

Southern Coos Health District
Board of Directors Meeting
May 26, 2011 – 7:30 p.m.

Minutes

- I. **Call to Order** - The regular monthly meeting of the Board of Directors for the Southern Coos Health District was called to order at 7:35 p.m. by Chairman, Bob Hundhausen

Members present: Bob Hundhausen, Chair; David Allen; Brian Vick; Vicki Gernandt; and Marilyn Noorda.

Others present: Jim Wathen, Alan Dow; Dennis Jurgenson, Lonnie Scarborough, Megan Holland, M.D.; Carol Acklin; Esther Williams; Peter Hughes, Melody Gillard-Juarez; Linda Maxon; Terry Tiffany; and Paula Smith.

Budget Meeting was opened. Mr. Dow said the Budget Committee had met April 26 and there will be a 7.5% increase and was bringing it to the Board for consideration of the proposed budget.

Mr. Hundhausen said Budget hearing would remain open through the meeting.

- II. **Public Input** – Peter Hughes – Came to personally thank Mr. Allen for winning the election. Sixteen people had asked him to participate in the election. Mr. Allen and Mr. Wathen met with him and were very gracious. Shared stories from public about hospital and wished the Board the best and told Mr. Hundhausen and Mr. Wathen if they need anything to call him. Carol Acklin – Wished Ms. Williams the best of luck. Found the same thing as Mr. Hughes with anecdotal stories. Terry Tiffany – Chair of Bandon Community Health Center. Assured the Board that BCHC understands the utilization problems being faced by the hospital and are very concerned about it. They will do anything in their power to help. He then told the Board that another health center is not needed in this community. Linda Maxon – Spoke on the proposal and said it affects us and the community. It affects all of us and she is deeply concerned at the proposal to expand primary services in our community. Primary services are at North Bend Medical Center, Bandon Community Health Center, and at Bandon Family Medicine (Dr. Holland). Internist ratio is low.

- III. **Approval of Consent Agenda** – Mr. Allen **Moved** to accept the Consent Agenda. Mr. Vick **Seconded** and the motion passed unanimously.

IV. Staff Reports

CEO Report – Legislature has accepted cut to Medicaid. It has been accepted by the Senate, yet to see what Ways & Means Committee will do. Would be a large impact on Critical Access Hospitals.

CFO Report – Mr. Dow highlighted some items in his report and said the real message is there is going to be less funding for Critical Access Hospitals. Don't be afraid of raising rates. We have had low volumes in April; revenue was ½ million down this month. \$200,000 loss for the month of April.

We have to meet Meaningful Criteria and once we have met the criteria, it will increase what Federal Government will reimburse us in 2013-2016. We are better off to comply with the Federal Government mandate. Ms. Gernandt asked if the surgeon was doing all he can. Mr. Wathen said he has been responsible for 2.5 million dollars a year.

Mr. Hundhausen asked about the Boak bequest. Discussion followed.

CNO Report – Ms. Scarborough referred members to her report. She then told the Board how much she appreciated working with Mr. Dow. She said she would like to acknowledge Mr. Dow, he has been a pleasure to work with and she appreciates his honesty and his integrity and that he has brought us to a new level. He will be greatly missed. Discussion followed on staff layoffs. Ms. Scarborough explained that with Paragon training, we cannot lay off staff. If employees are not working, they are in classes. Mr. Wathen stated that this will continue over the next year. Ms. Scarborough explained that building and training will continue into 2012 with certain modules. Mr. Wathen said we will get by. What we need to remember is that this is mandated by the Federal Government. We have to comply or they will reduce what they pay for our services to federally subsidized patients. Once we meet the criteria and are fully operable with the system we come under a part of the federal program that adds additional reimbursement to us. It raises our payment for depreciation for the systems we are putting in place, from 70% to 90-95%. What we are putting into it now in terms of time, labor and money will be reimbursed by the Federal government between 2013 and 2016. We are better off complying with the Federal government as it applies to Meaningful Use and have electronic records in place.

Medical Staff – Dr. Holland said the email that Ms. Maxon referred to was something she had been requested to bring to the Board from the last Medical Staff meeting. Because of time constraints and her being on vacation, nobody has had a chance to review the final draft. She sent out a final draft to all the doctors on the Medical Staff yesterday, to see if she got enough response to report, but she received no responses and was not going to make a report and not offer that letter. She then gave the members a background on the letter from the last meeting when we were discussing issues with the hospital in terms of the utilization and the primary referral base. Part of her job is to bring the discussions with the Board back to the Medical Staff, and discussions with the Medical Staff, bring back to the Board. We had a discussion about what we could do as a Medical Staff; could we offer ideas that might make a difference in the way the hospital is being utilized in terms of how many x-rays, Cat Scans, labs, surgery referrals made, not just having

