

CHELAN COUNTY PUBLIC HOSPITAL DISTRICT No. 2
LAKE CHELAN COMMUNITY HOSPITAL
MEETING OF THE GOVERNING BOARD
July 22, 2008 – LCCH BOARD ROOM
1:30 PM – 3:30 PM

MEETING MINUTES

I. CALL TO ORDER

1:30 PM

Mary Pat Scofield, Chairperson, called meeting to order at 1:30pm

Members Present:

Mary Pat Scofield, Chairperson
David Dickes, Vice Chair
Jim Wall, Secretary
Fred Miller

Members Excused:

Dennis Evans

Others in Attendance:

David Bernier, CEO	Celeste Thomas, Public Relations
Toni Gomez, Executive Assistant	Karen Spurgeon, Interim CFO
Lisa Anderson, CNO	Jodi Sweeney, Registration Manager
DeLynn Cook, QA/Risk Mgmt	Lee Tinsley, RN/Infection Control
Ross Hurd, CIO	Nancy Young, Dir. Human Resources
Carolyn Hood, HR Assistant	Tara Hensley, HIMS
Todd Erickson, Community Wellness	Marie Richarson
Tere Ovenell, M.Ed. Social Worker	Dan Wick, CTO
Judie Moser, Credit Services	Jane Jedwabny, Dir. Sanctuary at the Lk
Jerri Dion, Manager Business Ofc.	Dennis Ashmore, Chief Fire District 7

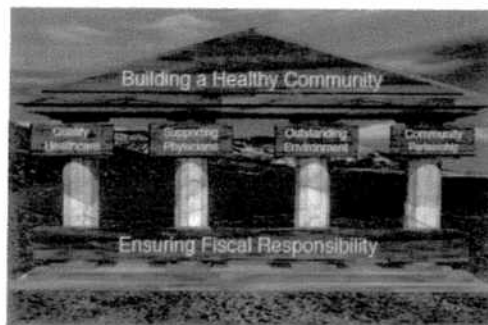
Guest speaker: Laird Harris, Founder & CEO of Harris & Smith Public Affairs

MOTION:

Minutes of the June 17, 2008 Board Meeting were approved as written

Review of Mission & Vision

Mission: Our Business is Healthcare. Our Mission is to provide healing opportunities with care, compassion and dignity.



II. REPORTS/PRESENTATIONS

David Bernier introduced Laird Harris, Founder & CEO of Harris and Smith Public Affairs. Mr. Harris was recommended to the Board and senior staff by Pullman Regional Hospital where he assisted them in a successful process of getting their bond passed. He is currently reviewing documentation from Lake Chelan Community Hospitals the last bond process and will be looking at three main points that need to be addressed in future community outreach process:

1. Why is the project needed?
2. Is this the right solution?
3. Why now?

Upon completing his interviews with community leaders, business owners and residents of the community he will report back to the Board in August.

State-of-the-Hospital Reports:

A. Quality Improvement/Risk Management – DeLynn Cook
Washington Casualty Insurance met with Dee, they have new Risk Manager Darleen Colt who is based out of Vancouver but is overseeing our region for time being until Washington Casualty fills position of Risk Manager for the eastside. Dee attended the Rural Quality Forum on the 16th at Mid Valley Hospital and shared plans of putting together a Physicians Orientation packet for new hires.

An overview of departmental dashboard reports, targets and plan of action were presented to the Board for review and discussion. Dee stressed the importance of continued educational training of current staff, physicians and new hires. The following areas of concern were noted under need for improvement:

OB: (EMPALA (Emergency Medical Treatment and Active Labor Act).
Orientation and ongoing training of new staff OB will improve percentages.

Medical Records: Delinquent discharge summaries and incomplete physician orders. These were addressed in the Medical Staff meeting; plan of action is to send out notification letters to physicians informing them they have X number of days to complete discharge summaries and sign off physician orders or risk suspension of privileges.

