



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

April 16, 2012 at 5:00 p.m.
Helen Gray Education Center Boardroom
6601 White Feather Road, Joshua Tree, CA 92252

***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*

IN ATTENDANCE:

Board of Directors: Director Swella, President
Director Cooper, Vice President
Director Cole, Secretary
Director Hoffman, Treasurer

Administrative Staff: Lionel Chadwick, CEO
Angela Walton, Executive Assistant

Other Staff: Kathy Alkire, Director of Service Excellence
Joe Rudden, Director of Marketing/Business Development

Guests: Martie Avels
Michael McBride
Lary Callandar

Media J. Biggerstaff, Hi-Desert Star
Mike Lipsitz

CALL TO ORDER

Director Swella called the meeting to order at 5:01 pm.

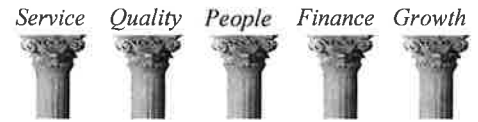
PLEDGE OF ALLEGIANCE & READING OF MISSION STATEMENT

Mission Statement: Director Cooper

Vision Statement: Director Hoffman

Core Values: Director Cole

Director Swella stated she would not read the conflict of interest statement, but indicated it was posted on the agenda.



PUBLIC COMMENTS

Lary Callandar – apologized to the Board for not coming to the interview session on April 10. Mr. Callandar indicated that he confused the dates, but stated that the Board had more than enough qualified candidates to fill the Board vacancy.

APPROVAL OF MEETING AGENDA

The motion to approve the meeting agenda was made by Director Cole, and seconded by Director Cooper. All members were in favor, and the agenda was approved.

DISCUSSION ON PROCESS OF ELECTION

Dr. Chadwick presented a memorandum to the Board detailing several options for electing a candidate for the Board vacancy. Dr. Chadwick reported that the options were given to him by Cathy Salenko of Best Best & Kriegar, prior to the Board meeting. They are:

1. Discussion and Subsequent Nomination and Action
2. Multiple Nominations, Discussion, and Action
3. One At a Time Nominations and Action

Director Cole stated that she preferred to nominate candidates individually and vote. Director Hoffman concurred; he expressed his pleasure at seeing the quality of the candidates who made application to fill this vacancy. Director Swella and Director Cooper were also in agreement with the suggested voting process. Director Hoffman stated that all candidates seemed dedicated to serving the District, and he encouraged all to file for election in July.

DISCUSSION OF NOMINATIONS, & ELECTION OF APPOINTEE FOR VACANT BOARD OF DIRECTORS SEAT

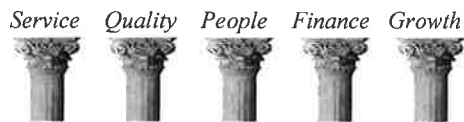
- *Martie Avels*
- *Joseph Sullivan*
- *Michael McBride*
- *Catja Arnzen*

▶▶ **MOTION 12—17:** Director Cole made a motion to appoint Martie Avels to the Board, and the motion was seconded by Director Hoffman.

ROLL CALL VOTE

Roll Call Vote: Those in favor of *Martie Avels*

- Director Hoffman - yes
- Director Cole – yes
- Director Cooper - yes
- Director Swella - yes



The Board approved the selection of Martie Avels to the District Board of Directors.

After congratulating Ms. Avels on her appointment, Director Hoffman once again encouraged all candidates to file for election, and invited all to attend the committee meetings and Board meetings in order to become familiar with the District so they may be ready to serve the District if elected.

DIRECTORS' COMMENTS:

Director Swella: No comment

Director Cooper: Thanked all the applicants, there will be three open seats to run for

Director Hoffman: No comment

Director Cole: No comment

Dr. Chadwick offered to meet with interested applicants to discuss the District and answer questions. He informed the Board that Supervisor Neil Derry will conduct the swearing-in ceremony at the May Board meeting.


ADJOURNMENT:

On motion duly made and seconded Director Swella adjourned the meeting at 6:00 pm.

