

**Southern Coos Health District**  
Board of Directors Meeting  
June 16, 2011 – 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 7:32 p.m. by Chairman, Bob Hundhausen.

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

Others Present: Jim Wathen, Shirley Holt; Lonnie Scarborough; Carol Acklin; Gail McClave, M.D.; Esther Williams; Megan Holland, M.D.; James and Donna Reilly; Dennis Jurgenson; Chris Cox; Carri Wathen; Michael McQueen, M.D.; Chris Cox, and others.

- II. **Public Input** – Carol Acklin – Responded to Dr. Holland's previous report about the lack of referrals to the hospital. She said after an incident in her family in 2008, she has taken every opportunity to talk to people about the hospital. She distributed a document to the Board. As a patient, she has always been given the choice of where she wanted to go for any procedure and it has always been honored. I have never had a doctor ever tell me to go to any particular place. So the fact that you aren't getting referrals here is probably because the people are not referring themselves, more likely, than the doctors doing it. Gail McClave, M.D. – This is Vicki Gernandt's last meeting. She has been on the Board since I came to the hospital and I have come to many Board meetings where she has been and I know how dedicated she is to this community and to this hospital. I know how courageous she is, and independent minded, and what a difference you have made to the Board. I thank you for serving. I know that being on a Board like this is a thankless job for all of you, there is no compensation, totally a downside, everyone undermines what you do and I know how hard your jobs are. She thanked Vicki for the many years she has given to this institution and I know that you will continue to support this hospital and the community and healthcare in another capacity. She thanked Vicki for all that she has done for all of us, the providers, the patients, and for the community.
- III. **Consent Agenda** – Mr. Hundhausen said they would now consider the Consent Agenda which includes the May 26, 2011 and the Foundation report. He then asked for comments or discussion. Mr. Allen noted that it was Mr. Dow that opened the Budget meeting. It was noted that the change will be made. Ms. Gernandt made a comment that she did not remember saying improving relationships with hospitals. Ms. Lafferty will review the tape for correct verbage. Mr. Allen moved to **Accept** the minutes with the noted change(s). Mr. Vick **Seconded** the motion. Motion passed unanimously.

#### **IV. Staff Reports**

CEO Report – Referred members to his report in their Board packet and said he had a couple of comments. He thanked Mary Kemp for the Men's event. They had people attend from Coquille, Myrtle Point, Port Orford and the Bandon area. Participants did a great job. Thankful for their participation. It has been a hectic week at the hospital. Patient counts are up. Paragon training is very heavy. State surveyors came Monday and left at noon today. They thought very highly of our organization and their exit interview was brief. It was a very thorough review and Mr. Wathen said he was very proud of our organization's compliance with our own established policies, with State statutes, State Administrative Rules and with the Conditions of Participation that are mandated by the centers of Medicare and Medicaid Services at the Federal level. It will be 10 days before results will arrive. Everything they discovered was relatively minor. There were no significant violations of Rules or Conditions of Participation noted at the exit briefing. They had very good and admirable things to say, particularly they laid out some very high compliments with respect to a number of areas: Food Services, Environmental Services, Surgical Services, Pharmacy, Laboratory, Respiratory Services, Infection Prevention, Emergency Preparedness Plan, Swing Bed Program and the attention that our nurse's give to the people we are serving and the nicety of their interaction with people who came into the facility. All areas of the hospital were praised for their contributions to the care and safety of our patients. He congratulated members of management, their peers, and their staff for their attention to detail and carrying out their responsibilities because it showed in the perception of the two individuals of the State Survey Section. He said he really appreciates all of the people who are a part of our organization for their service and the jobs they do, because they do it very, very well. And that will be shown in the results of the Survey. Our people did a good job. Mr. Allen asked how often they do this and that he assumes it is unannounced. Mr. Wathen said it is always unannounced and is done every 3 to 4 years. Mr. Hundhausen asked if this was a part of our accreditation process. Mr. Wathen said it is a part of our Certification process through the State. The State does the surveys on behalf of the Centers for Medicare and Medicaid Services. He then told members that the Legislative update he gave them is still an update. The Legislature had not resolved all its budgetary problems as of today. Discussion followed regarding Top Financial Indicators.

Mr. Wathen introduced Shirley Holt, our new CFO, to the Board and the public. Ms. Holt comes to us from Estes Park, Colorado. We are very pleased to have her with us.

