



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

January 16, 2013 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 Cole, President
Director Avels, Vice President
Director Hoffman, Treasurer
Director Swella, Secretary
Director Cooper, Member-at-Large

Medical Staff: Dr. Prem Salhotra, Chief of Staff

Excused Absence:

Administrative Staff: Lionel Chadwick, CEO
Judy Austin, COO/CNO
Dan McClure, CIO
Tom Duda, CFO (outgoing)
Bob Tyk, CFO
Bruce Oswald, Assistant Administrator of Ambulatory Services
Barbara Staresinic, VP Human Resources
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: Anne Clark, Home Health/ Hospice Director
Kathy Alkire, Director of Service Excellence
James Walter, RHC Director
Mac Wright, CCC EVS Director
Esther Tomaszewski, CCC Quality
Bill Bulkley, Director of Engineering and Security
Cindy Dietz, IT Director
Joan Senelick, CRM Director
Other Department Managers and Staff



Media

M. Lipsitz

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE & READING OF MISSION STATEMENT

The Pledge of Allegiance was led by Director Avels in the absence of Girl Scout Troop 823.

Mission Statement: Read by Director Hoffman

Vision Statement: Read by Director Swella

Core Values: Read by Director Cooper

PUBLIC INPUT

There was no public input.

APPROVAL OF MEETING AGENDA

▶▶ **MOTION 13—01:** Director Hoffman made the motion to approve the agenda, and Director Avels seconded.

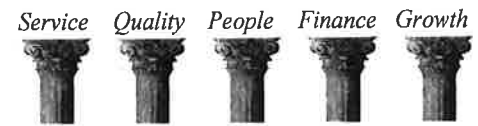
Presentation to Dr. Dianne Swella – Director Cole presented a plaque to Dr. Swella in appreciation of her year of serving as Board President in 2012. Dr. Swella thanked all for supporting her during her year as Board President.

Introduction of new employees – Dan McClure introduced William Bulkley, Director of Engineering and Security. Dr. Chadwick introduced Bob Tyk, new Chief Financial Officer.

BOARD EDUCATION - Continuing Care Center – Jackie Combs, CCC Administrator

Michelle Amdahl, Esther Tomaszewski, and Mac Wright made the presentation for the Continuing Care Center:

- Dr. Guzman is the medical director
- CCC has the following departments: Administration, Nursing, Staff Educator, Social Service, Activities, Food & Nutrition, Environmental Services, Physical, occupational and speech therapy
- Employees specific to CCC from Medical Records, Engineering and Business Office
- Stand-up meetings occur each morning to review admissions, discharges, the 24-hour report, and issues pertinent to the day
- Falls are reviewed by the team for necessary interventions, review of causal factors, equipment needs etc.
- Weekly “Weight and Wound Team” includes medical director, dietician and nursing staff



- Interdisciplinary team meetings for each new admission, quarterly and for special needs
- Weekly utilization review for continued insurance coverage
- Monthly interdisciplinary CQI meeting
- Monthly review of residents taking psychotropic medications
- Challenges include: Meeting the needs of the younger client, increasing our subacute census, space, and maintaining the spirit
- Activities include: Family style Thanksgiving Dinner
 - Culture Change Training for staff
 - Adopt a resident for Christmas
 - Activities Department - 365 days
 - Wireless internet access for residents
 - Improving our storage issues
 - A pet cat named Tonka
- EVS Director – Mac Wright reported there are 13 EVS staff members
- The Environmental Services Department provides a systematic, collaborative and continuous approach will endeavor to deliver a safe, clean environment for patients, residents, visitors and staff
- Mr. Wright reported that there were 0 findings on last state survey, and the cleanliness of the facility is noted by many of their guests
- Ms. Tomaszewski reported that they hold monthly Continuous Quality Improvement meetings
- Reported on the last November 26, 2012 four-day regulatory state and life safety survey; several minor deficiencies were all cleared by their plan of correction with no revisit necessary

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:

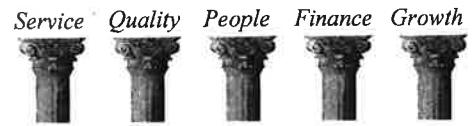
- Minutes of the Regular Meeting of the Board of Directors dated December 11, 2012
- Minutes of the Finance Committee Meeting dated December 19, 2012
- Minutes of the Facilities & Technology Meeting dated January 8, 2013