Minutes recorded by A. Walton, Board Clerk



Dianne Swella, President, Board of Directors



Korina Cole, Board Secretary



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

April 10, 2012 at 3:00 p.m.
*Helen Gray Education Center Boardroom
6601 White Feather Road, Joshua Tree, CA 92252*

***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*

IN ATTENDANCE:

Board of Directors: Director Swella, President
Director Cooper, Vice President
Director Cole, Secretary
Director Hoffman, Treasurer

Administrative Staff: Lionel Chadwick, CEO
Angela Walton, Executive Assistant
Joe Ruddon, Director of Marketing/Business Development

Other Staff: Virginia McCann, Director of Behavioral Health
Kathy Alkire, Director of Service Excellence
Karen Graley, Marketing Specialist

Guests: Martie Avels
Ruth Crites
Joseph Sullivan
Michael McBride
Catja Arnzen

Media J. Biggerstaff, Hi-Desert Star
Mike Lipsitz

CALL TO ORDER

Director Swella called the meeting to order at 3:00 pm.



PLEDGE OF ALLEGIANCE & READING OF MISSION STATEMENT

Mission Statement: Paul Hoffman

Vision Statement : Korina Cole

Core Values: Pat Cooper

PUBLIC INPUT

There was no public comment.

APPROVAL OF MEETING AGENDA

The motion to approve the meeting agenda was made by Director Hoffman, and seconded by Director Cole. All members were in favor, and the agenda was approved.

1. INTERVIEWS WITH PROSPECTIVE CANDIDATES FOR BOARD

- *Martie Avels*
- *Ruth Crites*
- *Joseph Sullivan*
- *Lary Callandar*
- *Michael McBride*
- *Catja Arnzen*

Director Swella provided the guidelines and interview process for the candidates and Board. Each candidate was interviewed individually, answering questions asked by all Board members. Each interview was held to 15-20 minutes per candidate. The order of candidates was randomly selected prior to the meeting.

Martie Avels, a former RN who has worked at the District, was the first candidate interviewed. She briefly discussed her years of service with the District, and stressed the importance of strategic planning and financial oversight. Ms. Avels has experience working with boards and has a strong healthcare background. Ms. Avels also announced that she will seek election to the Board of Directors in November.

At the meeting, Ms. Crites withdrew her application by letter from the candidacy. Director Swella thanked Ms. Crites for her dedication and support of the District.

During his interview, Joe Sullivan stated that he previously worked in Risk Management with Morongo Unified School District, and shared some of his experiences with the school district. Mr. Sullivan announced that he will run for a full term if appointed. If he is not appointed, he stated he will still attend Board meetings to become more knowledgeable about the District.

Michael McBride introduced himself as a former teacher and electrical contractor. He also serves as President of the Board of Big Horn-Desert View, and briefly described his experience with that agency. Mr. McBride stressed the importance of working to achieve consensus as a Board. With regard to Board committees, Mr. McBride stated his strengths are in finance and human resources, and he will run for election in November.



At this time, the Board took a 15-minute break.

Catja Arnzen was the last applicant interviewed. Director Swella reiterated the guidelines of the interview process. Ms. Arnzen is a former District Board member, and is the current chairperson of the District Foundation Board of Directors. As a former District Board member, Ms. Arnzen stated that she already has a fundamental understanding of District operations. She stated that Board members should all be ambassadors for their organization. Ms. Arnzen revealed that she will not run for election in November.

Lary Callander was not present for the interviews.

Director Swella announced that the Board will meet on Monday, April 16, 2012 to make their decision.

DIRECTORS' COMMENTS:

Director Swella: Expressed that she appreciates the interest, it will be a difficult decision with so many qualified candidates, and invited everyone to remain for the Board meeting at 6 pm.

Director Cooper: Thanked the media for being present.

Director Hoffman: Excited that so many members applied, and that all candidates were outstanding. He suggested attending committee meetings if candidates are interested in learning more about the District. Thanked all candidates for showing their interest in the District.

Director Cole: Great turnout, and is please that so many qualified candidates applied. She reminded everyone that three seats will be open in November.

