

**BOARD OF TRUSTEES
AUGUST MEETING MINUTES
WEDNESDAY, AUGUST 27, 2008 3:00 P.M.**

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

CALL MEETING TO ORDER

Harlan Rasmussen called the meeting to order at 3:05 p.m.

APPROVAL OF MINUTES

The previous meeting minutes of July 29, 2008 were reviewed. After review, Dixie See made a motion to approve the minutes, Randy Bomar seconded the motion and motion carried.

PUBLIC COMMENTS, INTRODUCTIONS

There were no public comments.

QUALITY COMMITTEE REPORT

Ron Mischke reported that the committee met on August 26th, noting several current projects that will positively affect patient experience. Lajune Bacon reviewed the 2007/2008 score card and stated that most indicators are right at or near where they should be. The HCAHPS Percentile Ranking was also reviewed for the fiscal year with a good improvement in point status noted. Gary Miller asked if a 13 month comparison could be shared at the next meeting (June, 2007 through June, 2008).

MEDICAL STAFF REPORT

Dr. Hanebrink reported that the Quarterly Staff Meeting will be held on September 9th and said the newly formed Credentials Committee recently held their first meeting.

Dr. Hanebrink stated that two physicians are requesting changes to their medical staff privileges and these will be considered in executive session.

ADMINISTRATION REPORT

Surgical Services - Peggy Callantine, Nursing Services Director, introduced Lynn Henderson who assumed the position of Surgical Services Manager a few months ago. Ms. Henderson noted a special project being worked on in surgical services and invited the Board to attend the dedication at 7 a.m. on August 28th.

Surgery Center - Mike McCafferty reported that after several months of exploring the possibility of creating a multi-use facility, he believes the hospital should proceed with building a Surgery Center on the hospital's west campus. Mr. McCafferty said the hospital

has looked at this from a financial and services perspective as well as the land resources. The hospital would own the Surgery Center and would contract with a design/build team. Funding of the \$5 M project would be with cash and debt financing. Mr. McCafferty explained that the hospital, along with physician partners, would start to negotiate a business entity to run the services of the Surgery Center. The details have not been worked out, but the hospital will be meeting with physicians who have expressed an interest in this venture.

Cancer Center & Medical Office Space - Mike McCafferty explained that the hospital is looking carefully and giving thoughtful planning to the Cancer Center and medical office space, with separate facilities being considered instead of one large facility. The hospital is working with Doctors Hunter & Strahan for options to expand their office space and will request a conceptual site plan for the Cancer Center.

Mr. McCafferty recommended that Sheridan Memorial Hospital move forward in final negotiations for an operating agreement with potential partners to form a business entity to provide surgical services in an outpatient setting. Mr. McCafferty also recommended that the hospital proceed in building a surgery center on campus at approx \$5 M.

Ron Mischke made a motion to authorize the CEO to enter into negotiations to prepare an operating agreement for the proposed Outpatient Surgery Center. Bill Huppert seconded the motion and motion carried.

Dixie See made a motion that the hospital proceed in building a surgery center on the west campus for approximately \$5 M. Dr. Strahan seconded the motion and motion carried.

Gary Miller questioned the cost of \$430-\$450 per square foot to build the surgery center. Rob Forister explained that unlike a regular office building which would cost \$250-\$280 a square foot, a surgery center needs its own generator, support for the specialty equipment, etc.

Harlan Rasmussen asked that Mike McCafferty reiterate the reason for building a surgery center. Mr. McCafferty explained that traditionally physicians have performed their services in a hospital and hospitals provided that platform. Physicians then chose to form their own platform outside of the hospital which requires hospitals to change how they provide these services.

Recorder,
Joanne Redder
Dixie See, Secretary