

**HUMBOLDT GENERAL HOSPITAL
DISTRICT BOARD OF TRUSTEES
FEBRUARY 25, 2014 MEETING
SARAH WINNEMUCCA CONFERENCE ROOM**

BOARD PRESENT:

Moe Hanzlik, Chairman
Mel Hummel, Secretary
Ed Hopfer, Member
Kevin Chatfield, Member
Marlene Brissenden, County Comm. Member

Kent Maher, Legal Counsel

BOARD NOT PRESENT:

STAFF PRESENT:

James Parrish, Administrator
Sandi Lehman, CFO
Eddy Davis, Controller
Darlene Bryan, Director of Nursing
Mike Bell, IT Director
Alicia Wogan, Administrative Assistant
Lonnie Hammargren, Clinic Manager
Leonard Perkinson, M.D.
Ken Whittaker, EMS Education Coordinator
Louis Mendiola, Wellness Coordinator
Pat Songer, EMS Administrative Director
Pam Wickkiser, Administrative Director
Melissa Lopez, Administrative Support
Shar Pedersen, Quality Management
Jackie Gonzalez, OR Manager
Robin Gillis, SNF Manager
Mark Reyka, Anesthetist
Craig Prest, Maintenance Director
Mike Cogsdill, EMS
Jared Oscarson, EMS

GUESTS:

Jean Williams, Nicole Maher (Public Relations Director), Marsha Colby (Auxiliary), Dee Holzel (Silver Pinyon Journal), Donald Stidham (Innovative Communications Systems), Paul D. Martin and Mike Sheppard (Owners Representative)

CALL TO ORDER:

Board chairman Hanzlik called the January 28, 2014 board meeting to order at 5:31 p.m.

PUBLIC COMMENTARY:

There was no public commentary.

MEDICAL STAFF REPORT:

Dr. Perkinson advised medical staff has been working on the upcoming residency program; they held interviews last week with three potential candidates, and one has been selected to be ranked. In July 2015 there will be at least one resident here, and possibly two.

Mark Reyka, Anesthetist, advised that the surgery program instituted in 2012 had 872 cases at the end of 2012 involving anesthesia, and at the end of 2013 there were 1044 cases; this time last year there were 128 cases, now there are 150 cases. Perkinson said with the program it is easier for patients to stay here.

EMS UPDATE:

Pat Songer, EMS Administrative Director, advised there were 263 call outs and 38 inter-facility transports last month. Songer congratulated the HGH EMS team of three persons who recently competed at the World EMS Games in Washington DC and placed fifth overall. Songer presented Administrator Parrish with the EMS 10 Award Parrish received in Washington DC; he is the first CEO in eight years to receive the award. Parrish said he was honored to receive award, especially since there are approximately 40,000 ambulance services in the United States. Parrish thanked the 250 employees, physicians and board members that contributed to the award.

Administration Report:

Administrator Parrish said there were 21 applications received for the charity care program; 120 Medicaid applications assisted with; 383 questions regarding billings, and 61 corrections to bills.

Parrish briefly discussed the rural residency program and noted very few rural hospitals in the country have such a program.

Parrish advised phase two of the remodel is completed; all patient rooms are now private. One chiller has been replaced and the other will be replaced shortly. The CT project is moving forward and the equipment will be installed in the next couple of days.

Parrish introduced Shar Pedersen as Quality Manager.

CONSENT AGENDA:

Motion by board member Hanzlik and second by board member Hopfer to approve the medical staff appointments-reappointments. Motion carried unanimously.

Motion by board member Chatfield and second by board member Brissenden to approve the January 28, 2014 board meeting minutes as presented. Motion carried unanimously.

PRESENTATION REVIEW/ APPROVAL OF FINANCIAL REPORTS:

Administrator Parrish presented the January financial report. EMS Administrative Director Songer reviewed the status of the air ambulance program; it's on hold to see how the new federal health care law changes will affect the hospital. Board member Chatfield asked CFO Lehman she can create a separate line item for the air program. There was further discussion on the air program.

Motion by board member Hanzlik and second by board member Brissenden to approve the January 2014 financial reports as presented. Motion carried unanimously.

DISCUSSION / ACTION ON ITEMS OF BUSINESS & OTHER REPORTS:**1. Purchase of orthopedic power system for surgery / Administrator**

Administrator Parrish said the equipment proposed for purchase makes it possible to have more surgery cases. The procedures are currently being done here with borrowed equipment, but the company is no longer willing to lend the equipment. The equipment purchase is not on the capital budget; however. Surgery has a miscellaneous budget line item of \$100,000 which can be utilized. Jackie Gonzalez, OR Manager, answered questions and provided additional information on the equipment. Board member Hummel asked if the \$100,000 budget item has been used. Parrish said he does not believe it has.

Motion by board member Chatfield and second by board member Hopfer to approve purchase of Arthrex orthopedic power system in the amount of \$21,591.45. Motion carried unanimously.

2. Authorization purchase of Ligasure generator for surgery / Administrator

Administrator Parrish advised the Ligasure generator currently used in surgery needs to be replaced; the purchase is on the budget for \$29,000; and, the cost is 27,675.54. The equipment was not bid because it will be purchased through Amerinet.

Motion by board member Hopfer and second by board member Chatfield to approve the purchase of the Ligasure generator for surgery for the sum of \$27,675.54, and to authorize up to \$2,500 for an extended warranty. Motion carried unanimously.

