



Service Quality People Finance Growth



MINUTES
HI-DESERT MEMORIAL HEALTH CARE DISTRICT
SPECIAL
BOARD OF DIRECTORS MEETING

June 10, 2013 at 1:00 p.m.

Helen Gray Education Center Boardroom
6601 White Feather Road, Joshua Tree, CA 92252
760-366-6262

**Please turn all cell phones/pagers to off or vibrate.*

Mission Statement: *Hi-Desert Medical Center will provide superior service to improve the quality of life for people in the Morongo Basin*

Vision: *We are caring people providing extraordinary healthcare services.*

Core Values: *Integrity, Superior Service, Stewardship, Innovation, Teamwork, Dignity*

Conflict of Interest Advisement

Hi-Desert Memorial Health Care District Board members please be advised: If an item on the meeting agenda relates to the provision of services by you, your immediate family, the entity you represent, or any person who has made \$250 in campaign contributions to you during the last 12 months, or if approval or disapproval of an agenda item would have a foreseeable material affect on an economic interest of you, your immediate family, or the entity you represent, then please follow these procedures:

“When the agenda item is first introduced, please immediately announce that you are recusing yourself from participating in the agenda item, and then refrain from discussing, voting on, or otherwise influencing the Board of Directors’ consideration of the agenda item.”

IN ATTENDANCE:

Board of Directors: Director Cole, President
Director Avels, Vice President
Director Hoffman, Treasurer
Director Swella, Secretary
Director Cooper, Member-at-Large
Lionel Chadwick, CEO

CALL TO ORDER – 1:00 pm

PUBLIC COMMENTS

The public comment portion of this agenda provides an opportunity for the public to address the Board of Directors on items not listed on the agenda that *are of interest to the public at large* and are within the subject matter jurisdiction of this Board. The Board of Directors is prohibited by law from taking action on matters discussed that are not on the agenda, and no adverse conclusions should be drawn if the Board does not respond to public comments at this time. Comments that concern individual incidences of patient care are welcome, however we encourage doing so only after other administrative avenues for redress have been fully exhausted. In all such instances we will be unable to ever respond publicly due to patient confidentiality obligations. In all cases, your concerns will be referred to the Chief Executive Officer for review and a timely response.

▶▶ Indicates an agenda item to be considered for action by the Board of Directors.

A "Request to Speak" form shall be submitted to the clerk of the Board and can be found at the entrance to the board room. Comments are to be limited to three minutes per speaker and shall not exceed a total of 20 minutes. All comments are to be directed to the Board of Directors and shall not consist of any personal attacks. Members of the public are expected to maintain a professional, courteous decorum during their comments. Public input may be offered on an agenda item when the item comes up for discussion and/or action. Members of the public who wish to speak shall proceed to the podium when called by the President of the board. Please state your name and community of residence for the record.

There were no public comments.

APPROVAL OF MEETING AGENDA – The agenda was approved as presented.

ADJOURNMENT TO CLOSED MEETING – 1:00 pm

- Pursuant to Government Code section 54956.9(b)(1) – Potential Litigation (1 case)

ADJOURNMENT TO OPEN SESSION – 3:00 pm

CLOSED SESSION REPORT:

In closed session, the Board received and discussed information regarding a potential litigation issue. The Board took no action at this time.

DIRECTORS' COMMENTS

Director Cole: no comment

Director Avels: no comment

Director Hoffman: no comment

Director Swella: no comment

Director Cooper: no comment

ADJOURNMENT – 3:01 pm

Minutes recorded by A. Walton, Board Clerk



Korina Cole, President, Board of Directors



Dianne Swella, Board Secretary





**HI-DESERT MEMORIAL HEALTH CARE DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
MINUTES**

June 11, 2013 at 6:00 p.m.
Helen Gray Education Center Boardroom
6601 White Feather Road, Joshua Tree, CA 92252
760-366-6262

Mission Statement: *Hi-Desert Medical Center will provide superior service to improve the quality of life for people in the Morongo Basin*

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IN ATTENDANCE:

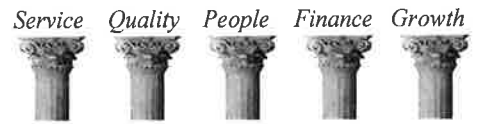
Board of Directors: Director Cole, President
Director Avels, Vice President
Director Hoffman, Treasurer
Director Swella, Secretary
Director Cooper, Member-at-Large