Director Cole asked about the voting procedure on April 16, and Dr. Chadwick made suggestions regarding the process. The process will be put the agenda and further discussed at the April 16 meeting. The Board announced that it would not be necessary for the candidates to attend the meeting, but they are welcomed to attend.

ADJOURNMENT:

On motion duly made and seconded Director Swella adjourned the meeting at 5:01 pm.

Minutes recorded by A. Walton, Board Clerk



Dianne Swella, President, Board of Directors



Korina Cole, Board Secretary



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

April 10, 2012 at 6:00 p.m.
Helen Gray Education Center Boardroom
6601 White Feather Road, Joshua Tree, CA 92252

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*

IN ATTENDANCE:

Board of Directors: Director Swella, President
Director Cooper, Vice President
Director Cole, Secretary
Director Hoffman, Treasurer

Medical Staff: Dr. Salhotra, Chief of Staff

Excused Absence: Jackie Combs, Administrator, CCC

Administrative Staff: Lionel Chadwick, CEO
Judy Austin, COO/CNO
Tom Duda, CFO
Dan McClure, CIO
Barbara Staresinic, VP Human Resources
Bruce Oswald, Assistant Administrator of Ambulatory Services
Joe Rudden, VP Marketing and Business Development
Avelina Ortiz, Director of Quality Resources
Dean Moore, Foundation President
Angela Walton, Executive Assistant

Other Staff: Cindy Dietz, IT Director
James Walter, Rural Health Clinics Director
Alice Antone, Medical Imaging Director
Alice Brown, Surgical Services Director
Marge Doyle, MedSurg Director
Bob Joslyn, EVS Director
Joan Senelick, CRM Director
Ram Malhotra, Pharmacy Director
Sharon Kolch, HIM
Ora Rhine, FNS Director
Kathy Alkire, Director of Service Excellence
Other Department Managers and Staff



Guests: Stan Helgeson, Auxiliary President
Catja Arnzen, Foundation Chairperson
Kolleen Lamb, Foundation Vice Chairperson
Jeff Poland, Foundation Treasurer
Joseph Sullivan
Martie Avels

Media No media present

CALL TO ORDER

Director Swella called the meeting to order at 6:00 pm.

PLEDGE OF ALLEGIANCE & READING OF MISSION STATEMENT

The Pledge of Allegiance was led by S Club member Velda Denison. The S Club is the teen representative group of the Soroptimist Club of Yucca Valley. Director Swella presented the Ms. Denison with a certificate of appreciation and a donation to the club.

Mission Statement: Read by Director Swella

Vision Statement: Read by Avelina Ortiz

Core Values: Read by Judy Austin

PUBLIC INPUT

There were no public comments.

APPROVAL OF MEETING AGENDA

►► **MOTION 12—12:** Director Cole made the motion to approve the agenda, and Director Cooper seconded. The agenda was approved with no changes.

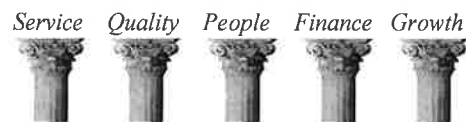
FOUNDATION DONATION PRESENTATION

The Medical Staff of the District presented a check in the amount of \$10,000 to the Foundation Board in the name of the Auxiliary and medical staff. Dr. Salhotra praised the Auxiliary for all of their efforts in helping the District. Mr. Poland thanked the Auxiliary and medical staff, and Ms. Arnzen thanked both organizations for the donation of “seed money” to help the Foundation.

BOARD EDUCATION

- The Bair Paws Patient Adjustable Warming System: Demonstration – Kelly DeSantis, RNFA, & Ken Lussier, RN, Surgical Services Department

Ms. DeSantis and Mr. Lussier introduced the warming system, which allows the maintenance of the patient temperature through their pre-operative process. The system is self-adjustable so the patient can be comfortable without asking staff for blankets, which presents a cost savings to the District.



