The Finance Committee recommends adoption.

Partridge/Woodworth moved/seconded:

To adopt Resolution 10-07, a resolution of the South Peninsula Hospital Board of Directors approving emergency purchase of laboratory equipment and requesting emergency equipment replacement funds from the Kenai Peninsula Borough Assembly.

The Vote: Yes – Cooper, Hodnik, Haina, Partridge, Woodworth, Wilson, North

No – 0

Absent – Howard, Allen

Motion passed.

C. Consideration to Approve Resolution 10-08, Sleep Lab Apartment Lease

CEO Letson reported the existing apartment lease is expiring soon. He recommends renewing the current lease under the same terms for one year with a 90 day out clause. Wording was changed on

page 2 of 3, under **Contract**. Last sentence in second paragraph should read, *South Peninsula Hospital may terminate lease with 90 days notice ~~after six months~~.*

Wilson/Woodworth moved/seconded:

To approve Resolution 10-08 approving the renewal of the contract with KMA Apartments to be paid from account 41787031 for \$12,600 yearly with the striking of *after six months* from the statement *may terminate lease with 90 days notice after six months* on page 2 of 3 of the lease.

The Vote: Yes – Wilson, Cooper, North, Hodnik, Partridge, Woodworth, Haina

No – 0

Absent – Howard, Allen

Motion passed.

D. Consideration to Approve KPB Quarterly Presentation

It was decided this was informational and did not need approval.

E. Consideration to Approve Medical Staff Rules & Regulations

Vice President Cooper mentioned there were two changes that had been discussed and were indicated in the members' current copies.

Woodworth/North moved/seconded:

To approve the revised Medical Staff Rules & Regulation as presented. Motion passed.

F. Consideration to Approve Resolution 10-09, Cost Report Contract

Vice Chair Cooper referred to the resolution information which had been provided as a laydown this evening. In the second to the last paragraph in the resolution the figure \$9,400 was changed to \$11,400 to clarify the additional \$200 per hour for consulting services, which is expected to be approximately 10 hours. If they exceed the 10 hours this would go back to the board. Mr. Partridge provided additional background which included the consulting services by Michael Bell & Associates.

Partridge/Woodworth moved/seconded:

To adopt Resolution 10-09, a resolution of the South Peninsula Hospital Board of Directors approving the retention of cost reporting professional services for Medicare and Medicaid cost reporting.

CEO Letson mentioned receiving notification from the Alaska Hospital and Nursing Home Association that they were planning a cost report workshop in Anchorage for small hospitals in Alaska which will be conducted by Michael Bell & Associates.

The Vote: Yes – Haina, Partridge, Cooper, North, Wilson, Hodnik, Woodworth

No – 0

Absent – Howard, Allen

Motion passed.

Comments from the Audience

No comments.

Comments from Acting Chief Finance Officer

Lori Meyer had no further comments.

Comments from Chief Executive Officer

Robert Letson had no further comments.

Comments from Homer Secretarial Services

No comments.

Comments from the Board

- Matt North commented it was exciting to see negotiations are moving forward.
- Julie Woodworth congratulated Ms. Meyer and her team on the highest single month of revenue in the hospital's history. She also commented on a trip to an outside ER which brought to light the exceptional care offered at SPH.
- Bernadette Wilson was happy to see a positive financial picture.
- Walter Partridge was pleased to see a dashboard for QI and thanked Ms. Wilson for her work on the QI Committee.
- Kelly Cooper thanked the SPH staff and Homer Secretarial Services for all the work they do.

Executive Session

Nothing further.

Actions Resulting from Executive Session

Wilson/Partridge moved/seconded:

That Dr. Lisa Gray be reappointed to the Medical Staff of South Peninsula Hospital. Motion passed.

Wilson/Woodworth moved/seconded:

Recommend adoption of a revised fee structure contract with Thomas P. Owens of the Owens Group, LLC. Motion passed.

Adjournment

Meeting adjourned at 8:50 p.m.

Respectfully submitted,

Accepted:

Janet E. Hanenberger
Homer Secretarial Services
Minutes Approved: _____

Kelly Cooper, Vice President

Bernadette Wilson, Secretary