Medical Staff:

Excused Absence: Dr. Prem Salhotra, Chief of Staff
Barbara Staresinic, VP Human Resources
Joe Ruddon, VP Marketing and Business Development
Jackie Combs, Administrator, CCC

Administrative Staff: Lionel Chadwick, CEO
Judy Austin, COO/CNO
Dan McClure, CIO
Bob Tyk, CFO
Avelina Ortiz, Director of Quality Resources
Dean Moore, Foundation President
Angela Walton, Executive Assistant

Other Staff: Kathy Alkire, Director of Service Excellence
James Walter, RHC Director
Cindy Dietz, IT Director
Alice Brown, LDRP/Surgical Services Director
Kelly DeSantis, LDRP/Surgical Services Director
Shelly Vincent, Clinical Resources Management Director
Adele Nafziger, Controller
Stan Joyce, Cardiopulmonary Director
Ram Malhotra, Pharmacy Director
Other Department Managers and Staff



Guests Foundation Board members Catja Fleck & Kolleen Lamb
Tom Duda

Media No media present

PLEDGE OF ALLEGIANCE & READING OF MISSION STATEMENT

The Pledge of Allegiance was led by the Board of Directors.

Mission – Read by Director Hoffman

Vision – Read by Director Cooper

Core Values – Read by Director Avels

PUBLIC COMMENTS

There were no public comments.

APPROVAL OF MEETING AGENDA

▶▶ **MOTION 13—21:** Director Swella made the motion to approve the agenda, and Director Avels seconded. All were in favor; motion carried.

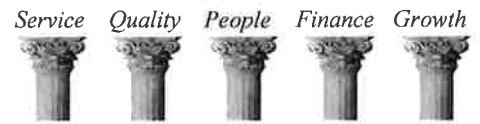
ACTION ITEM

▶▶ **1. FY 2013 Capital Budget Presentation & Approval (Bob Tyk, CFO)**

- *This action recommends review and approval of the fiscal year 2014 budget.*

Mr. Tyk distributed the FY2014 budget and described all assumptions and discussed the following items in detail:

- Budget Assumptions included:
 - Service Demand
 - Salaries
 - Employee Benefits
 - Physician Fees
 - Contract Labor
 - Supplies
 - Purchased Services
- Total net loss for FY 2014 budget is \$5,410,240
- Physician expense totaled \$3,871,404
- Debt service requirement is \$1,331,040 (ratio 1.4680)
- Capital equipment & future projects total \$4,006,619
- Accounts receivable days comparisons from FY 2008 through FY 2014 were detailed
- Medicare case mix index



Board members expressed their ongoing concern regarding the financial status of District operations. Members noted that the budget reflects “current reality” and that improved performance could restart prior ongoing management initiatives directed toward physician recruitment. The Board directed management to present a mid-year re-forecast at their January 2014 meeting.

Dr. Chadwick concurred that although the budget is unattractive, management is working steadily to address the problem and to continue to lower the deficit.

▶▶ **MOTION 13—22:** Director Swella made the motion to approve the FY 2014 budget, and Director Cooper seconded. All were in favor; motion carried.

Dr. Chadwick thanked the Board for approving the budget.

BOARD EDUCATION

Information Technology Department – Cindy Dietz, Director of Information Technology

- Ms. Dietz gave an overview of the department, its staff members, and their backgrounds. She also described the responsibilities of the department, which include to build/test/teach/implement/audit the following: Data/Network Security, Hardware, Telecommunications, Custom Reports/Menus, Meditech education, Intranet
- There are seven employees in the department: 2 network administrators, and administrative apps specialist, applications specialist, two clinical analysts, and RN clinical analyst. Dr. Chadwick thanked the IT department for their work, dedication, and leadership.

APPROVAL OF CONSENT AGENDA

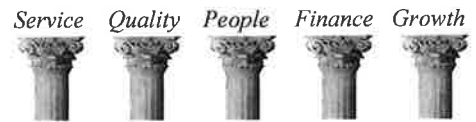
All Consent Agenda items listed below are considered to be routine by the Board of Directors and will be enacted upon by one motion. There will be no separate discussion of items unless a Board member or citizen so requests, in which event the items will be considered following approval of the Consent Agenda.

