



**HI-DESERT
MEDICAL CENTER**
HI-DESERT MEMORIAL HEALTH CARE DISTRICT



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

April 9, 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*

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:

Excused Absence:

Dr. Prem Salhotra, Chief of Staff

Administrative Staff:

Lionel Chadwick, CEO
Judy Austin, COO/CNO
Dan McClure, CIO
Bob Tyk, CFO
Joe Ruddon, VP Marketing and Business Development
Barbara Staresinic, VP Human Resources
Avelina Ortiz, Director of Quality Resources
Dean Moore, Foundation President
Jackie Combs, Administrator, CCC
Angela Walton, Executive Assistant

Other Staff:

Adele Nafziger, Controller
Kathy Alkire, Director of Service Excellence
James Walter, RHC Director
Ora Rhine, FNS Director
Cindy Dietz, IT Director
Anne Clark, Home Health/Hospice Director
Alice Brown, LDRP/Surgical Services Director
Kim Harrison, Business Office Director
Sue Shinaver, Lab Services Director
Virginia McCann, Behavioral Health Director



Shanon Aarup, Rehab Director
Other Department Managers and Staff

Guests Frank Coate, Vice President of the JBWD
Mickey Luckman, President, JBWD Board of Directors
Joe Guzzetta, General Manager, JBWD
Mike Metts, Dudek Engineering

Media No media present

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 members of the Relay for Life 2013 Team. Director Cole presented the team with a small donation and certificates.

Mission Statement: Read by Director Hoffman

Vision Statement: Read by Director Avels

Core Values: Read by Director Swella

PUBLIC INPUT

There were no public comments.

APPROVAL OF MEETING AGENDA

▶▶ **MOTION 13—15:** Director Swella made the motion to approve the agenda, and Director Avels seconded. All members were in favor.

BOARD EDUCATION – 340B Program Overview – James Walter, Director of Rural Health Center, & Ram Malhotra, Pharmacy Director

Mr. Malhotra had a family emergency and was not in attendance. Mr. Walter described the program benefits and requirements of the 340B Program:

- Section 340B of the Public Health Service Act
- Administered by the Office of Pharmacy Affairs →HRSA→HHS
- Provides discounts on outpatient drugs to certain safety-net covered entities
- Sole Community Hospitals/DSH
- Rural Health Clinics
- Federally Qualified Health Centers



- The hospital campus and two rural health clinics have been deemed an approved entity as of April 1
- Phased implementation of 90 – 120 days
- Evaluating appropriate model for our needs, whether in the form of a management company, director contracting or prime vendor opportunities

Program Benefits include:

- Average savings of 25-50% on outpatient drug purchases
- Pharmacy Services Support Center
- Prime Vendor Program
- Savings may be used to:
 - ✓ Reduce price of pharmaceuticals for patients
 - ✓ Expand services offered to patients
 - ✓ Provide services to more patients
 - Family Health Clinics
 - Emergency Department
 - Continuing Care Center
 - Infusion Clinic

Program requirements include:

- Auditable Records
- Ongoing Recertification (annual)
- Prohibit Duplicate Discounts
- Prohibit Diversion
 - ✓ Drugs provided to individuals who are not patients of the participating grantee
 - ✓ Drugs, dispensed, transferred, or sold to a program, facility or provider not currently within the scope of the grant of the eligible participating grantee

Our Emergency Department:

- ED has approximately 80 patients/day, with ≈ 60 (75%) needing meds, at an average of 3-4/pt.
- At 3 per patient, = 180 meds/day
- Our average cost of meds \$5 - \$10 → \$365,000 - \$730,000 annual cost
- 340B savings estimated at \$91,000 to \$182,000 annually

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 12, 2013
- Minutes of the Finance Committee Meeting dated March 27, 2013
- Minutes of the Community Health Center Board of Directors Meeting dated February 27, 2013
- Minutes of the Foundation Board of Directors Meeting dated March 6, 2013
 - Foundation Financial Statements - February 2013

CREDENTIALING

NEW APPOINTMENTS & REAPPOINTMENTS - April 2013

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

A. New Appointments

- **Recommendation to appoint Michael Martelli, D.O.** to Provisional and approve privileges for Emergency Medicine as submitted with no changes.
Service: **Medical**. Appointment Period: April 2013 –April 2014

B. Reappointments

- **Recommendation to reappoint Ayad Gharghoury, M.D.** to Active and approve privileges for Pulmonary/ICU as submitted with no changes.
Service: **Medical**. Appointment Period: April 2013 –April 2015
- **Recommendation to reappoint Howard Parker, DPM** to Courtesy and approve privileges for Podiatry as submitted with no changes.
Service: **Surgical**. Appointment Period: April 2013 –April 2015