HR: Employee Orientation and Annual Updates, employee are required to attend training sessions, have presenter(s) sign off on form of attendance and turn form into Human Resources in a timely manner.

Press Gainey: Survey responses for nutritional services have been minimal, however patients have begun commenting on services, with the installation of new kitchen equipment and implementation of room service survey responses should increase.

Business Office Report – Karen Spurgeon, Interim CFO

Positive cash flow was reported for the month of June, revenue was up 12% MTD and 1% YTD, tax collections were down due to April and May collections for first half. Revenue for the months of July, August and September will increase then decrease the latter part of the year as the summer season comes to an end. Contractual adjustments were high due to repayment of Medicare funds for overpayments received in the months of January thru June. With continued search for a Psychiatrist and Chief Financial Officer recruitment costs remain high. On a positive note Karen shared that costs affiliated with the rent/lease of generator will be covered by contractor installing new generator will.

In closing Karen Spurgeon and Jerri Dion provided an overview of their attendance at the National HFNA Conference in June, each provided overview of sessions they attended on Developing Justifiable Pricing Methods, Major Project Financial Planning, Medicare Proposed Payment Changes, Medicare Contractors Reform, HIPPA Mandates, Impact of 2008 Election on Healthcare Providers, Accounting and Auditing Standards Updates and Developing Road Maps for Improving the Electronic Remittance Process. Both thanked Dave and the Board for letting them attend and noted next years National Conference will be held in Seattle.

B. Nursing Services Report – Lisa Anderson, CNO

Room service began on the second floor, the nursing staff is working closely with Diane Haight and the staff in Nutritional Services to ensure patient meals are monitored and prepared according to their dietary requirements while in the hospital. The cafeteria has now officially changed its name to the Orchard Café.

Three new staff members are up and running; all will be taking their boards for their RN licenses within the next couple of weeks and will be in positions as RN's in Oct/Nov. One of the ladies will be going to Sacred Heart working five twelve hour shifts for OB and Acute training. She will receive training in the Labor and Delivery Unit, Well Baby Nursery, Special Needs Nursery and Mom and baby postpartum. Marie is working with Deaconess and Sacred Heart establishing program for our staff to get training under their job shadowing programs. In closing Tara noted we have 73 deliveries to date.

C. CEO/Administrator's Report – Dave Bernier, CEO

In keeping with "Building a Healthy Community" efforts to recruit a full time psychiatrist continued, two telephone interviews have taken place and the candidates will be coming in for a visit within the next week.

Gary Hamm of HPGI Healthcare Placement Group has received over 40 applications for the CFO position and narrowed them down to 4. VTC interviews are currently taking place with the candidates and Gary will be reporting back to Dave by Friday with results. The local practitioner of Internal Medicine that indicated interest in working at LCCH has elected to stay at his current location of practice, but we do still see need for community to have Internal Medicine here. Dr. Woods is actively trying to recruit an Urologist to assist in her practice. Dr. Waszkewitz has also indicated need and shares in her vision to recruit. A

couple of leads have come in for a Physical Therapist, Dave plans to meet with individual on Saturday the 26th. Having a Physical Therapist on staff could regenerate an additional \$400,000 in revenue. There has also been an expressed need for an Occupational Therapist and additional nursing staff.

Dave introduced new Senior Staff arrivals Dan Wick, Chief Transformational Officer and Jane Jedwabny who has returned to LCCH as Director of the Sanctuary at The Lake.

A great deal of public relations is taking place.

- LCCH sponsored Bach Fest, Chelan Rodeo, and Chelan Man Triathlon. On the 6th of September we are sponsoring Saturday "Family Day" at the Chelan County Fair. LCCH brochures will be distributed and Todd Erickson will provide information regarding health and wellness checks (i.e. blood pressure etc.) to get our name and services out to the public.
- Guild B is vamping up for their Home Tour and Art exhibit on September 20th. Celeste Thomas has put together brochures that will be in every home showing community what they will be supporting as a result of the proceeds; which is a cardiac monitor. Brochures will advertise businesses that provided various services for the event.
- Ed Swensen will be interviewed on Go Lake Chelan discussing emergency medicine and Juanita Pinger will be on KOZI Radio's 2nd Cup regarding OB services. We are advertising a little more with Go Lake Chelan.com using video and audio advertising/marketing services.