CREDENTIALING

NEW APPOINTMENTS & REAPPOINTMENTS – December 2012

A. New Appointments

REC: Appoint **Robert Baker, PA.** to Allied Staff and approve privileges for Physician Assistant as submitted. (PA to Dr. Seip). **Service:** **Surgical.** Appointment Period: January 2013 – June 2014



B. Reappointments

- REC:** Reappoint **Prem Salhotra, M.D.** to Active Staff and approve privileges for Internal Medicine as submitted with no changes. Service: **Medical.** Appointment Period: January 2013 – January 2015
- REC:** Reappoint **Daniel Frascetti, D.O.** to Active Staff and approve privileges for Pediatrics as submitted with no changes. Service: **Medical.** Appointment Period: January 2013 – January 2015
- REC:** Reappoint **Surender Vuthoori, M.D.** to Active Staff and approve privileges for Cardiology as submitted with no changes. Service: **Medical.** Appointment Period: January 2013 – January 2015
- REC:** Reappoint **Eldene Smith, M.D.** to Active Staff and approve privileges for Family Practice as submitted with no changes.
Service: **Medical.** Appointment Period: January 2013 – January 2015

C. Resignation

- **Heather Parlett, PA-C** (*No response to reappt. app*)

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

- Drug Product Shortage
- Medical Staff Evidence Based Protocols

Credentialing report – Dr. Chadwick reported that MEC met on Monday, and there were two changes to the draft credentialing report sent out in the Board packet. The updated credentialing report was distributed to the Board during the meeting. Director Swella asked for clarification in the drug shortage policy and asked that the page-numbering formatting be corrected. Dr. Chadwick addressed the drug shortage issue, and stated that the hospital is concerned and is well-aware of the problem.

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

▶▶ **MOTION 13—02:** Motion made by Director Avels and seconded by Director Swella to approve the consent agenda with corrections.

BOARD COMMITTEE REPORTS:

- Finance Committee Report

Paul Hoffman, Chair



- Director Hoffman met on December 19 to discuss the November reports, and gave a brief summary of the financial statements, which included a year-to-date loss of 2.5 million, and a loss of \$420,746 in investments.

- Human Resources Committee Report Patricia Cooper, Chair

- No report; Director Cooper reported the committee will meet February 7.

- Facilities & Technology Committee Report Dianne Swella, Chair

- Director Swella stated the committee discussed scanning/archiving updates, reported the ED computer physician order entry (CPOE) went live November 19, waste water treatment plant construction is proceeding ahead of schedule, capital projects are being reviewed, and Mr. McClure discussed meaningful use. Mr. McClure gave a brief history on meaningful use to the Board, stating there are 14 core measure goals have to be met as well as 5 menu set goals. Mr. McClure reported that as of December 15, the District has met more than half of the goals. Mr. McClure explained that there is a process in place that assures the government the District is meeting the goals.

- Governance Committee Report Dianne Swella, Chair

- No report; Director Swella reported the committee will meet on February 7.

- Executive Performance Committee Report Martie Avels, Chair

- Director Avels reported that EPC has not met, and asked about the CEO goals. They will be shared with the new EPC committee prior to their next meeting.

INFORMATION ITEMS

- **Board Speakers Bureau: Dr. Lionel Chadwick** – In the District’s strategic plan, there is an element allowing for development of a Board speaker’s bureau for community groups. There have been several requests for Board members to go to community meetings to speak on behalf of the District when invited. The Board members discussed appropriate process measures. Mr. Ruddon also stated that his department is developing a topics list for a speaker’s bureau for the Board members to use when addressing the community. He stated that staff members would be available to accompany the Board when they are asked to speaking engagements. Dr. Chadwick asked if the Board would like staff to take the initiative to find speaking opportunities, and the Board members were in agreement. He also asked if the Board would prefer a rotation schedule, and Director Cole recommends that after a speaking engagement occurs, it should be reported to the Board. Dr. Chadwick asked if it should be a part of Mr. Ruddon’s report to the Board. All were in agreement. Mr. Ruddon added that it would be beneficial to have the Board go through the powerpoint presentation together.