CFO Report – In terms of the May financials, the Revenue and Expenses, Ms. Holt said she would talk about the month and then the year. We had about \$100,000 more in gross revenues in May, which is 7% greater in May than in April. Expenses were \$53,000, or 4% lower, than April. This demonstrates some cost savings and adjustments for the month of April. After accounting for the deductions from revenues of about \$390,000, the net result is about \$85,000 better operating experience in May than April. It is showing us that April is probably going to be the low point for the year. June was trending along the same as May and since she has been here our census is up. June should perform a little better than May. May

Gross revenues were 18% below budget. Net loss for May was about \$100,000 (net loss for April \$200,000). May is a better month. Year-to-date net revenues are \$1,075,000 below budget; year-to-date expenses are \$470,000 below budget. Net loss for the end of May is about \$360,000. She predicts net loss at end of fiscal year to be about \$500,000 or less. Ms. Holt suggested that, since you have finished your budget, she will try to write a specific financial plan and estimate going forward taking prior years into consideration. Mr. Hundhausen noted that A/P is up. Mr. Wathen explained some of that is in patient census and patient activity in May. Cash flows were down so we were careful in assigning the funds that were available. He then stated that we are pretty well caught up for this month in A/P.

Mr. Hundhausen asked about Budget cuts. Jim said we are not planning any at this point. Mr. Hundhausen asked if it would be helpful to establish a committee to review what we may want to implement as triggers for any austerity measures. Mr. Allen suggested a Board Retreat for Strategic Planning. Mr. Wathen suggested having the Board Retreat mid-August. Will poll Board and see what works best.

CNO Report – Ms. Scarborough referred members to her report. She then told those present we are truly blessed with our staff at Southern Coos. Within 2½ days surveyors told us we should be very proud of our hospital and the people that are here. She is very proud of the hospital and the staff.

Medical Staff Report – At the last Medical Staff meeting, they voted to allow Dr. Croson to insert spinal stimulator; Dr. McQueen was moved from Provisional status to Active status; we reviewed the Teleradiology appointments as a group; and the reappointments for the Medical Staff. There were four physicians, Drs. Abbott, Aurich, Warren, and Zlatev, who were extended temporary privileges for 60 days because their application packets have not been returned. Mr. Hundhausen asked about the stockpiling that Dr. Holland mentioned in her report. Ms. Scarborough said this was already done. Mr. Wathen explained that along with the other recommendations from the Medical Staff, privileges for Nighthawk/vRad Teleradiologists, who provide us services after 2 p.m. and nights and weekends, are approved in accordance with the new rules established by the Centers for Medicare and Medicaid Services, which say that a Medical Staff or a Board can accept and approve privileges for physicians who provide teleradiology or telemedicine services, who are approved by their own hospitals or are part of an organization like Nighthawk/vRad which is accredited by the Joint Commission on the Accreditation of Healthcare Organizations. All of the recommendations for the Medical Staff are in accordance with their own reviews, or in accordance with the new rules established by the Federal organizations involved with our Conditions of Participation. Mr. Wathen said he would seek the Board's acceptance and approval of the recommendations by the Medical Staff. Mr. Vick **Moved** to accept the approval of the listed Medical Staff. Ms. Noorda **Seconded** the motion. Motion passed unanimously.

Mr. Hundhausen asked about Palliative Care. Mr. Wathen said we provide that level of care. Patients come to us at certain levels, but their needs are care and comfort. Mr. Hundhausen asked if this is something we need to emphasize to the community. Ms. Scarborough said that is actually a part of our Swing Bed Program. It is in combination, as a part of Swing Bed Program, Palliative Care, Care & Comfort, and Respite Care which we do for a family that is under hospice. This all

is part of the Swing Bed program. We are in the process of marketing for our Swing Bed Program. We get many referrals from Bay Area and Sacred Heart. We are looking at outreach, even further, letting them know what our program consists of once we get a permanent Hospitalist or ward to provide that continuity of care.