We are still on track for tobacco free campus with target date for LCCH staff August 1st; patients on the 3rd floor will begin August 15th; Jane shared that the prescribed medication Chantix (A Non-Nicotine Prescription Aid for Smoking Cessation) has had positive results and there has been a noted decrease in the relapse rate (25%) for patients in rehab treatment and added there are minimal side effects to the medication. LCCH will provide staff with tools to quit and as an added incentive employees that have quit for 6 consecutive months will be reimbursed for cost.

Quality Healthcare

The new Pyxis dispensers have been installed the purchase was a positive investment for the facility and will significantly enhance the dispensing of medicine and reduce medication errors.

Jodi Sweeney and staff are using new CPSI software (Enterprise Wide Scheduling) for scheduling appointments. When appointments and surgeries are scheduled for specialists and surgeons, times and dates will filter out to the various departments and providers.

Representatives from Sacred Heart Pharmacy department recently met with Dave to discuss tele-pharmacy issues and unfortunately elected to terminate their service contract with us, submitting ninety (90) day notice. On a positive note Christy Neilsen has accepted a full time position with LCCH as Director of Pharmacy, providers are very pleased with having her on board and available for them to consult with. We will continue looking at having tele-pharmacy function

during the evening hours Christy continue looking at other companies that can work with us. Dale Polla, CEO (Brewster Hospital) will host tele-pharmacy summit for regional administrators to discuss tele-pharmacy issues and future partnership.

Handouts outlining IT advancements LCCH has invested in since FY 2007 were distributed to the Board. Approximately \$500,000 has been spent on IT software and equipment, \$200,000 of which were grant funds received.

Monthly breakfast meetings for physicians to discuss medical staff issues, services, and equipment with the Administrator continue. Dr. Clements voiced concerns about lack of services available for patients who don't have means to make trip to Wenatchee for care (i.e. echo cardiogram testing for congestive heart failure) and would like LCCH to make services available. Dr. Waszkewitz indicated he is seeing a lot more oncology cases which he is referring to Wenatchee and stated he would like the hospital to consider offering oncology services in the future.

After several meetings and discussion Lake Chelan Community Hospital has agreed to embrace the practice of Dr. Horlebein, DPM. As a full time salaried employee of the hospital, LCCH will take over his appointment system and billing functions. Brad Berg, Legal Counsel is drafting Memo of Understanding for the Administrators to review and discuss. MOU would ensure Dr. Horlebein's continued services at their facilities in Brewster, Leavenworth and Tonasket.

Consultations to enhance Dr. Woods GYN practice are ongoing. Dr. Woods has asked for assistance in finding opportunities to improve her practice and revenue. She has also expressed interest in adding another surgery day to her schedule at Lake Chelan Community Hospital.

Our second employee of the quarter rally will be held next Thursday August 28th 1:00pm – 2:00pm in the cafeteria. Dave will announce his discussions with Senior Staff recently regarding recruiting incentive for staff assistance in filling vacant positions within the hospital.

Renovation of the ER is complete and things are going well as other renovations within the hospital take place; plumbing renovation will take four (4) more months to complete and plans for installing new carpeting on the 1st and 2nd floor are in process. When carpet was installed on the second floor we were informed it carried a warranty of 25 years, however over a short span of eight (8) years the carpeting is in desperate need of replacement. Dave has scheduled a meeting with the contractor the first week of August, for an inspection and hope the contractor will either replace it for free or offer a discount on the purchase price of new carpeting. Remnants from the 3rd floor renovation of 2006 will be used on the 2nd floor patient care area or area of 1st floor administration and business offices. All costs relating to repairs within our current facility, could be dollars applied toward new facility and state of the art medical equipment.