- **Sewage Treatment Plan Project Update: Dan McClure, CIO** – Mr. McClure stated that construction has begun, and there are meetings that he attends bi-monthly, and he has put Dudek Construction on notice that they are expected to make presentations to the District Board as progress continues. Dr. Chadwick informed the Board that he and Dean Moore of the Foundation are going to tap other organizations to determine if there are other funding sources to assist with the cost of the treatment plant.
- **Financial Consultant Board Report: Dr. Lionel Chadwick** – Dr. Chadwick gave an update on the efforts; case management has had a review and there have been opportunities identified in this area. EHR is a documentation group that will be working with the physicians on admissions, documentation, and will also work on RAC denials. EHR will be giving an orientation at the next general medical staff meeting for the physicians. Dr. Salhotra shared his experience with EHR, and Dr. Chadwick also reported that Mr. Tyk has taken the lead on finding a vendor for coding. Andy Werking, District Contracts Administrator, completed the Oasis contract. Dr. Chadwick will work on a consultant status report for the March Board meeting.

ACTION ITEMS:

1. ▶ Co-Applicant Agreement between HDMC and Hi-Desert Memorial Health Care District Community Health Center – James Walter, RHC Director

- *It is recommended that the Board of Directors approve the Co-Applicant Agreement between Hi-Desert Medical Center and Hi-Desert Memorial Health Care District Community Health Center.*

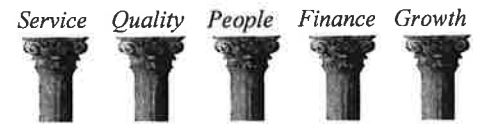
Discussion: Mr. Walter introduced this item, which is a component of applying for the New Access Point (NAP) opportunity to gain status as a federally-qualified health center for the rural health clinics. It needs to be signed by the President of the District Board and the Chair of the rural health center Board.

▶▶ **MOTION 13—03:** Director Hoffman made the motion to accept the action, and Director Swella seconded. All were in favor, and the motion passed.

2. ▶ Finance Committee Action Ratification: Immediate District Asset Withdrawal for Operations – Tom Duda, CFO

- *It is recommended that the Board of Directors ratify the Finance Committee Action authorizing immediate District asset withdrawal approval to cover operational shortfalls.*

Discussion: Mr. Duda addressed this matter that has been discussed with the Finance Committee at its December committee meeting. This item has been approved by Finance, but needs ratification of the full Board of Directors for the action previously taken by the Finance



Committee to allow this asset withdrawal. The Board discussed the problem of diminishing revenue and the necessity to draw from investments to cover expenses.

▶▶ **MOTION 13—04:** Director Hoffman made the motion to ratify the action of the Finance Committee, and Director Swella seconded. All were in favor, and the motion passed.

3. ▶▶ **Establishment of a Policy and Procedure for Board of Director Approval of Investment Account Withdrawals – Dr. Lionel Chadwick, CEO**

- *In accordance with the recommendation of the Finance Committee of the Board of Directors, and at the recommendation and concurrence of the Chief Financial Officer and Chief Executive Officer, the full Board of Directors is requested to direct management to establish a policy and procedure for the Board's consideration at its February meeting that accomplishes the following goals:*
 - A. *Ensures that the Board of Directors approves, through board action, material asset withdrawal from district asset / investment accounts.*
 - B. *Ensures that the Board of Directors is familiar with the aggregate balance of the district's investment assets (financial reserves).*
 - C. *Provides public accountability and transparency for material changes in the aggregate balance of the district's investment accounts.*
 - D. *Supports and reinforces the appropriate financial management oversight roles of the Treasurer and Finance Committee of the Board of Directors, the Chief Financial Officer, and the Chief Executive Officer.*
 - E. *Retains a "policy perspective" oversight position by the Board of Directors and avoids placing unreasonable and unadvisable barriers to prudent cash management practices or asset allocation strategies which are (and should be) in the legitimate management domain Chief Financial Officer and/or Controller under the direction of the Chief Executive Officer.*
 - F. *Encourages a focus on District Investment Balances in the Community.*
 - G. *Provides withdrawal authorization documentation at the Board level.*

Discussion: Dr. Chadwick asked the Board's approval of this action item, whereby the Board would actively review the withdrawals also allowing staff to be flexible enough to take actions necessary to cover operational expenses, and that also allows for Board review on a consistent basis to maintain oversight, to include a cash flow reporting mechanism.

▶▶ **MOTION 13—05:** Director Hoffman made the motion to accept the action, and Director Swella seconded. All were in favor, and the motion passed.

4. Bank Signatories – Resolution 13-01

- *It is recommended that the Board of Directors approve a resolution authorizing the signatures of the Board Treasurer and Board Secretary on District Bank and Investment Accounts.*

Discussion: There was no discussion.

▶▶ **MOTION 13—06:** Director Hoffman made the motion to accept the action, and Director Swella seconded. All were in favor, and the motion passed.