**V. Old Business – None.**

**VI. New Business – Benchmark Reports - Surgical Care Improvement Program -**  
There for the Board's information.

Process of Care Measures – Gives you a feeling of where we stand in Federal Core Measure and the Surgical Care Program measures for most of the Critical Access hospitals in the State of Oregon. Mr. Allen asked about the low number in Cardiology. Ms. Scarborough said it is part of the Step 1, 2, 3, & 4 you do on a standard of care basis. That particular item is the Echocardiogram, of which we are unable to provide at Southern Coos Hospital. That is based on before the patient leaves, they either have an appointment with a cardiologist or have had an Echocardiogram performed in the last year. That is part of the physician's responsibility to order that at the time of discharge. Mr. Allen asked if we had an Echocardiogram machine, could we perform that service here. Mr. Wathen said to provide that service here, it would require time away from our facility for our Ultrasonographer to be certified in Echocardiography. We could then provide that service. Dr. Holland said one other thing about that measure (we discussed it in Medical Staff meetings, Peer Review meetings) a lot of it is just us making the time to jot it down in the chart itself that we chose not to do an Echocardiogram, we have to document why that was. If a patient is on hospice and 99 years old, an echocardiogram is not appropriate. The responsibility is on us as physicians to write something in the chart saying 'we acknowledge that this is the recommendation, but this patient does not require this for (and state the reason). The educational process for us is granted; it would be wonderful to offer Echocardiograms in this community. We send them out mostly to Bay Area. Ms. Noorda asked about Holter Monitors. Dr. Holland said this is something we have been able to do for a long time. We lost our Hospitalist who was reading them on a regular basis, so we have lost that. We are working with a Cardiologist group at this time to be able to get these done.

Annual Appointments – We have a number of responsibilities in the District that need to be approved by the Board on an annual basis. At this time, we are talking about appointments of our District Counsel, our Budget Officer, Auditors, designated agent for the District and determining the repository of funds for the District. These are the same as the previous year. Our current Counsel is Jim Coffey of Stebbins & Coffey, our Budget Officer is Shirley Holt, CFO, Auditors are Moss-Adams, the CEO of the organization is usually the designated agent for the District, and the repositories are Sterling Savings Bank for our primary interactions for our funds; Umpqua Bank where we have a Certificate of Deposit for USDA, and the Oregon State Pool where we handle our excess funds and designated funds for investment purposes. Mr. Allen **Moved** for approval of the annual appointments as listed. Ms. Noorda **Seconded** the motion. Motion passed unanimously.

Budget Consideration – July Rate Increases – Mr. Wathen said the budget has been approved. The rate increase in the budget was indeterminate in its initiation. Given the undefined nature of where the legislature is going, the fact we are still in

a very difficult economy that has resulted in slight increases in our Bad Debt and Charity Care. It is our recommendation to the Board that the rate increase that was approved in the Budget, 7.25%, be allowed to be instituted beginning in the first month of the fiscal year, July 2011. Mr. Hundhausen said it was his recollection that the increase was for 7½%. Mr. Allen and Ms. Gernandt agreed. Mr. Wathen said he wanted to make the increase for what was approved in the budget. Mr. Allen **Moved** to institute that increase July 1. Ms. Noorda **Seconded** the motion. Motion passed unanimously.

Mr. Hundhausen said that the Board election results verifications are in the packets. The incumbents have been returned and we have a new member of the Board, Esther Williams. Mr. Wathen said the figures that were provided to us by the County Clerk's office and State law requires that we accept and verify the election results and they will then provide information that will allow for the appointment and swearing in of reelected and new Board members. Mr. Allen **Moved** to accept the election results. Mr. Vick **Seconded** the motion.

Mr. Hundhausen recessed the meeting at 8:25pm to go into the Executive Session under OAR 192.660(2)(c). Mr. Hundhausen reconvened the Board meeting at 9:13 p.m.

Mr. Allen **Moved** to extend Mr. Wathen's contract for another year. Mr. Vick **Seconded** the motion. Motion passed unanimously.

Mr. Wathen told members about a Webinar they could sit it on.

### **Open Discussion**

Ms. Gernandt – Told those present that Esther is going to be a great Board member.

Mr. Hundhausen – Welcomed Esther to the Board

Mr. Vick – Knows that Vicki always had the best interest for the Board.

Ms. Noorda – Have talked to Vicki at lot. She has the interest of the Board at heart.

Mr. Allen - Thanked Vicki for her service.

Mr. Wathen then presented Vicki with a piece of art. The 'Wave' goodbye.

### **VII. Adjournment**

Mr. Hundhausen adjourned the meeting at 9:45 p.m. The next regular meeting of the Southern Coos Health District Board will be Thursday, **July 21, 2011**, at 7:30 p.m. in the Conference Room.

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Bob Hundhausen, Chairman

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Vicki Gernandt, Secretary