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

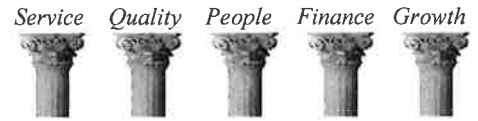
- Infection Prevention and Control Plan 2013
- Medication Reconciliation Policy
- High Risk / High Alert and Hazardous Medication Management Policy

The following Administrative Staff policy recommendation is being submitted to the Board of Directors for approval:

- HDMHCD Investment Policy

▶▶ Motion to approve the Consent Agenda as presented

▶▶ MOTION 13—16: Motion made by Director Avels and seconded by Director Swella to approve the consent agenda, with one correction. There was one correction; Dr. Chadwick announced that FQHC minutes and Foundation Board minutes will now be placed under the consent agenda.



BOARD COMMITTEE REPORTS:

- Finance Committee Report Paul Hoffman, Chair
 - Director Hoffman reported the Finance Committee met on March 27 to discuss February financial statements. Director Hoffman reported investment strategies as pertains to hospital investments and proposals from audit firms as an action item, finance report was better month with gains of over \$310,000.

- Human Resources Committee Report Patricia Cooper, Chair
 - Director Hoffman for Director Cooper and reported that the committee has not met since the last Board meeting; no report.

- Facilities & Technology Committee Report Dianne Swella, Chair
 - Director Swella reported that the committee will meet next Tuesday.

- Governance Committee Report Dianne Swella, Chair
 - Director Swella reported that the committee is scheduled to meet next Thursday.

- Executive Performance Committee Report Martie Avels, Chair
 - No report; Director Avels reported that the committee is scheduled to meet tomorrow.

INFORMATION ITEMS

- Waste Water Treatment Plant Progress Report Presentation: Mike Metts, Dudek Engineering

Frank Coates, Vice President of the JBWD Board, Mickie Luckman, JBWD Board President, Joe Guzetta, JBWD General Manager, and Mike Metts of Dudek Engineering were introduced by Mr. McClure. Mr. Metts presented a construction progress update presentation that included the process flow diagram, pictures of the site that detailed the location of water lines, seepage pits, manholes, and overall general building progress. Mr. Metts also described the testing process that will determine when it is ready for operations. The estimated completion date for this project is July 2013.

- Foundation Presentation Year-End Review: Dean Moore, Foundation President
 - Mr. Moore described the philanthropy efforts of the Foundation for calendar year 2012, which totaled \$78,950.
 - Grants that have been received included MTBA, CalTrans, and DHHS (pending), which potentially will total \$163,742 (if DHHS grant is approved in September 2013)



- Giving programs include the Rose Garden, planned giving efforts, Martie Avels Nursing Scholarship, Patient Care & Comfort Fund, Hand-in-Hand Fund, and Home Health & Hospice Fund. Mr. Moore described each program in detail.
- Mr. Moore included relationships that have been established with many community organizations, such as Morongo Basin have, Desert Regional, YV Rotary, Morongo Basin Historical Society and many others
- Finances included \$184,887 in income, \$159,072 in expenses, \$91,702 that benefits HDMC, with a total benefit of \$117,517

Director Cole asked if it will be in the Foundation's future plans to write grants on their own without using K & M for grant writing. Mr. Moore explained that some grant matters will be handled by the Foundation in-house, however, it is not written into this year's budget.

ACTION ITEM:

▶▶ **1. Authorization of TCA Partners, LLP as the District's Audit Firm – Bob Tyk, Chief Financial Officer**

- *It is recommended that the Board of Directors approve authorizing the Finance Department to engage in a three year contract with TCA Partners, LLP as the District's audit firm.*

Mr. Tyk explained that he engaged in an interview process with several firms, and TCA Partners proved to be the best candidate for audit services. The Finance Committee has approved retaining this firm for upcoming audits.

▶▶ **MOTION 13—17:** Director Hoffman made the motion to approve the selection of audit firm, and Director Swella seconded. All were in favor, and the motion passed.

CHIEF OF STAFF REPORT (Service)

Dr. Prem Salhotra, Chief of Staff: Dr. Salhotra was absent this meeting.