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 March 13, 2012
- Minutes of Governance Committee Meeting dates March 21, 2012
- Minutes of Special Board of Directors Meeting dated March 26, 2012
- Minutes of the Finance Committee Meeting dated March 28, 2012
- Minutes of the Executive Performance Committee Meeting dated April 2, 2012

CREDENTIALING

NEW APPOINTMENTS – April 2012

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

- **New Appointments**

None

- **Reappointments**

- **Recommendation to reappoint Jennifer Cranny, M.D.** to Consulting Staff and approve privileges for Tele-Radiology as submitted with no changes.
Service: Medical. Appointment Period: April 2012 to April 2014
- **Recommendation to reappoint John Lambros, M.D.** to Courtesy Staff and approve privileges for Emergency Medicine as submitted with no changes.
Service: Medical. Appointment Period: April 2012 to April 2014
- **Recommendation to reappoint Daniel Injo, M.D.** to Active Staff and approve privileges for Emergency Medicine as submitted with no changes.
Service: Medical. Appointment Period: April 2012 to April 2014
- **Recommendation to reappoint Esmaeil Sebti, M.D.** to Active Staff and approve privileges for Neurology as submitted with no changes.
Service: Medical. Appointment Period: April 2012 to April 2014
- **Recommendation to reappoint Carol Engel, NP** to Allied Staff and approve privileges for Emergency Medicine as submitted with no changes.
Service: Medical. Appointment Period: April 2012 to April 2014



- **Additional Privileges**

None

- **Resignation**

Lynn Marquardt, NP (Rural Health)
Shanin Korangy, M.D. (Tele-Radiologist)

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

- CCC: Enteral Nutrition/Tube Feeding – Revised
- Pharmacy & Therapeutics
 - Emergency Drug Supplies (Crash Carts & Emergency Kits)
 - Blackbox / SALA 2012
 - Multidose Vial Policy
 - Fentanyl P&P and Memorandum
 - VTE Form
- Medical Record Review Team - New
- Obstetrics: Privilege Request Form

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

- Rest and Meal Breaks – Revised
- API System – Revised

▶▶ Motion to approve the Consent Agenda as presented

Change to agenda: Dr. Chadwick asked to remove the Rest and Meal Breaks policy from this agenda. This policy will be presented at the May Board meeting.

▶▶ MOTION 12—13: Motion made by Director Hoffman and seconded by Director Cole to approve the consent agenda with the removal of the Rest and Meal Breaks policy. Motion carried.

BOARD COMMITTEE REPORTS:

- Finance Committee Report

Paul Hoffman, Chair

- Director Hoffman reported that the committee met March 28, 2012, to review financial statements for the period ending February 2012.



Director Hoffman reported that health care claims were a contributor to February loss, gave the specifics on other financial losses for the month, reported that the committee requested an update to the expense reduction plan be presented at the next Board meeting, and reported that no draws from investments were expected in the upcoming month.

- Human Resources Committee Report

Korina Cole, Chair

- Director Cole reported the next meeting is in May, and asked to move the date of the meeting to the second week in May as she will be out of town on the scheduled meeting day.

- Facilities & Technology Committee Report

Vacant, Chair

- Dan McClure reported the committee will meet on April 19.

- Governance Committee Report

Patricia Cooper, Chair

- Reporting for the Committee, Director Cole conveyed that the committee received an update from Foundation, discussed the appointment process for the Board vacancy. She also reported the Board held a special Board meeting on March 26 to determine the appointment and interview process, and will be meeting again on April 16 to select a new Board member.

- Executive Performance Committee Report

Dr. Dianne Swella, Chair

- Dr. Swella reported committee met April 2, that the CEO evaluation process going well and the committee will report on the CEO's evaluation at the May Board meeting.

INFORMATIONAL ITEMS & UPDATES:

- **Co-Management Project - Presentation**

Dr. Chadwick gave an overview and status report on this project with the physicians. Dr. Salhotra expressed that the physicians are excited about this project, being able to improve patient satisfaction and getting involved in all aspects of patient care.