Enhanced security has been installed, after 6pm all doors, other than the emergency room entrance, will be locked each day and all day on weekends.

Patients and visitors will be required to enter hospital through the emergency room entrance; directional signs are placed at the front door entrance each evening and throughout the weekend.

Ross Hurd has been nominated for the Northwest Healthcare IT Individual Award, an inaugural award which has never been given out and LCCH has been nominated for the Northwest Healthcare IT Small Hospital category. Commissioners were also informed Modern Healthcare Magazine has nominated LCCH as one of the best places to work, on the 25th of July hospital employees will receive an email survey to complete regarding leadership, planning, communications, work environment and overall satisfaction in working at LCCH. National Award for top 100 places to work will be announced in September or October.

Dave will be hosting an Employee Appreciation Day Luau at Don Morris Park September 13th. As LCCH staff and EMS continue to be very visible throughout the district; volunteering at various events and providing care and services to the community he would like to show his appreciation by hosting the Luau. The City of Chelan has agreed to donate the use of Don Morris Park to LCCH for the day we will also have exclusive rights to the Putting course for four hours for a minimal fee. A Polynesian band will provide entertainment for all and Dave has planned a few other surprises for the Luau. Festivity will start at 4pm, all are encouraged to come.

Marie Richerson, RN, was Employee of the Quarter for the second quarter and was featured in the Lake Chelan Mirror.

Dave will meet with AETNA Health Insurance Company next month to discuss their support of test program by investing \$40,000 towards gym memberships for hospital employees. He believes in a year time employees will show a noted change in their health due to the availability and opportunity to exercise on a regular basis; saving AETNA up to \$500,000 a year in claims.

Special meeting with the City Council members is scheduled for July 31st at 7pm. Members will be given tour of hospital before hand so they have an opportunity to see facility and assess for themselves the need for space etc.

Strategic Planning:

Dan Wick, our new CFO will be speaking individually with department managers and directors for an overview of their departmental needs and expectations. Dan will be making presentation to managers and senior staff at the upcoming Management Team meeting August 14th to review and discuss vision and mission statement of hospital.

Kurt Salmon has submitted results of study, report shows LCCH is operating on 1/3 the required space for facility of our size.

Barbara Engstrom has started application process for EDA Grant requesting funds to purchase Naumes property. The Purchase and Sale Agreement along with a copy of the CCNR's has been sent to legal counsel for review.

Laird Harris, Public Relations Consultant will be conducting interviews for public comments. Public comment period (30 days) needs to take place July 26th and August 26th.

In closing Dave distributed copies of Dr. Kremer's farewell video to all Commissioners.

III. OLD AND NEW BUSINESS

A. Action Items; it was m/s/c to:

1. Approve Resolution #422 Modified Caribou Trail Agreement
2. Approve Interlocal Agreement Fire District 7 & LCCH
3. Approve hospital Guild By-Laws as revised
4. Approve Resolution #421 Membership on Board of Lake Chelan Senior Housing, Inc., dba Heritage Heights as revised
5. Approve Vouchers/Warrants as submitted
6. Approve Write-Offs & Charity Care as submitted

IV. OTHER BUSINESS

A. Audience

- Karl Jonasson and Dennis Ashmore provided update on Inter-local agreement between EMS and Fire District 7.

B. Executive Session

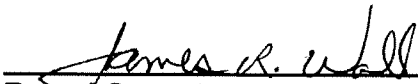
Executive Session was convened at 3:10 pm for the specific purpose of discussing personnel matters.

V. ADJOURNMENT

Regular session was reconvened at 3:17 pm and immediately adjourned with no action taken.

Submitted:

Attest:



Board Secretary



Administrator/CEO

8-26-08

Date

8-26-08

Date