

**BOARD OF TRUSTEES
OCTOBER MEETING MINUTES
WEDNESDAY, OCTOBER 29, 2008 3:00 P.M.**

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

MEMBERS ABSENT: Michael Strahan, M.D.

CALL MEETING TO ORDER

Harlan Rasmussen called the meeting to order at 3:00 p.m.

APPROVAL OF MINUTES

The previous meeting minutes of September 24, 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 Quality Committee met this month, noting that the HCAHPS scores are trending in the right direction with one downturn in the discharge of patients. Lajune Bacon reported that two hospital employees are currently in San Francisco attending a meeting at the Institute for Health Care Improvement regarding discharge of patients to home.

Lajune Bacon reviewed the Service Excellence Score Cards. Gary Miller noted that the 90th percentile in responsiveness of the staff shows their caring towards our patients.

Lajune Bacon said that the hospital staff haven taken on several projects and Nancy Hooge, Clinical Nurse Educator, presented a project report.

Mrs. Hooge explained that as of October, 2008, the Centers for Medicaid changed the way of provide funding for care of pressure ulcers. If a pressure ulcer is present on patient admission, the hospital will be reimbursed, but if developed while in the hospital, the hospital will absorb the cost. The PUP (Pressure Ulcer Prevention) Task Force looked at areas, such as proper documentation, to determine if a patient had an ulcer upon admission to the hospital.

There was question as to costs if a pressure ulcer occurs while the patient is in the hospital. Mrs. Hooge said that a level III or IV pressure ulcer is approximately \$20,000-\$30,000 per case and explained that the hospital owns this for the life of the patient if the ulcer develops while in the hospital.

MEDICAL STAFF REPORT

Dr. Hanebrink reported that the re-credentialing of all Active, Courtesy and Consulting Medical Staff is in process and these applications will be presented to the Board at their December 3, 2008 meeting.

ADMINISTRATION REPORT

Mike

McCafferty reported that a tour of the new Dialysis Unit will be given after today's executive session.

Patient Experience - Mr. McCafferty introduced Mr. John Berberick who shared with the Board his 30 year experience with heart disease. Mr. Berberick said that he previously approached the hospital's Program Development Manager, LaNora Dixon, about his story and an article was printed in the Sheridan Press in May of this year. Mr. Berberick said he is a huge proponent of increasing cardiology services in Sheridan and feels a Cardiologist could be supported here. Mr. Berberick shared the timeline beginning when he was diagnosed with heart disease at age 37 through his sudden cardiac arrest on October 3, 2007. Following the October, 2007 event, Mr. Berberick had an implantable cardioverter defibrillator placed in his heart. Sheridan Memorial Hospital has acquired cardiac device programmers so that cardiac defibrillators can be programmed here, instead of patients needing to travel out of town. Mr. Berberick expressed his gratitude to the local services - the hospital's emergency department staff, (specifically Dr. Addlesperger), the paramedics who first responded, and the flight crew. Mr. Berberick also thanked LaNora Dixon, Mike McCafferty, and Joanne Redder for their help and support.

Access Road - Mike McCafferty expressed his thanks to Mr. Steve Maier for the county's support of the work on the Highland Avenue access road. The work was done by the county, with the hospital supplying the materials at a cost savings to the hospital of approximately \$40,000.

Current Economic Outlook - Ed Johlman, CFO, shared a memorandum with the Board regarding the economic outlook and reviewed the hospital's current situation. The Finance Committee met prior to the Board Meeting and discussed how the investment market may impact the hospital and other companies locally. Mr. Johlman explained that the hospital remains very viable with approximately six months of cash reserve. Recommendations were reviewed, should they be needed.

Harlan Rasmussen noted that the hospital is not in an alarming situation and pointed out that these are only "what-ifs".

Contract Manager - LaNora Dixon, Program Development Manager, introduced Lynn Custis as the hospital's new Contract Manager. Lynn will also work with LaNora in the practice setting.

FINANCE COMMITTEE REPORT

June 30, 2008 Audited Financials - Gary Miller noted that the Finance Committee met twice this week with the first meeting being with auditor, Jerrel Tucker. The hospital's audit was

given an unqualified opinion and Mr. Tucker informed the committee that he uses Sheridan Memorial Hospital as a good example in his audit presentations.

Gain-Sharing - Gary Miller reported that the Finance Committee made a recommendation that \$525,000, be put into the hospital's gain-sharing plan. Mike McCafferty said he supports this recommendation and shared the formula for the employee gain-sharing plan. It was explained that if the hospital achieves a positive annual net operating income, one half of this will be eligible for the employee gain-sharing plan. It was moved, seconded and unanimously passed that the employee gain-sharing plan be funded at the \$525,000 level.

Harlan explained that the gain-sharing plan ties into performance with the patient-satisfaction survey scores and is a way to recognize staff. The higher the patient satisfaction score, the greater the earnings that can be put into gain-sharing. Mr. Rasmussen said that this was a very significant move on part of the hospital as a true recognition of what makes this hospital where people truly want to come. The Board wholeheartedly supports the program.

Financial Statements - Gary Miller reported that volumes have been a little lower for the first three months of the fiscal year. The accounts receivable program is working very well and bad debt percentages were down, in part, due to staying on top of the accounts receivable.

Mr. Miller noted that authority is needed for Susan Novak, Controller, to be able to access account information and make cross transfers. Gary Miller made a motion to authorize Susan Novak to access hospital account information and make cross transfers within these accounts. Randy Bomar seconded the motion and motion carried

FOUDATION REPORT

Tom Ringley reported that Shirley Yager is the newest member joining the Foundation Board. Mr. Ringley also noted that several RSVP's have been received for the upcoming Physician Reception to be held on November 7th.

BUILDING COMMITTEE REPORT

Dixie See reported that Rob Forister is working on a keyless entry system for the hospital.

The Laboratory Project bidding documents should be ready by the end of December and the Dialysis Project is proceeding on schedule.

There being no further business, the open meeting adjourned at 5:00 p.m. and the Board went into executive session.

The meeting re-opened at 5:20 p.m.

Harlan Rasmussen explained that in a prior meeting authorization was given to Mr. McCafferty to investigate the purchase of some property near the hospital.

Mr. McCafferty has recommended to Board that the hospital purchase property on the corner of Highland Avenue & 5th Street from the Trio Investment Group. The property

sells for \$4.25/square foot at a cost of \$1.25 million. Mr. McCafferty said that the 6.68 acres will be valuable to the hospital campus and options for its use will be explored.

Bill Huppert made a motion to authorize Mike McCafferty to purchase the property on the corner of Highland & 5th , Ron Mischke seconded the motion and motion carried. Dixie See abstained from voting as well as from the discussions about the property in executive session.

ADJOURNMENT

There being no further business, the meeting adjourned at 5:25 p.m.

Recorder,
Joanne Redder
Dixie See, Secretary