

Southern Coos Health District
Board of Directors Meeting
October 15, 2009 – 7:30 p.m.

Minutes

- I. **Call to Order** - The regular monthly meeting of the Board of Directors for Southern Coos Health District was called to order at 7:30 p.m. by Chairman, David Allen.

Mr. Wathen introduced our new CFO, Alan Dow.

Members Present: David Allen, Chair; Marilyn Noorda; Brian Vick; Vicki Gernandt and Gregory Aitchison, M.D.

Others Present: Jim Wathen; Donna and James Reilly; David Koch, Counsel; Dr. Gail McClave; Dennis Jurgenson; Lonnie Scarborough; Melody Gillard-Juarez; Esther Williams; Alan Dow; Monica Reisner; and Ellen Lafferty

Public Attending: Mike Claassen; Darwin Noorda; Carol Acklin; Myra Lawson; Bob Hundhausen; Michelle Aitchison; Stephen Lunt; Leslie Clarke; and several others attending.

- II. **Public Input – Carol Acklin** had 3 questions that she will put in writing for Mr. Wathen and Ms. Scarborough. **Bob Hundhausen** said he was surprised to hear Dr. Aitchison was leaving and wished him well. He told the Board he was pleased to see that the staff and Board have responded to the public input and are headed in the right position. He then said he would be presenting a letter as a candidate for Dr. Aitchison's position on the Board and said he would be proud to serve on this Board. **Stephen Lunt** told the Board that a lot of time and effort had been put into the CEO evaluation. He then said that Dr. Aitchison is a remarkable person and cannot be replaced. He is going to miss him. **Dr. Gail McClave** commended Ms. Scarborough and the nurses for the exceptional job they did at the drive thru for the flu vaccine. They gave out 700 vaccines. She said she had communicated to Dr. Janet Bates that the Board had offered a non-voting seat on the Board as a representative of the Medical Staff and she is delighted. Mr. Allen said there were terminology details they were still working on, but they still intend on having the Chief of the Medical sit at the table and discuss things with us. Dr. McClave then thanked Dr. Aitchison for his service to the Bandon community and said his patients are going to miss him. Thanked Mr. Hundhausen for stepping forward for the Board position that will be open. They are working on getting the H1N1 vaccine clinics and it should be in the schools in a couple of weeks. We needed an RN and the hospital has again stepped forward with registered nurses to volunteer and we really appreciate this. **Mike Claassen** thanked Dr. Aitchison for his years of service to the Bandon Community. He wished Dr. Aitchison well. Told Mr. Wathen he was a good administrator.

- III. **Consent Agenda** – Mr. Allen asked if there was any discussion, and hearing none he asked for a motion to approve the Consent Agenda. Mr. Vick **Moved** to accept Consent Agenda. Dr. Aitchison **Seconded** the motion. Ms. Gernandt noted there was no mention regarding the consensus of the Board to have the Chief of Medical Staff sit in on the Board meeting. It was duly noted and added to these minutes. Motion to accept Consent Agenda passed unanimously.

At the September 17, 2009, Board meeting, there was a consensus of the Board members to ask the Chief of Medical Staff to sit in on the Board meetings.

IV. **Staff Reports**

CEO Report – Mr. Wathen referred members to his narrative in their packet. We spent time getting Mr. Dow settled in and getting him accustomed to our processes and our bookkeeping and accounting system in order for him to have a report prepared for this evening. Dealing with Dr. Aitchison's leaving the community to make sure we could begin the process of filling that vacancy. We will discuss this later in the meeting along with our inpatient satisfaction results. It is important for people to hear how well this hospital is doing. We are the 3rd smallest hospital in Oregon. It is not easy surviving when you are small and with our specific demographics. We cannot focus just on finances because the important facts are that the government is going to reimburse and pay on the basis of quality. It will base part of its decision on what people who are treated in the hospital think of the hospital. It is important that people understand the magnitude of the emphasis that will be placed on these things in the future.

CFO Report – Mr. Dow said he had spent most of his time getting the numbers crunched and out for review. Thanked Donna Reilly and David Rollins (remotely) for their help and we actually closed the books without much trouble. Patient volumes and revenues were off a bit from the higher levels of the last few months. Patient days were 186 – last month 240. Even with slow down in patient volumes, we still had a fairly small operating loss of about \$15,000. Non-operating revenues moved us to a positive bottom line of about \$15,000. One of the reasons the bottom line was positive is because operating expenses are still running significantly below budget, partly because of HIS expenses forecasted that are not yet here and also because of the hold on nondiscretionary spending which we have been under in attempting to keep our bottom line positive. On the balance sheet side, there was a significant increase in accounts receivable, because we changed Collection Agencies, so we have held up writing off our accounts, and because of an electronic billing error that caused some of our claims to be rejected. Both are being resolved and we expect to see receivables down substantially next month.