patients being admitted to the hospital. She shared that she wrote almost none of that. Dr. McQueen, at the last Medical Staff meeting, was scratching out numbers on pages and doing figures and brainstorming with the other doctors and wrote up the letter. What you see is the guts of that letter. Mr. Allen said all the Board did not have the letter. Dr. Holland said she did not bring the letter because she did not get the Medical Staff's approval to bring it to you. Dr. Holland said she sent the email out yesterday and asked the Medical Staff to comment on the letter. The whole purpose of the last Medical Staff meeting and the letter, is I went back to them and said we had this great discussion at the Board, do you still want me to bring this letter to the Board. And they said yes, still bring the letter because we want the Board to know it's still on our minds and we are still concerned about this. It is a rough draft of a proposed letter the Medical Staff was thinking about giving to the Board. It has created quite a stir that was not warranted. More than anything, it was meant to express the amount of concern the Medical Staff has and how can we improve hospital utilization and how can we build up a primary care referral base that will be supportive of the hospital. How does the hospital survive with all that is going on, it all comes down to utilization, and who writes the orders for the Cat Scans and the lab work, who refers patients to the surgeon, it is all motivated by the power of the pen in the doctor's hand. What it all comes down to is that some decisions are made financially because patients cannot afford to have procedures they need. The bottom line is that it is the primary care providers that are steering patients to a hospital or actively steering patients away. When you put together an environment where people are have to penny pinch and watch their money and defer procedures and put off medical care, then you have providers in the community that are actively telling their patients not to utilize this hospital, it is a catastrophe. You have to have buy-in from all the providers in the community and support for the hospital. The surgery utilization you asked about, I think our current surgeon would be the first to tell you he is being under-utilized. Again, in part, what drives the number of surgeries and procedures, as an outpatient doctor, is am I sending my patients that have gall stones to him or to North Bend Medical Center or Bay Area Hospital for surgery or other procedures. There are plenty of reasons why this happens.

V. Old Business – None

VI. New Business

- A. Benchmark Reports
 - HCAHPS (Inpatient Satisfaction)
 - Peer Comparisons

Mr. Wathen said that Inpatient report shows we are still #1 on the south coast of Oregon. We were in the top five 2 years ago in patient satisfaction in Oregon. A year ago we jumped to #3, then last September we jumped up to #2 in terms of patient satisfaction based on the Federal government HCAHPS reporting mechanism. He said he was pleased to say we are still #2 in the State of Oregon, but I want you to see the numbers when it comes to the top 5 hospitals in the State of Oregon because there are things I want people to understand and recognize. The #1 hospital in the past was as much as 6 percentage points ahead of us. As of the most recent HCAHPS reports, at the end of March, we

are now within a percentage point of the #1 hospital in terms of the HCAHPS mechanism of grading hospitals. He then distributed a report showing how we stand in the top 5 hospitals in the State of Oregon and on each page he lists the raw score averages. If we go by raw scores, everything turns around and Southern Coos Hospital is the #1 hospital in the State of Oregon by 5 percentage points of the next best hospital. We owe a huge debt of gratitude to the employees of the District, to our nursing staff, primarily because they are so involved, 24 hours a day with our patients, with our other clinical services, our food and housekeeping services, all of those are graded by the patients we serve and they all come back and say this is a good place to be cared for. It shows in the statistics because we have improved in our overall outcomes in patient satisfaction since the HCAHPS comparisons were initiated. He said he was proud of the people who are a part of this organization because they do a fantastic job. Mr. Allen said he appreciates the Peer Comparison reports.

B. Resolution 2011-01 – Ultra-Sound Lease – An authorization of a resolution authorizing the execution and delivery of a master lease agreement, Lease Schedule #347220-100 and related instruments and determining other matters in connection herewith. Mr. Wathen said it is a little unusual. Lease agreements that we enter into with other companies don't ask us to get a resolution from the Board to move into an agreement. Toshiba, who is our preferred vendor with respect to the particular piece of ultra-sound equipment, have asked that the Board sign a resolution saying we want to enter into a lease agreement. Discussion followed. Mr. Vick **Moved** for the adoption of 2011-01. Mr. Allen **Seconded** the motion. A 5-year operating lease is recommended. Motion passed unanimously.

C. Budget Consideration – Resolution 2011-02 – Mr. Hundhausen asked if there was any further input from the public regarding Resolution 2011-02. There was none. Mr. Allen **Moved** to adopt Resolution 2011-02. Mr. Vick **Seconded** the motion. Motion passed unanimously. Mr. Hundhausen then closed the Budget Hearing.

VII. **Open Discussion**

Ms. Gernandt – Still concerned with the surgeries. Hospital is way down. Worried about finances. It is time for the hospital to move in a different direction. Need creative management, think outside the box. Mend relationships with hospital and doctors.

Ms. Noorda – Concerned about surgery.

Mr. Vick – No comment

Mr. Allen – No comment

Mr. Hundhausen – Thanked everyone for electing him back into office.

VIII. **Adjournment** - Meeting adjourned at 9:30 p.m. The next regular meeting of the Southern Coos Health District Board will be Thursday, **June 16, 2011**, at 7:30 p.m. in the Conference Room. The meeting will be followed by an Executive Session under ORS 192.660(2)(i).

Bob Hundhausen, Chairman

Vicki Gernandt, Secretary