MINUTES of the Board of Directors Meeting are approved as presented:

- Minutes of the Regular Meeting of the Board of Directors dated May 14, 2013
- Minutes of the Special Board Meeting dated May 14, 2013
- Minutes of the Governance Committee Meeting dated May 21, 2013
- Minutes of the Special Board/Finance Committee Meeting dated May 22, 2013
- Minutes of the Budget Workshop Meeting dated May 31, 2013

RELATED BOARDS

- Minutes of the Community Health Center Board of Directors Meeting dated April 24, 2013
- No Foundation Board meeting minutes or Foundation financial statements



CREDENTIALING

NEW APPOINTMENTS & REAPPOINTMENTS - June 2013

The following MEC credentialing and privileging recommendations are being submitted to the Board of Directors for approval:

- **New Appointments - None**
- **Reappointments - None**
- **Terminations & Status Changes:**
 - Apollo Gulle, M.D. – 6/30/2013 – Letter of resignation on file*
 - Daniel Shirbroun, PhD – 4/30/13 – Letter of resignation on file*
 - Jay Sanvictores, M.D.- 6/30/2013 – Letter of resignation on file*
 - Rui DaSilva, M.D. Change to Honorary Status 6/30/2013*

The following Medical Staff policy recommendations are being submitted to the Board of Directors for approval:

- Surgical Policies and Procedures Manual
- Anesthesia Policies and Procedures Manual
- Cardiopulmonary Policies and Procedures Manual

The following Administrative Staff policy recommendations are being submitted to the Board of Directors for approval:

- Administration Policies and Procedures Manual

▶▶ **Motion to approve the Consent Agenda as presented**

▶▶ **MOTION 13—23:** Director Swella made the motion to approve the consent agenda, and Director Cooper seconded. All were in favor; motion carried.

BOARD COMMITTEE REPORTS:

Finance Committee Report

Paul Hoffman, Chair, & Bob Tyk, CFO

- Director Hoffman reported that a special Board/Finance meeting was held on May 22 to discuss April financial statements. Committee discussed consultant fees, lower patient volumes, and reimbursement from meaningful use. Director Hoffman also reported that operating revenues increased due to receipt of meaningful use funds, salaries & wages decreased, benefits decreased from March, and there will be a doubling of workmen's compensation costs in incoming year, recruitment of physicians, Oasis redirection, regulatory requirements will be problematic. Finance Committee directed that management prioritize capital equipment impacting revenues and patient care. The committee discussed reevaluating the budget mid-year January. There is an operating budget deficit of \$5.4 million in the FY 2014 budget, and a deduction on revenues of



71%. Director Hoffman gave a detailed summary with that included summary of bond issue and use of investment funds. Director Hoffman asked the public to increase their support of the hospital by encouraging others to be referred to HDMC.

Human Resources Committee Report Patricia Cooper, Chair, & Barbara Staresinic, HR Director

- Director Cooper stated that Human Resources held their meeting was in May which she reported out last month, and their next meeting will be in August.

Facilities & Technology Committee Report Dianne Swella, Chair, & Dan McClure, CIO

- Director Swella reported that the committee has not met since their last meeting in April; no report.

Governance Committee Report Dianne Swella, Chair, & Lionel Chadwick, CEO

- Director Swella informed the Board of the Governance action item on tonight's agenda which addresses reporting of related boards. She also reported that Board education sessions are being planned, and the committee is researching area hospital committee structures, reviewing bylaws and charters, and developing a calendar for ethics training.

Executive Performance/Compensation Committee Report Martie Avels, Chair

- Director Avels reported that the committee is scheduled to meet in July; no report.

ACTION ITEMS (cont'd):

▶▶ **2. Community Health Center Board Candidates – James Walter, RHC Director**

This action recommends that the Board of Directors consider the following candidates to serve as members of the HDMHCD CHC Governing Board:

- Pastor Ron Cooley
- Laura Grabow

Mr. Walter briefly discussed the backgrounds of the two candidates, also reporting that both have been endorsed by CHC Board and approved through Governance Committee.

▶▶ **MOTION 13—24:** Director Hoffman made the motion to approve the appointments, and Director Swella seconded. All were in favor; motion carried.



