



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

June 12, 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 Hoffman, Treasurer Director Avels, Member-at-Large
Medical Staff:	Dr. Salhotra, Chief of Staff
Excused Absence:	Director Cole, Secretary
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 Ruddon, VP Marketing and Business Development Avelina Ortiz, Director of Quality Resources Dean Moore, Foundation President Jackie Combs, Administrator, CCC Angela Walton, Executive Assistant
Other Staff:	James Walter, Rural Health Clinics Director Anne Clark, Home Health/Hospice Director Bob Joslyn, EVS Director Ram Malhotra, Pharmacy Director Ora Rhine, FNS Director Luke Mechum, Project Manager Kathy Alkire, Director of Service Excellence Other Department Managers and Staff
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 Kristen Martin, member of The Compassionate Friends. Dr. Swella presented Ms. Martin with a certificate and a donation for the club.

Mission Statement: Read by Director Avels

Vision Statement: Read by Director Cooper

Core Values: Read by Director Hoffman

PUBLIC INPUT

Officer Jim Brewer addressed the Board and shared his positive experiences with the District, and stated that he applauds the staff for their work in turning around the community's perception of the hospital's reputation.

APPROVAL OF MEETING AGENDA

►► **MOTION 12—23:** Director Hoffman made the motion to approve the agenda, and Director Cooper seconded. The agenda was approved with no changes. Director Swella stated that Director Cole is has an excused absence this meeting.

BOARD EDUCATION

- Rural Health Centers – James Walter, Director

Mr. Walter provided an overview of the rural health centers, and explained the causes of the recent low volume at the rural health centers. To remedy this, they have implemented several growth initiatives:

- Accepts walk-in patients
- Recruiting 1 FTE Mid-Level provider
- Expand orthopedics in 29 Palms
- Recent addition of Cardiology (which is the only Medi-Cal accessible cardiologist in the area)
- Addition of pain management in the near future
- Will also explore additional service lines
- Increased presence in community
- Involvement with community based organizations
- Greater emphasis on customer service
- Focus on quality
- Additional marketing
- Working with physicians in emphasizing a “sense of mission”



- Staffing realignment is consistent with productivity/clinic needs
- Continue to implement cost-saving measures at every opportunity

Mr. Walter stated that they will continue to explore opportunities such as delivery alternatives, diversify specialty offerings to the extent possible, patient centered health home, and telemedicine.

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 8 10, 2012
- Minutes of the Human Resources Committee Meeting dated May 10, 2012
- Minutes of the Facilities & Technology Committee Meeting dated May 15, 2012
- Minutes of Special Board/Budget Workshop Meeting dated May 30, 2012
- Minutes of the Finance Committee Meeting dated May 30, 2012
- Minutes of the Executive Performance Committee Meeting dated June 4, 2012

CREDENTIALING

NEW APPOINTMENTS – June 2012

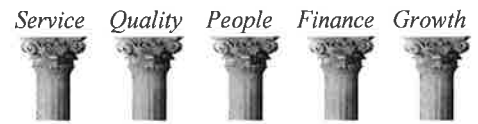
The following MEC credentialing and privileging recommendations are being submitted to the Board of Directors for approval:

A. New Appointments

- **Recommendation to appoint Rodney Koenig, PA-C** to Allied Staff and approve privileges for Emergency Medicine as submitted.
Service: Medical. Appointment Period: June 2012 to May 2014

B. Reappointments

- **Recommendation to reappoint Alfred Hand, M.D.** to Consulting Staff and approve privileges for Tele-Radiology as submitted with no changes.
Service: Medical. Appointment Period: June 2012 to June 2014
- **Recommendation to reappoint Nadie Jean- Charles, M.D.** to Consulting Staff and approve privileges for Tele-Radiology as submitted with no changes.
Service: Medical. Appointment Period: June 2012 to June 2014
- **Recommendation to reappoint Lisa Sheppard, M.D.** to Consulting Staff and approve privileges for Tele-Radiology as submitted with no changes.
Service: Medical. Appointment Period: June 2012 to June 2014



- **Recommendation to reappoint Diane Newton, M.D.** to Consulting Staff and approve privileges for Tele-Radiology as submitted with no changes.
Service: Medical. Appointment Period: June 2012 to June 2014
- ***Recommendation to reappoint Jai Ghatnekar, M.D.** to Provisional Staff and approve privileges for General Surgery as submitted with no changes for 90 additional days.
Service: Surgical. Appointment Period: June 2012 to September 2012
- **Recommendation to reappoint Saulina Marpaung, N.P.** to Allied Staff and approve privileges for Rural Health as submitted with no changes.
Service: Medical. Appointment Period: June 2012 to June 2014

C. Leave of Absence

John Ritter, M.D. on leave until 11/30/2012

D. Resignation

Elber Camacho, M.D. (Hematology/ Oncology)

The following clinical manuals are being submitted to the Board of Directors for approval:

- Home Health – Policy List (Full Manual available for review)
- Hospice – Policy List (Full Manual available for review)

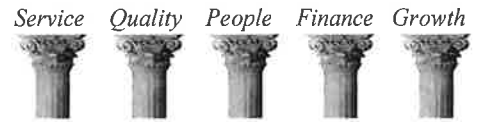
▶▶ Motion to approve the Consent Agenda as presented

Discussion: Director Hoffman requested removing the approval of the clinical manuals from the consent agenda. The Board members recommended that there be a better process in place for the review of policy manuals. Dr. Chadwick stated that the manuals/policies available one week ahead of time for Board members to review.