ADMINISTRATIVE REPORT (Service)

Lionel Chadwick, Chief Executive Officer. Highlights:

- Nonviolence training – District is concerned about regular incidents of patient violence against employees and will be providing continuing education and training
- Hospital Week is May 13-17
- On Thursday James Ramos, Third District Supervisor, Greg Devereaux, San Bernardino CEO, and Janice Rutherford, Member of the San Bernardino Board of Supervisors will be visiting the District and taking a tour of the facilities. Tom Lynch, toured with Dr. Chadwick yesterday
- Disaster drill on April 25
- Increase in census
- Wellness Committee has been meeting regularly, and will take the lead on transition to smoke-free campus



CLINICAL SERVICES REPORT (*Service*)

Judy Austin, Chief Operating Officer. Highlights:

- Good medication card – Director Swella

CONTINUING CARE CENTER (*Service*)

Jackie Combs, CCC Administrator. Highlights:

- Announced Ora Rhine is leaving the District to work in larger facility in Arizona

FINANCE REPORT (*Finance*)

Bob Tyk, Chief Financial Officer. Highlights:

- Investment policy – appeared under Consent Agenda. Director Hoffman asked that the policy is sent to investment firm for their review
- February was a positive month

MARKETING REPORT (*Growth*)

Joe Rudden, Marketing/Business Development Director. Highlights:

- Auxiliary Service Awards – April 18
- Health Fair is Saturday, April 27, 10 am - 3 pm
- Hospital Week – May 13 – 17; HR will be coordinating activities
- Distributed a “Talking Points” sheet for the Board members – asked the Board to review and comment if they recommend changes to the sheet. Director Hoffman requested the “20 Ways to Help District” points are included on a sheet for Board use
- April 24 District Photo Day

FOUNDATION REPORT

Dean Moore, Foundation President. Highlights:

- Mr. Moore pointed out one correction in his report
- CMC Golf Tournament – Martie Avels Scholarship was not listed on brochure, but will be highlighted the day of the event. Mr. Moore responded to questions from Director Cole regarding how the scholarship funds will be obtained and shared. Director Hoffman recommends that when the District requests funds from the public, that there is a way that shows how the money will be used.
- April 20 Morongo Basin Haven Fashion and Art Auction will be held at Helen Gray; Foundation serves as an “in-kind” sponsor for this event.

COMMUNITY HEALTH CENTERS REPORT

James Walter, RHC Director. Highlights:

- Announced two employees who became first-time mothers
- Dr. Chadwick – Mr. Walter will come back to next month’s meeting to discuss transportation grant

BOARD CALENDARS:

- Hospital Week – May 13-17



Items for Next Board Agenda:

None presented

DIRECTORS COMMENTS:

Director Avels – Addressed the passing of Lillian Thatcher, contributor to facility, thanks to Joe for providing talking points for the Board, and thanks to all

Director Cole – good luck to Relay for Life group

Director Hoffman – thanks to everyone, and extended best wishes to Relay for Life group

Director Cooper –no comment

Director Swella – thanks for last month’s meeting, Doctor’s Day event was great, thanks to Dean, and Happy Birthday to Chad

Dr. Chadwick – reported that the medical staff contributed \$1000 to Relay for Life Team.

ADJOURNMENT TO CLOSED SESSION – 7:50 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: May 2013

CLOSED SESSION REPORT:

The Board of Directors met in closed session to receive information on a quality matter, and a trade secret issue.

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



**HI-DESERT MEMORIAL HEALTH CARE DISTRICT
SPECIAL BOARD/FINANCE MEETING
Minutes**

April 24, 2013 at 3:00 pm
Helen Gray Center

Director Paul Hoffman, Committee Chair
Director Martie Avels, Committee Member

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PRESENT

Director Hoffman, Committee Chair
Director Avels, Committee Member
Director Cole
Director Cooper
Director Swella
Lionel Chadwick, Chief Executive Officer
Judy Austin, CNO/COO
Bob Tyk, CFO
Adele Nafziger, Controller
Jackie Combs, CCC Administrator
Dan McClure, CIO
Angela Walton, Executive Assistant

EXCUSED ABSENCE

none

GUESTS

Kevin Danni – Morgan Stanley Smith Barney Presentation

COMMUNITY PRESENT

No media present

CALL TO ORDER

Director Hoffman called the meeting to order at 3:03 pm.

PUBLIC COMMENTS

There were no public comments.

APPROVAL OF AGENDA

Approved as presented.



REVIEW OF MINUTES

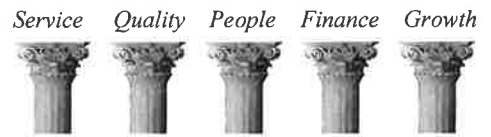
The minutes of the March 27, 2013 Finance Committee meeting were approved at the April 12, 2013 Board of Directors meeting.

OLD BUSINESS - Mr. Tyk

None was presented.