CNO Report – Ms. Scarborough thanked everyone who volunteered and participated in the flu vaccine drive thru. It is very apparent that the community was very gracious. We asked for donations but it surpassed our dreams. The Foundation very graciously donated \$1,500, the Auxiliary donated \$2,500. As reported last month, the hospital had to purchase the flu vaccine (700 doses). We raised \$3,711 in community donations, and that is just fantastic and absolutely remarkable. It was an honor to be able to provide that to the community. She thanked Dr. McClave who came down at 7am to help give shots. We had a great

time and had dog biscuits for the dogs. It was very nice to be able to provide that to the community. Ms. Scarborough then explained the new warming gown that Ms. Acklin had asked about earlier. She explained that the gown was not much different than the regular gown except that it has small holes placed in different areas so that you can attached a warming device and keep the patient warm before surgery. She explained that surgery is always cold and in pre-surgery this allows them to keep the patient warm, and when the surgical area is exposed, the patient stays warm. The patients just love it. She then told the members she had an opportunity, along with a number of the nursing staff, to learn about TEAMSteps and she will be reporting on it next month. Dr. Ruth Medic and Kathy Fipps, representatives from Accumentra, who control our quality issues, led the session. It is a team strategy and a tool to help enhance performance and patient safety. She would like to take this hospital-wide. It is not just for nursing, it is a communication tool that brings everyone together to meet patient needs.

Mr. Allen said he had seen the drive thru for 4 years and every year you get better. You really have it down. Ms. Scarborough said they had 700 injections, they started at 7:15am and gave the last injection at 12:15pm.

V. Old Business

Benchmark Reports

- Risk Management Report – Mr. Wathen said this is a quarterly report and is just for their information. No decisions need to be made. Discussion followed on some of the results. Mr. Allen voiced his concern regarding nosociomial infections.
- National Quality Core Measures – Mr. Wathen said we continue to show improvement. Any time there is a departure from what ought to be we take a look at our systems and, without exception, anytime we have fallen down on any of the measures we have identified the system problem and have made those corrections. The things we find are not issues related to people not doing their jobs, it has been a system function that we can repair. Our profile continues to improve.

VI. New Business

Proposed CEO Evaluation Format – Ms. Reisner explained the process so far in preparing a new evaluation format for the CEO. She told the Board she was concerned with the amount of the Board's time it was taking up for the evaluation. Mr. Allen said it was time for us to act on it. He said it was time to pick the format of the CEO evaluation. Dr. Aitchison said he had gone through all the forms and he **Moved** to go with the new form. He said there were five (5) questions from the old form he wanted added into the new evaluation form.

Executive Leadership:

I (A) – How well does the CEO advise the Board on formation of policy and implementation of policies?

I (E) – How well does the CEO keep the Board informed on issues that could become potential problems.

Financial Management:

III (B) – How well does the CEO work with the CFO to assure efficient and effective fiscal management.

III (C) – How well does the CEO take responsibility for accurate generation of revenues and the timely and effective billings/collections process?

Personal Characteristics/Factors Affecting Performance

VI (G) – Stability under pressure - ability to function calmly and effectively in stressful situations; emotional growth, attitude, response to criticism, reaction to crisis.

Dr. Aitchison then suggested that the Medical Staff and other departments should look over their part of the survey.

Ms. Reisner then clarified that Dr. Aitchison was suggesting we use one form, and be sure we get input from the other departments.

Mr. Allen then asked how the questionnaire would be distributed and to whom and asked for the Board's comments. Ms. Gernandt said that we should continue with the survey format. Dr. Aitchison agreed with Ms. Gernandt, being anonymous is very important and all department heads, managers and non-managers, the more participants the better and it should include all active Medical Staff, maybe some of the courtesy staff. He suggested to Ms. Reisner that she should be the collator. Mr. Allen told Ms. Reisner that he agreed with Ms. Gernandt and Dr. Aitchison. He felt the anonymous survey is most appropriate for our situation. He said he could see where she was coming from, as an HR director, wanting to get meaningful input for the CEO to improve himself. He could not see any reason why she could not do this independently of the Board evaluation. Dr. Aitchison **Moved** to accept the new format with the items changed, added or removed. Ms. Reisner said she would have to get feedback from the Medical Staff and the department heads. She felt this was a good step forward and we are going to see a good evaluation form. Ms. Noorda **Seconded** the motion. Mr. Koch asked if it were a bit premature for a vote. After a brief discussion, Dr. Aitchison withdrew his motion. It was decided to wait for the completed survey instrument before making a motion. The Board members were all in agreement.

