

**BOARD OF TRUSTEES
MAY MEETING MINUTES
WEDNESDAY, May 28, 2008 3:00 P.M.**

MEMBERS PRESENT: Harlan Rasmussen, Michael Strahan, M.D., Bill Huppert, Dixie See, Ron Mischke, Gary Miller.

MEMBERS ABSENT: Anthony Spiegelberg

CALL MEETING TO ORDER

Harlan Rasmussen chaired the meeting in Anthony Spiegelberg's absence. Mr. Rasmussen called the meeting to order at 3:00 p.m.

APPROVAL OF MINUTES

The previous meeting minutes of April 30, 2008 were reviewed. After review, Gary Miller made a motion to approve the minutes, Dixie See seconded the motion and motion carried.

PUBLIC COMMENTS, INTRODUCTIONS

There were no public comments.

QUALITY COMMITTEE REPORT

Lajune Bacon reviewed the Service Excellence Score Card, noting that net accts receivable is in the green as well as supply expense. Overall Avatar score remains steady at 89.5% and the community image score shows a steady increase with 87.4% in March. The HCHAPS percentage rating is increasing and quietness of the hospital scores are steadily rising.

Mrs. Bacon gave a quality presentation on Cascading the Strategy. In an effort to reduce patient falls, the medical/surgical patient care areas have begun a pilot program by increasing patient focus in three areas. These areas of focus are repositioning the patient, checking on their pain level, and escorting them to the bathroom at least every two hours. The Quality Council's goal is to reduce the rate of patient falls per patient days to equal or less than 3.6/1000 patient days within nine months.

Gary Miller expressed concern with a letter to the editor regarding a patient care issue in the hospital's emergency department. Ron Mischke, Quality Council Chairman, stated that these letters are researched and reviewed in Quality Council with the appropriate department managers. Mike McCafferty stated that the hospital's processes are very rigorous and noted that the majority of the letters from patients are very good. The Board places a lot of emphasis on quality of care.

MEDICAL STAFF REPORT

Dr. Hanebrink stated that he has one application for medical staff privileges which will be reviewed with the Board in executive session.

Dr. Hanebrink reported that the local Medical Society has given a \$1,000 scholarship to a graduating Sheridan High School senior.

The Medical Executive Committee had a lengthy discussion regarding the possibility of an epidemic flu and how many steps should be taken in this regard. Dr. Hanebrink noted that it involves a financial outlay for the anti-viral medication (Tamiflu). Mr. McCafferty noted that the hospital is looking at a stockpile of Tamiflu for their employees & family members as well as physicians and their families.

ADMINISTRATION REPORT

Compliance Report - Mike McCafferty introduced Compliance Officer, Dave Westlake who gave a report on the hospital's Compliance Program. Mr. Westlake explained that the hospital does have a Compliance Committee, noting that several hospital staff are members. The Compliance Program Manual and policies were reviewed and Mr. Westlake said these have been signed off by the CEO.

Mr. Westlake requested that the Board ratify the hospital's Compliance Program and accept Dave as Compliance Officer. Gary Miller noted that the CEO appoints the Compliance Officer, but the Board recognizes the hospital's plan. The Board reviewed the policy titled Board Resolution Adopting Changes to Sheridan Memorial Hospital Compliance Program. After review, Harlan Rasmussen requested that paragraph B of the policy be modified to read: Sheridan Memorial Hospital Board of Trustees directs the CEO to appoint a qualified person as the organizational Compliance Officer ---

Ron Mischke moved to adopt the proposed resolution with this modification. Bill Huppert seconded the motion and motion carried.

Cancer & Surgery Services - Mike McCafferty passed out a recommendation that the Board give authorization to explore the conceptual design of a multi-use facility that would support a cancer center and outpatient surgery center and to look at costs associated with this, funding strategies, fund raising strategic and business documents, as well as operating agreements. Mr. McCafferty explained that this facility would house a cancer center and surgery center and would support the growth in cancer services and strategic growth in outpatient surgery.

The Board reviewed Mr. McCafferty's recommendation and Harlan Rasmussen asked for a motion to explore the bullet points as outlined in the memorandum. Mr. Rasmussen stated that this is not something that occurs overnight and is a very big decision.

Ron Mischke made a motion to authorize the CEO to explore the conceptual design, costs, funding strategies, and associated documents for a cancer center and surgery center. Dixie See seconded the motion and motion carried.

Dr. Strahan stated that this needed to be addressed and is a very positive move. The community will have an organized cancer center and may be able to fill auxiliary needs such as antibiotic infusion. Mr. McCafferty explained that the current cancer center building was built in the late 1960's or early 1970's and has grown with the recent addition of chemotherapy.

Mike McCafferty said that the Sheridan Surgical Center and Sheridan Memorial Hospital feel they have made a good effort to have only one surgery center, but were not able to achieve this.

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Mr. McCafferty said that both sides are very comfortable with moving forward with these plans. The hospital continues to support the Sheridan Surgical Center.

The hospital is working with the support of 14 physicians in a collaborative joint venture. Gary Miller asked if the hospital received pressure from physicians to build a cancer and surgery center. Mr. McCafferty stated that the pressure comes from the change in the model of how health care is delivered and that the model we currently have through the hospital needs to be changed. Bill Huppert asked if this will increase the number of employees. Mr. McCafferty said that the hospital would continue to have about the same number of employees as in the current OR but will have an entirely different operation. Ninety percent of the outpatient business would move from the hospital to the surgery center.

Ron Mischke asked about the cost for this study and Mr. McCafferty said with legal fees, conceptual planning and design, etc. the cost will be approximately \$20,000.

Dr. Strahan noted that he received a call from Dr. Holst today who stated that the Sheridan Surgical Center was very positive and supportive of the hospital.

Mike McCafferty publically acknowledged the Board for their confidence to move forward on a joint venture with Sheridan Surgical Center and thanked SSC for all they did. Mr. McCafferty said that they should be commended and proud of their surgery center. Harlan Rasmussen echoed Mr. McCafferty's sentiments, noting that everything reasonable has been done.

FINANCE COMMITTEE REPORT

Gary Miller reported that the Finance Committee met prior to the meeting and also had an extra budget session last week. The capital and operating budgets are not quite ready, but will be presented for Board approval at the June meeting.

Mr. Miller stated that April was a strong volume month and noted that accounts receivable have been coming down. Ed Johlman said that the staff is doing extremely well and the Billing Department will be moving downstairs to a larger work area.

Mr. Miller said that the hospital does take care of those who cannot afford health care, noting \$1.6 million in charity care for the current fiscal year. Harlan Rasmussen said that

the Board appreciates Mr. Johlman's strides in accounts receivable, and expressed his thanks to the staff.

FOUNDATION REPORT

Tom Ringley had nothing new to report, but said he will soon be announcing the new Foundation Board members.

BUILDING COMMITTEE REPORT

Dixie See reported that the Dialysis Unit Project is on schedule and the only project at this time.