Several Board members asked Dr. Chadwick for clarification of a few specifics of this plan. After clarifying, Dr. Chadwick also explained that several of the physicians have been participating in the meetings with the representatives of PriceWaterhouseCoopers, and they have been instrumental in the work that has been done since last year to get the program to where it is now.



- **Financial Action Plan – Presentation (handout)**

- Dr. Chadwick presented the values statement of the District and highlighted several areas of importance.
 - Action Plan Priorities include
 1. Financial gain for District through renegotiating of existing contracts
 2. Preserve District cash through delayed capital expenditures, investment changes, or peripheral asset sales
 3. Generate volume growth incrementally positive to District earnings that requires no or modest capital cost
 4. Increase incremental revenue for existing services
 5. Reducing expenses
 6. Sizeable positive bottom-line impact on earnings, but requires entire elimination of a non-mission critical program/service, or program/service that is central to HDMC’s profile of services, but not a core critical program.
 - Problem statement – volume, patient revenue and other revenue (investment income)
 - Labor expenses are up
 - Action plan approach – identified 61 areas of cost-saving opportunities – potential of \$1,871,712 in cost savings
 - Action plan summary – annualized operating income gains of \$1,920,898
 - Several District programs are currently under review

Director Hoffman asked that the Finance committee be kept apprised at their meetings of the status of the financial action plan.

- **District Hospital Leadership Forum, Washington, D.C. - Verbal Report**

Dr. Chadwick reported that he is a part of the District Hospital Leadership Forum. The group is working with state and federal legislators on getting 40 million dollars for district hospitals in California. He participated in a delegation to Washington, D.C. to encourage approval by legislators.

ACTION ITEMS

1. ► FIN 12-01: Selection of External Auditor (Tom Duda, CFO)

- *This action recommends the approval of the recommendation to appoint and contract with Thomas L. Camp for the fiscal year end June 30, 2012 external audit.*



This item was presented in the last Finance Committee meeting, and was approved. The District does not wish to change auditors at this time, and Mr. Camp has been performing the District audit for the past four years. Mr. Camp is reasonable and has an excellent reputation.

▶ **MOTION 12—14:** Director Hoffman made the motion to approve the auditor, and Director Cole seconded. All were in favor, and the motion passed.

2. ▶ BOD 12-04: Voting Process for Regular Special District Member of the Local Agency Formation Commission (Dr. Lionel Chadwick, CEO)

- *This action recommends the District Board vote on one the following candidates for Regular Special District Member of LAFCO:*
 - *Kimberly Cox, incumbent LAFCO Special District member*
 - *Ralph Wagner*
 - *Terry Burkhart*
 - *Rebekah Swanson*
 - *Steven Farrell*

Dr. Chadwick reported the District is a member of LAFCO and are obligated to select a preferred candidate. Director Hoffman nominated Kimberly Cox, currently the incumbent, who he feels would best represent the interests of the District. Director Cole seconded the nomination.

Roll Call Vote: Those in favor of *Kimberly Cox*

Director Hoffman - Yes
Director Cole – Yes
Director Cooper - Yes
Director Swella - Yes

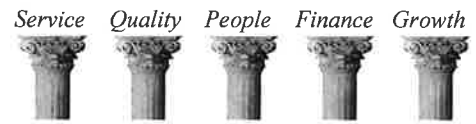
▶ **MOTION 12—15:** The Board approved the selection of Kimberly Cox to the LAFCO Board.

3. ▶ BOD 12-05: Cal Trans Grant Application Approval (Dean Moore, Foundation President)

- *This action recommends that the Board of Directors approve the action authorizing a grant application be submitted to Cal Trans for Federal Transit Authority (FTA) Funding, Section 5317-New Freedom (NF).*

After giving a brief background of this grant, Mr. Moore introduced this application, which has already been submitted, but require formal approval of the grant and minutes to be submitted.

▶ **MOTION 12—16:** Director Cole made the motion to approve, and Director Cooper seconded. All were in favor, and the motion passed.



CHIEF OF STAFF REPORT (*Service*)

Prem Salhotra, MD, Chief of Medical Staff: No report.