NEW BUSINESS - Bob Tyk, CFO

- Kevin Danni – Morgan Stanley Smith Barney Presentation
 - Mr. Danni reported that there will be approximately \$500,000 in maturing bonds that will be coming due throughout the year, and there are not many available investment options to replace these bonds (i.e. CDs and corporate bonds) at a higher interest rate. He gave a brief history on these bonds, and stated that their firm is prepared to offer other investment opportunities to the District. Mr. Danni distributed a performance report that was positive, and stated that the District portfolio has been in place since 2003 with his company. He also discussed the trending of the returns and interest rates. Currently, there is \$164,000 in cash in the portfolio. Mr. Danni made the recommendation to the Board to consider investing \$100,000 in Miller Howard Equity, an equity stock manager. He reported that he has reviewed the District's investment policy, and the policy only prohibits investing in securities or stocks of private corporations. Miller Howard specializes in endowments and foundations, and the average yield on their portfolio is 5%. Mr. Danni is recommending investing \$100,000 with Miller Howard amounting to 6% of the District's portfolio. This would lower the overall risk of the total portfolio. Mr. Danni also recommended investing another \$100,000 in a GE corporate bond which is paying at 4% and callable in 2014. After discussion regarding the appropriateness of the investments and the District's compliance with its investment policy, the Board directed management to move forward with Morgan Stanley and to proceed with these proposed investments.
 - Mr. Danni requested that he be placed on the Finance Committee meeting agenda periodically during the year to present opportunities to the committee and Board as they arise.
 - Line of credit on portfolio for emergencies – Mr. Danni discussed a line of credit available over 1 million at a rate of 3% that can be arranged with Morgan Stanley due to the size of the District's account with the company. There is no cost to set up the line of credit. Mr. Danni presented this option for the Board's consideration for future use. The Board directed management to review this possibility.
- March 2013 Financial Statements
 - Mr. Tyk reported that cash collections in March were strong and that \$5.2 million has been collected month-to-date as of April 24th. Overall, March was a profitable month. CCC continues to have high volume.
 - Mr. Tyk addressed the swing beds project that involves CCC having beds in the hospital for overflow purposes. Ms. Austin and Ms. Combs discussed the process and Ms. Austin stated they are looking at May 13 to begin the transition. It will be staffed by CCC staff and will be termed "overflow CCC."



- Ms. Austin reported that the hospital is licensed for 8 swing beds.
- Mr. Tyk reported revenues were slightly below what was budgeted. Salaries for March were up from February. Director Avels asked about FTEs and clarified what was included in the FTE total that was reported in the financials. Contract labor increased in February; Dr. Chadwick briefly discussed the progress on the Low Income Health Plan through the county.
 - Mr. Tyk reported on Novia and the progress they have made in working with Case Management. The interim director, Shelly Vincent, will be making a presentation to the Board in July.
 - Mr. Tyk reported there were net gains from operations in February and March.
- Replacement Lights for Operating Rooms 1 & 2
- Dr. Chadwick reported that it is now feasible to replace the lights. This was a previously reported issue that was put on hold until it was fiscally appropriate to proceed. Mr. McClure reported that the figures presented are actual (\$174,613), but do not include construction costs. Construction costs will not be determined until it is put out for bid. All members were in agreement.

Mr. Tyk distributed the Executive Financial Summary for the period ending March 31, 2013.

FUTURE AGENDA ITEMS

- Budget workshop – May 31, 2013 @3:00 pm
- Consultant fees
- Robert McCarthy – RBC Wealth Management Presentation

ACTION ITEMS FOR BOARD OF DIRECTORS MEETING

- Replacement lights

DIRECTORS' COMMENTS

Director Hoffman: Commented that it was good that all got together to discuss the finances of the District

Director Avels: Presented a form to Mr. Tyk to investigate if there are outstanding monies due to the District

Director Cole: no comment

Director Cooper: no comment

Director Swella: no comment

ADJOURNMENT: 4:21 pm

Minutes recorded by A. Walton



Director Paul Hoffman, Chair

5-14-13

Date



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

April 29, 2013 at 4:00 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.*

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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.”

**TAB
LOCATION**

IN ATTENDANCE:

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

Administrative Staff: Angela Walton, Executive Assistant

CALL TO ORDER – 3:54 pm

PLEDGE OF ALLEGIANCE

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

▶▶ **MOTION 12—18:** Director Hoffman made the motion to approve the agenda, and Director Avels seconded.

ADJOURNMENT TO CLOSED MEETING – 3:55 pm

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

ADJOURNMENT TO OPEN SESSION – 4:53 pm

CLOSED SESSION REPORT:

In closed session, the Board discussed and received 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 – 4:55 pm

Minutes recorded by A. Walton, Board Clerk



Korina Cole, President, Board of Directors



Dianne Swella, Board Secretary