▶▶ MOTION 12—24:

- Manuals pulled for review prior to July Board meeting
- Change in FAT meeting minutes.

Motion made by Director Hoffman and seconded by Director Cooper to approve the consent agenda with changes. All members were in favor, and the motion carried.



CEO EVALUATION REPORT – Dr. Dianne Swella, Chair, Executive Performance & Compensation Committee

Director Swella announced that the annual CEO 2011 evaluation was completed by the Executive Performance Committee. The CEO evaluation will now become aligned with the fiscal year, not calendar year. Dr. Swella described the process of this year's evaluation, which was presented to the full Board in closed session at the May Board meeting. Director Swella reported that Dr. Chadwick has demonstrated exemplary leadership, and announced that Dr. Chadwick has waived his District-obligated compensation earnings for the year. The Board thanked Dr. Chadwick for his generosity and his dedication to the District. Dr. Chadwick stated that he will be working with the Executive Performance Committee to bring forth goals for the upcoming year.

BOARD COMMITTEE REPORTS:

- Finance Committee Report

Paul Hoffman, Chair

- Director Hoffman reported that the committee met May 30, 2012, to review financial statements for the period ending April 2012. The Board held its annual budget workshop on May 30, before the Finance committee meeting. Director Hoffman gave a detailed summary of the financial statements, and reported that action items 1 & 2 were approved by the committee.

- Human Resources Committee Report

Korina Cole, Chair

- Director Cole absent, no committee report.

- Facilities & Technology Committee Report

Martie Avels, Chair

- Director Avels reported that the committee met on May 15, 2012. In the meeting, Mr. McClure gave a detail of IT expenses for the year, and discussed the need to expedite the implementation of the scanning and archiving project. Discussion with the Board was recommended by the committee to discuss capital and operational budgets.

- Governance Committee Report

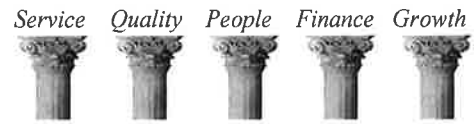
Patricia Cooper, Chair

- Next meeting will be June 20. Charters are being presented in this meeting for approval.

- Executive Performance Committee Report

Dr. Dianne Swella, Chair

- Dr. Swella reported that there will be a meeting to finalize the CEO goals for the upcoming year in June.



ACTION ITEMS:

1. ▶▶ Purchase of GE Echocardiography equipment (Judy Austin, COO/CNO)

- *This action recommends directing management to proceed with the purchase of GE Echocardiography equipment with transesophageal probe and reading station software at a cost of \$141,387, contingent upon approval of the FY13 capital budget.*

Dr. Chadwick reported that there is a revised action item with an updated cost for this project (\$141,387), which is in the capital budget; this cost does not include the electronic interface, which will be necessary, but they do not have a price at this time. Ms. Austin reported that they would like to be able to order this on July 1. The current equipment is outdated; Dr. Salhotra stated with the new equipment, patients will not have to wait as long for their results, and thanked the Board for considering this purchase.

▶▶ **MOTION 12—25**– Director Avels made the motion to approve this action, and Director Hoffman seconded. All were in favor, and the motion passed.

2. ▶▶ Dietary Bank Account (Tom Duda, CFO)

- *This action recommends the Finance Department be granted authorization to set up a new bank account with Pacific Western Bank to process ATM dietary transactions.*

Mr. Duda stated that the cafeteria is now capable of receiving ATM transactions. An established bank account is already in place, but is becoming too cluttered with other transactions to allow for clear allocation of the ATM dietary transactions. Mr. Duda recommends opening this account to keep these transactions separate and making it easier for reconciliation.

▶▶ **MOTION 12—26**– Director Hoffman made the motion to approve this action and Director Avels seconded. All were in favor, and the motion passed.

3. ▶▶ Board Committee Charters (Lionel Chadwick, CEO)

- *This action recommends that the Board of Directors eliminate the statement allowing the use of “alternates” in all committee charters.*

Dr. Chadwick reported this as a “clean-up” item as a result of the Governance Committee’s review of the charters. The statement regarding alternates needed to be eliminated from the charters as the Board no longer uses alternates for committee meetings.

▶▶ **MOTION 12—27**– Director Hoffman made the motion to approve this action and Director Avels seconded. All were in favor, and the motion passed.