Inpatient Experience Data – Oregon Hospitals – These patient ratings put us tied for fourth among all hospitals in the State of Oregon, no matter what size. We came out ahead of the big hospitals in this State, we came out ahead of every hospital on the South Coast of Oregon. We have done something that no other hospital in Oregon has done. He then pointed out 2 items on the survey. 1) Timely assistance from the hospital staff – rated at 85% and 2) Cleanliness – rated at 85% by our patients over a year's period of time. No other hospital in the State of Oregon scores that high in either category. We are the only hospital in the State of Oregon to score in the top10% in the United States in any category.

Mr. Allen asked for a short, 5-minute break.

Mr. Allen reversed the order of the following 2 items on the agenda.

Board Position Discussion/Action – Dr. Aitchison publicly thanked Dr. McClave, Bob Hundhausen, and Mike Claassen, for their kind words, and all the wonderful words of support from everyone. He shared that he and Mrs. Aitchison had agonized with the decision, after 26 years in Bandon, to go to Texas, but want to be with their grandchild and their children. There was also a wonderful opportunity for him in the Texarkana area that he could not pass up. They hope to retire in 10 years and return to Bandon. Mr. Allen thanked Dr. Aitchison and said with Dr. Aitchison leaving, there will be 2 positions to fill, his Board position and his community position as a physician. The first one will be pretty cut and dried. The second is the whole question of, does the hospital need to actively recruit a replacement for Dr. Aitchison. Regarding his Board position, Mr. Allen said it was appropriate to invite applications from any eligible person. There will be a notice in the paper to solicit for applicants. Letters of interest must be received by October 30. We will have a Special Board meeting one week before the normal Board meeting in November. At that meeting, depending on the number of applicants, we may whittle down the number of applicants and/or be able to make a decision. If we cannot make a final decision at the Special Board meeting, we will make the decision at the regular Board meeting on November 19. Ms. Gernandt asked if the Board would get copies before the meeting and she was assured they would. Mr. Wathen said the cut-off was the end of October, so the members will get copies one week before the special meeting. Dr. Aitchison asked if it were true he could not vote on this replacement. Mr. Allen confirmed that he would not be able to vote. Mr. Koch then explained that the replacement of a vacant Board member is governed by State law, ORS -198.320. It states that the remaining Board members appoint the person to fill the vacant position. Discussion followed on the election process for the new member. Dr. Aitchison asked if he could participate in the interviews and discussions with the applicants. Mr. Koch responded that he could but he could not vote.

Physician Recruitment – Mr. Allen then brought to the Board the need to replace Dr. Aitchison as a physician in the community. Dr. Aitchison is not selling his practice. We are not going to decide this tonight, but we do need to decide if we put money on the table and he asked for comments from the Board. Dr. Aitchison said it is very important to recruit a physician; someone who would fit into Bandon's community; a good internist or general practitioner. He suggested the possibility of the new practitioner working at the new clinic.

Dr. McClave then updated the Board on the Clinic. Site survey is in November and they will be online January 1, 2010. The Nurse Practitioner will be here next week and will start practice November 2. They are actively recruiting another provider. We are not a public clinic, we are a Rural Health Clinic, and that is very different from a public health clinic. We will provide service for everyone.

VII. Open Discussion

Dr. Aitchison – Nothing to report.

Ms. Noorda – Nothing to report.

Ms. Gernandt – Very happy that Dr. Aitchison has this opportunity. She then welcomed Alan Dow.

Mr. Vick – Asked Mr. Allen if he had had time to look over the information he had given him. Mr. Vick attended a conference and they had passed out information regarding what is a public meeting, when we can go into Executive Session, and what are conflicts of interest. Mr. Koch said he had put together a similar meeting for the County Commissioners.

Mr. Allen – I am so proud of the hospital for getting into this Health Information System and terribly distressed about how slow it is going. It is important to the hospital, it is important to recruitment, it is important to quality care of patients. I wished we could be further along. Thanked everyone for attending.

VIII. Adjournment

Meeting adjourned at 8:55 p.m. The next regular meeting of the Southern Coos Health District Board will be Thursday, **November 19, 2009**, at 7:30 p.m. in the Conference Room. A Special Board Meeting will be held on November 12, 2009, to review letters of interest for Dr. Aitchison's Board position.

David Allen, Chairman

Vicki Gernandt, Secretary