3. Authorization to purchase nurse call system for Harmony Manor / Administrator

Administrator Parrish advised the antiquated nurse call system used in Harmony Manor is no longer supported; \$80,000 was budgeted to replace it this year. Parrish requested authorization to purchase a new system for the sum of \$69,600.00. The system was not competitively bid because it must be compatible with the nurse call system used on the acute side. Robin Gillis, SNF Manager, and Craig Prest, Maintenance Director, answered questions. Gillis noted the proposed new unit can expand as the needs increase, it is software driven and includes pagers for staff. It will improve safety and security for residents and improve quality control.

Motion by board member Brissenden and second by board member Hopfer to approve the purchase of nurse call system from Innovative Communications Systems, LLC in the amount of \$69,600.00. Motion carried unanimously.

4. Authorization for disposal of equipment no longer needed / Administrator

Administrator Parrish advised that some items (listed in the meeting packet) need to be disposed of due to new items having replaced the items.

Motion by board member Brissenden and second by board member Chatfield to authorized administration to dispose of the equipment as it is no longer needed for public purposes. Motion carried unanimously.

5. Purchase agreement of property at 1145 Harmony Road / Administrator

Administrator Parrish reminded that last month the board authorized making a purchase offer to the owner of the house located at 1145 Harmony Road for the appraised value. The owner accepted the offer, a sales agreement was signed, and the County (as required by law) authorized the purchase. Parrish requested approval to purchase the property for \$282,000.00.

Motion by board member Chatfield and second by board member Brissenden to adopt Resolution 2014-01 for the purchase of 1145 Harmony Road property in the sum of \$282,000.00. Motion carried unanimously.

6. Operational projections for phases 3, 4 and 5 / Administrator

Administrator Parrish advised board member Chatfield questioned how the proposed building project will potentially affect the operations of the facility. Staff prepared information for three scenarios, best case, most likely and worst case, and the compiled information was sent to Larson Allen to review. Larson Allen developed an interactive software package which allows multiple variables to be considered, and provides probable outcomes for every combination of variables. The software module was demonstrated. Owners Representative Sheppard explained phases 3, 4 and 5. No action was taken.

7. Charity care recommendations / CFO-Administrator

Administrator Parrish advised that CFO Lehman and Administrative Director Wickkiser were present to discuss recommended changes to the charity care program. Suggestions include: limiting the program to Humboldt County residents, which will reduce costs about \$100,000; limit the program to legal US

residents; modifying the income eligibility guidelines, which currently allow 100% write-off for income levels which are 0-200% of poverty level, to two groups 0-100% with 100% write-off, and 100%-200% with 75% write-off, which will create about a \$75,000 savings, and remove the 300% to 400% category; delete bankruptcies as an automatic approval; and, change the poverty eligibility criteria to the criteria "as defined by Nevada Medicaid". The various proposals were discussed.

Motion by board member Chatfield and second by board member Hanzlik to authorize administration to make changes to the charity care program as discussed and recommended. Motion carried unanimously.

8. Schedule budget hearing / Administrator

Administrator Parrish advised that date options for budget hearing are May 15, 2014 and May 16, 2014. This will be discussed at the next board meeting to give members time to look at their schedules.

9. Vacant board of trustee's position / Administrator

Board member Chatfield asked Legal Counsel Maher what the obligations are regarding vacant board positions. Maher explained the law, the procedure and past practice. The question of having a five member board was discussed. Chatfield noted it is an election year, it takes a while to get up to speed on the operation of the hospital, and they are running just fine with a five member board. Chatfield recommends leaving as is until the election. Board member Hopfer advised he has the same mind set. Board member Hummel said he is okay with having a five member board. Board member Brissenden advised she doesn't care what the members do, but they should let the public know. If they want to go to five members, that is good with her. Board Chairman Hanzlik advised a five member board is the smarter way to be due to tie votes with six members; with five members you can't have a tie. Brissenden advised that the county commission asked for the board to vote on whether they would like ordinance changed. Maher advised the board by law doesn't have jurisdiction to determine the number of board members, as that is determined by county ordinance. Maher will contact the county and request the matter be placed on the county commission agenda. Hummel said if the county wants to leave the number as is, he suggests changing the method to provide for the hospital board to have an input on who is appointed.

10. Physician Recruitment / Administrator

Administrator Parrish advised they interviewed three residency candidates. On March 3 a Physician Assistant candidate will be interviewed. Parrish has had contact with an ARNP and a family practice OB who are interested in employment.

HOSPITAL BOARD OF TRUSTEE COMMENTS / STAFF REPORTS:

Board member Hummel asked about the policy for document requests. Administrator Parrish said that he and Legal Counsel Maher are working on it. Maher said the current procedure complies with state law, but there are some other questions being considered.

PUBLIC COMMENTARY:

Jean Williams commented on the remarks about changing the county ordinance to have a five member board. Williams feels the board should vote on it before going to the county commission. Williams believes there should always be a county commissioner on the board because the board deals with tax money. Williams asked how many board members make a quorum; Legal Counsel Maher advised it is four with a six member board and three with a five member board.

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Board member Hummel adjourned the February 25, 2014 meeting of the Humboldt General Hospital District Board of Trustees at 7:44 p.m.

APPROVED:

ATTEST:

Maurice Hanzlik, Chairman

Alicia Wogan, Administrative Assistant