4. ► FY 2013 Capital & Operating Budget Presentation & Approval (Tom Duda, CFO)

- *This action recommends review and approval of the fiscal year 2013 budget.*

Dr. Chadwick announced that Mr. Duda will be discussing the capital and operating budget. Mr. Duda presented the budget that has been presented to senior administrative staff, as well as the Board members in at the budget workshop in May. Items discussed:

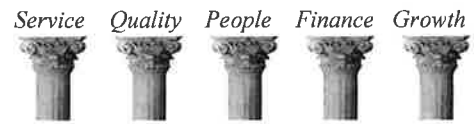
- FY 2013 Budgeted Statistics
- HDMC Emergency visits
- Debt Service Coverage Ratio
- Acute patient days
- FTE comparison and registry use
- Accounts receivable days and Medicare case mix index
- Physician expense
- Capital equipment and future projects

Mr. Duda discussed in detail the budget assumptions for FY 2013, the total expense reductions and expected expense increases. Also presented was the registry use projected for FY 2013, the income statement summary and comparisons. For Hi-Desert Medical Center the net revenue totals \$59,709,997; operating expense totals \$61,705,838, and the net operating loss is \$1,995,841. With District non-operating income and expense included, the total net loss is \$849,022.

Mr. Duda also discussed the Medicare EHR incentive value estimates and cash obligations for 2013. Dr. Chadwick stated that the budget presented is the culmination of a great deal of work by staff. He stated that the budget presented does not have a 2% merit increase included. A merit increase of 2% would amount to over \$337,000; if this adjustment is not given, Dr. Chadwick stated that the District runs the risk of falling behind the curve with employee wage comparisons. Many items were put off in preparation for this upcoming budget year excluding those that directly address patient safety.

Director Hoffman shared comments regarding the responsibility he believes the District has to the public. He reiterated several financial measures the District has had to engage in over the past year, including the reduction in force, and stated that although he feels that the employees of the District deserve increases, he felt it would not be financially prudent to include a merit increase to employees at this time. Director Hoffman is in favor of bringing the issue back for discussion at a later time when the financial condition of the District is more stable.

►► **MOTION 12—28**— Director Hoffman made the motion to approve the capital and operating budgets as presented, and Director Cooper seconded. All were in favor, and the motion passed.



CHIEF OF STAFF REPORT (*Service*)

Prem Salhotra, MD, Chief of Medical Staff: Thanked the Board for approval of all MEC recommendations. Thanked Mr. Walter for his presentation for addressing the issues at the rural health centers. He also thanked Virginia McCann for her presentation to the medical staff on Behavioral Health services. Dr. Salhotra thanked Dr. Chadwick for his continued leadership.

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 reported that a new director of Emergency Services has been hired, and will begin working in July. He has already met with staff, and Ms. Austin will give a full report on the new director in her report next month.

AMBULATORY SERVICES (*Service*)

Mr. Oswald presented the ambulatory services report. Mr. Oswald thanked Mr. Ruddon for the new sign in front of the Machris Building. No questions were presented.

CONTINUING CARE CENTER (*Service*)

Ms. Combs presented this report. Director Avels reported that she attended the Elder Games and had a good time.

FINANCE REPORT (*Finance*)

Mr. Duda introduced the April financial statements. No questions were presented.

MARKETING REPORT (*Growth*)

Mr. Ruddon was presented the marketing report. Mr. Ruddon highlighted the new inpatient guide that was included in the Board packets.

FOUNDATION REPORT

Dean Moore, President of the Foundation. Director Cooper asked about the estate gift that was extended to the Foundation, and Mr. Moore provided background on the couple who left this gift. Mr. Moore also discussed that this gift will be used springboard the Foundation's estate planning. He also provided a brief update on the IRS deeming status of the Foundation. An agreement has been developed with the Auxiliary in the event grant opportunities come through for the Foundation while awaiting the IRS decision. Mr. Moore also reported that there are several candidates for Foundation Board membership.



CALENDARS: Director Swella reported that MEC has changed their meeting to July 9. July 17 needs to be added on the calendar for Facilities and Technology.

ITEMS FOR NEXT AGENDA:

- CEO Goals
- Strategic Plan
- Leadership Academy Class presentation

DIRECTORS' COMMENTS:

Director Swella: Thanks to Mr. Walter, and enjoyed working with Director Cooper on the Executive Performance committee.

Director Cooper: Thanked James Walter for his presentation and all staff.

Director Hoffman: Thanks to Mr. Walter for his approach to health care. Thanks to Dr. Chadwick, Mr. Duda, and Adele Nafziger.

Director Cole: absent

Director Avels: Thanked all staff who helped her get re-oriented to the District.

ADJOURNMENT TO OPEN MEETING – 8:04 pm

CLOSED SESSION – 8:14 pm

ADJOURNMENT TO OPEN SESSION AND CLOSED SESSION REPORT – 8:32 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
Two Reports Involving Trade Secrets
Estimated date of public disclosure: August 2012

In closed session, the Board discussed a quality assurance issue and received information regarding two trade secret reports. The Board directed the management team to take appropriate action.

ADJOURNMENT:

On motion duly made and seconded Director Swella adjourned the meeting at 8:33 pm.

Minutes recorded by A. Walton, Board Clerk



Dianne Swella, President, Board of Directors



Korina Cole, Board Secretary