ADMINISTRATIVE REPORT (*Service*)

Lionel Chadwick, Chief Executive Officer, presented the Administrative Services Report. No questions were presented.

CLINICAL SERVICES REPORT (*Service*)

Judy Austin, Chief Operating Officer, presented the Clinical Services Report. Ms. Austin continues to look at areas for reducing costs, and is currently looking at a plan for reducing registry costs in OB. Ms. Austin reported she is also looking for opportunities to increase revenue, and wants get rooms being occupied by non-clinical staff back in service. She reported that she is looking to recruit more per diem nurses full-time and part-time to meet the needs of the census, which has been high in the past few weeks.

AMBULATORY SERVICES (*Service*)

Mr. Oswald presented the ambulatory services report. Mr. Oswald updated the Board on recent change in hours and labor at the RHCs and outpatient services. Airway hours will change slightly also. No questions were presented.

CONTINUING CARE CENTER (*Service*)

Ms. Combs was absent at this meeting.

FINANCE REPORT (*Finance*)

Mr. Duda introduced the December financial statements. Mr. Duda congratulated the medical records office for turning around delayed claims. There is a \$50,000 for the loss for the month, and Mr. Duda further explained the “tail” on the employee health insurance. Dr. Salhotra commented that the physicians are working hard on completing records, and an increase in revenue may be expected from this effort. Mr. Duda reported that census is down slightly (budget).

MARKETING REPORT (*Growth*)

Mr. Ruddon was presented the marketing report. Director Swella asked about the Joshua Tree Town Hall. Mr. Ruddon stated that attendance has not been as high as they hoped it would be, but the feedback from those in attendance has been valuable.



FOUNDATION REPORT

Dean Moore, President of the Foundation. Mr. Moore noted that Foundation Board meetings will be sent to the District Board once the Foundation Board has approved them (one month lag). He reported on his presentation to the 29 Palms Rotary Club. Three members of the Foundation Board will attend the May 5 Strategic Planning meeting. He updated the Board on other fundraising efforts. A brochure has been developed for the Foundation and will be presented to the District Board once finalized. Financial controls are being developed with the District's finance department.

Director Hoffman asked for clarification on the Foundation President not participating in the District's flexing policy. Mr. Moore explained that Foundation expenses are not a part of the profit/loss statement of the District and the Foundation is a separate legal entity. As there is only one staff member, the Foundation Board felt would not be prudent at this time to include Mr. Moore in the flex policy. Mr. Moore also provided an update on the Foundation's IRS Status, which has not been received at this time.

CALENDARS: Human Resources Committee date change. Dr. Chadwick announced that individual invitations for the Strategic Planning meeting on May 5 will be sent to all invitees.

ITEMS FOR NEXT AGENDA:

- Rest & Meal Break Policy
- CEO Evaluation
- Physician Survey

DIRECTORS' COMMENTS:

Director Swella: Thanks to nursing staff, to the candidates for their interest in the Board vacancy, also to Dr. Salhotra and medical staff for their donation to the Foundation, and Administration for all of their hard work. Dr. Swella briefly commented on the Auxiliary fashion show.

Director Cooper: Thanked the nursing staff for their presentation, and thanks to Chad, Tom, Dean, Judy, and Dr. Salhotra.

Director Hoffman: No comment

Director Cole: Everyone is doing an awesome job with the financial situation.

ADJOURNMENT TO OPEN MEETING – 7:57 pm

CLOSED SESSION – 8:15 pm

ADJOURNMENT TO OPEN SESSION AND CLOSED SESSION REPORT

- *Pursuant to section 32155 of the Health and Safety Code Report Involving Quality Assurance Matters - Two issues*
- *Pursuant to Government Code section 54956.9(b)(1) – Existing Litigation (1 case)*



In closed session, the Board discussed two quality assurance issues and received information regarding a litigation matter. The Board directed the management team to take appropriate action.

ADJOURNMENT:

On motion duly made and seconded Director Swella adjourned the meeting at 8:55 pm.

Minutes recorded by A. Walton, Board Clerk



Dianne Swella, President, Board of Directors



Korina Cole, Board Secretary