▶▶ 3. Formal Communication Process for Related Boards – Director Dianne Swella

As a result of the creation of several related entities in the District, and their required governance organizations (CHC Governing Board, and HDMHD Foundation Board of Directors), it is recognized by the Governance Committee that formalization of the communication and reporting of these entities as well as the HDMC Auxiliary (“Related Entities”) to the Board of Directors will benefit the District Board of Directors, as well as the staff and boards of the related entities.

Director Swella discussed the development of the action item as discussed in Governance Committee.

▶▶ **MOTION 13—25:** Director Hoffman made the motion to approve the agenda, and Director Swella seconded. Director Cooper and Director Avels approved, Director Cole opposed. Motion carried.

Dr. Chadwick - Auxiliary is not a Brown Act entity, and as such is not required to report, asked that they do not report, but will still get minutes sent to Governance. The action item will be amended to reflect this update.

STANDING BUSINESS:

CHIEF OF STAFF REPORT (Service)

P. Salhotra, M.D., Chief of Medical Staff: absent this meeting. Dr. Chadwick will ask that Dr. Salhotra’s identify another physician who can be informed of attending Board meetings when Dr. Salhotra needs to be excused.

ADMINISTRATIVE REPORT (Service)

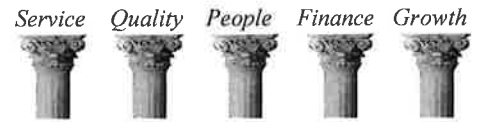
Lionel Chadwick, Chief Executive Officer. Highlights:

- Met with leadership of Navy Hospital today
- In process of investigating the possibility of a hospitalist program
- Next month a presentation and action item to move to smoke-free campus
- Mental health services – will be a financial benefit to the District, service will begin 7/1/13
- Medi-Cal reductions at CCC - update on federal actions. District will engage in class-action suit, Dr. Chadwick will keep the Board updated on progress.
- Director Hoffman asked the progress of OR lights (reconstruction meeting this Friday) and mammography

CLINICAL SERVICES REPORT (Service)

Judy Austin, Chief Operating Officer/Chief Nursing Officer. Highlights:

- Portable phones implementation began today



CONTINUING CARE CENTER REPORT (Service)

Jackie Combs, CCC Administrator: absent this meeting.

MARKETING REPORT (Growth)

Joe Ruddon, Vice President, Marketing & Business Development: absent this meeting.

FOUNDATION REPORT

Dean Moore, Foundation President:

- No minutes and financials were sent due to rescheduling of Foundation Board meeting to June 12
- Charitable status has been approved by State of California
- Will be presenting at upcoming Leadership Development about the Foundation

COMMUNITY HEALTH CENTERS REPORT

James Walter, RHC Director:

- Spoke at Basin Wide meeting and met community people through Martie Avels

BOARD CALENDARS /NEWSLETTERS AND ARTICLES

- Bob Tyk –date of June Finance committee meeting will need to be changed. Board clerk will send dates to the Board.

ITEMS FOR NEXT AGENDA

- Smoke-free plan
- Occupational medicine
- Leadership Academy graduation

DIRECTORS' COMMENTS

Director Hoffman – encourages community members to encourage all to refer people to HDMC instead of elsewhere and thanked Tom Duda for attending the meeting

Director Cooper – thanked all presenters

Director Avels – thanked all who participated in Grubstakes Days parade, for ethics training, and for all in attendance

Director Swella – thanked Board for supporting her attendance at the ACHD conference in May, and stated she has been accepted for the ACHD Board of Directors and will be attending their future board meetings as time permits, and will keep the Board informed.

ADJOURNMENT TO CLOSED SESSION – 8:30 pm

- Pursuant to section 32155 of the Health and Safety Code
Report Involving Quality Assurance Matters
- Pursuant to section 32106 of the Health and Safety Code
Report Involving Trade Secret
Estimated date of public disclosure: July 2013
- Pursuant to Government Code section 54956.9(b)(1) – Potential Litigation (1 case)



ADJOURNMENT TO CLOSED SESSION AND CLOSED SESSION REPORT – 9:40 pm

The Board of Directors met in closed session to receive information on a quality matter, and a trade secret matter, and a potential litigation issue. The Board took no action at this time.

ADJOURNMENT:

On motion duly made and seconded Director Cole adjourned the meeting at 9:45 pm.

Minutes recorded by A. Walton, Board Clerk



Korina Cole, President, Board of Directors



Dr. Dianne Swella, Board Secretary