CHIEF OF STAFF REPORT (Service)

Dr. Prem Salhotra, Chief of Staff: CCC presentation was good, and that he agrees that more beds are needed at CCC. He stated that he would like to see CCC expansion as a priority item in the future. Meaningful use – congratulated Dan and IT staff on the work completed to date.

ADMINISTRATIVE REPORT (Service)

Lionel Chadwick, Chief Executive Officer. Dr. Chadwick highlighted the following:

- Commented on meaningful use
- Litigation - State of California has imposed a reduction in the existing rate for CCC in District reimbursement that is retroactive and amounts to approximately \$1 million dollars. Dr. Chadwick recommends a letter-writing campaign.
- Census is high
- Leadership Academy's fourth class began today

CLINICAL SERVICES REPORT (Service)

Judy Austin, Chief Operating Officer. Highlights:

- Addressed high census
- Looking at addressing staffing for the flu problem

AMBULATORY SERVICES (Service)

Bruce Oswald, Ambulatory Services Director.

- Accreditation process for scanners – process is underway and expects to have accreditation by July 1

CONTINUING CARE CENTER (Service)

Jackie Combs, CCC Administrator. Highlights:

- Flu – reported on efforts of Infection Control in preparation of the flu epidemic with regard to staff training and signage throughout the District. Employees who have not taken the flu vaccine will be required to wear masks around patients; this issue was approved through MEC.



FINANCE REPORT (*Finance*)

Tom Duda, Chief Financial Officer. Highlights:

- Update on 2002 Bonds
- November census was 17% below budget

MARKETING REPORT (*Growth*)

Joe Ruddon, Marketing/Business Development Director. Highlights:

- Community health education sessions are well-attended
- New Home Care/Hospice brochure

FOUNDATION REPORT

Dean Moore, Foundation President. Highlights:

- December minutes have not been approved due to no Foundation Board meeting in January
- Foundation Board members are committed to assisting the District in speaking to community
- Relay for Life is April 13 at Yucca Valley High School – Board members are invited to become team members

COMMUNITY HEALTH CENTERS REPORT – Verbal Report

James Walter, RHC Director

- Minutes are included in Board packet
- NAP application has been pushed back again
- Grant writer has been notified and a timeline is being developed
- Invited to become member of a new San Bernardino council

BOARD CALENDARS:

No comments on calendars.

Martie Avels asked about patient satisfaction surveys. Dr. Chadwick stated that it is reported in Joint Conference, but will work on a format for reporting out in Board meeting.

Items for Next Board Agenda:

- Strategic Plan Quarterly Report

DIRECTORS COMMENTS:

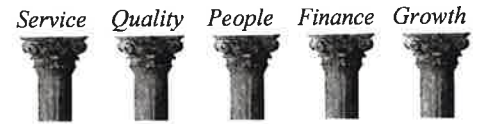
Director Avels – Attended Historical Society presentation, and thanked all presenters thanks to the Finance Department and staff

Director Cole – thanked all for coming

Director Hoffman – thanked Jackie and CCC staff

Director Cooper – thanks to all staff and presenters

Director Swella –thanked all staff



ADJOURNMENT TO CLOSED SESSION AND CLOSED SESSION REPORT

- 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: February 2012

The Board of Directors met in closed session to receive a briefing from the CEO on management strategies to increase net revenues, and reduce costs for patient care as well as strategic options available to the Board in response to the current financial challenges.

While the board took no action, the following sentiments were uniformly expressed:

1. Significant concern and continued focus about the ongoing financial losses
2. Emphasized that patient care and safety remains paramount consideration
3. The importance of an enhanced communication strategy to the community
4. Requested management's recommendation regarding key upcoming decision points
5. Reiterated the importance of the stability of the District to the various stakeholders including patients, physicians, employees, and the various communities of the Morongo Basin
6. Directed management to continue all available steps to enhance revenue and cost management
7. Explore the possibility of taking a tax initiative to the voters in the future
8. Expressed an openness to various strategic alliances in the future which would facilitate stability and ensure service delivery
9. Committed to taking all necessary actions in the future which will lead to a stable clinical service capability.

The Board of Directors requested an update briefing at their regularly scheduled February meeting.

ADJOURNMENT:

On motion duly made and seconded Director Cole adjourned the meeting at 9:15 pm.

Minutes recorded by A. Walton, Board Clerk



Korina Cole, President, Board of Directors



Dr. Dianne Swella, Board Secretary