

**HUMBOLDT GENERAL HOSPITAL  
DISTRICT BOARD OF TRUSTEES  
June 23, 2015 MEETING  
SARAH WINNEMUCCA CONFERENCE ROOM**

**BOARD PRESENT:**

Mel Hummel, Chairman  
Kevin Chatfield, Member  
Michelle Miller, Member (by telephone)  
Richard Cook, Member  
Marlene Brissenden, County Comm. Member

Kent Maher, Legal Counsel

**BOARD NOT PRESENT:**

Ed Hopfer, Secretary

**STAFF PRESENT:**

James Parrish, Administrator  
Eddy Davis, Controller  
Darlene Bryan, CNO  
Mike Bell, IT Director  
Rose Green, HR Director  
Leonard Perkinson, M.D.  
Alicia Wogan, Administrative Assistant  
Shauna Barsanti, Business Office Manager  
Lonnie Hammargren, Clinic Manager  
Lorrie Meiron, OB Manager  
Jeremy Hurst, FNP  
Jared Oscarson, Ambulance  
Melissa Lopez, Administrative Support  
Shar Pedersen, Quality Manager  
Robin Gillis, Nurse Manager  
Theresa Bell, Purchasing Manager  
Jana Sperry, Director of Patient Relations  
Mark Hummel, IT  
Brittany Phillips, Clinic

**GUESTS:**

Elissa Palmer, M.D. (Rural Residency), Kelly O'Shaughnessy (Rural Residency), Anthony Slonim, M.D. (Renown CEO), Samantha Evans (HRG Representative), Beverly Mendiola (Auxiliary), Judy Adams, Robin Granath, Brad Granath, M.D., Vickie Rock, Don Stripe, Annette Stripe, Robin Monchamp, Millie Custer, Lewis Trout, Rick Graham, Cecil Martin, Jennifer Legarza, Kathleen Duke, Sandra Deveny, Patricia Tindall, Nicole Maher (Public Relations Director), Mike Sheppard (Owners Representative), Bill Sharp (Sletten Construction), Tom Calla (CTA) and Dustin Keyes (Sletten Construction)

**CALL TO ORDER:**

Board chairman Hummel called the June 23, 2015 board meeting to order at 5:30 p.m.

**PUBLIC COMMENTARY:**

Dr. Anthony Slonim, Renown Health CEO, commented that Renown participates in the community and gets many referrals from Humboldt General Hospital (HGH) and believes the sharing is going well and meeting HGH's expectations. Slonim offered themselves as partners. Board member Cook asked Slonim about a rumor Cook heard a couple years ago about Renown opening an urgent care in Winnemucca. Slonim said it was a rumor. Board member Brissenden asked Slonim about Renown's Epic billing program, and if it is available to hospitals with fewer than 50 beds. Slonim advised there is a mechanism in place for hospitals trying to meet meaningful use and ICD10 criteria to get electronic medical records through sublicensing from organizations that already have Epic as an EHR. Slonim believes there may be opportunities through Renown for sublicensing.

Lewis Trout stated that at the April and May meetings there was considerable discussion about vendors, contracts and other things. Trout handed out some written information to the Board and commented on the information and his opinions regarding public officers and potential conflicts. Trout suggested obtaining an opinion regarding the contract with attorney Maher from an outside attorney with no legal involvement with hospital. Board member Miller asked Trout to provide handout information in advance of the meeting. Trout said when the meeting packets are provided in advance to the board members, he will provide information he has.

**MEDICAL STAFF REPORT:**

Dr. Perkinson said medical staff report is short due to vacations; there was no meeting in June. Perkinson said the Rural Residency Program starting July 1, 2015 will make HGH a teaching facility, and he asked Dr. Elisa Palmer, University Nevada School of Medicine and Director of Rural Residency Program, to explain the program. Palmer and Dr. Brad Granath gave a presentation regarding the residency program. Board member Chatfield inquired about the resident physician vetting process, and Granath and Palmer explained the procedure.

**EMS UPDATE:**

Jared Oscarson said for EMS in May there were 240 call outs, 44 inter-facility transports, seven McDermitt transports, one mutual aide, seven rescues, and four community standbys.

**ADMINISTRATION REPORT:**

Administrator Parrish said in May there were twelve charity care program applications, and ten of those were approved. The Patient Access Department assisted 46 patients with Medicaid applications, responded to 1043 questions in person and 780 by telephone, and there were eight billing errors handled. Parrish showed photographs of the local Alzheimer's support group who painted the W on Winnemucca Mountain purple to raise awareness for the Alzheimer's disease, and thanked Jason Manley from EMS for helping. Parrish said a recent salary survey was conducted, and seven job classifications were identified that are appropriate for adjustment, which will have a total cost of \$136,984.58 annually. The organization pay scales for almost all classifications are more than 60% to 75% of the 143 hospitals which were surveyed.

**CONSENT AGENDA:**

There were no medical staff appointments-reappointments due to medical staff meeting not being held in June.

Motion by board member Cook and second by board member Brissenden to approve the May 21, 2015 board meeting minutes with the deletion of the phrase in the public commentary section that "no law was cited to support the assertion." Motion carried with Cook, Brissenden and Chatfield voting aye, and Hummel and Miller voting nay.

**PRESENTATION REVIEW/ APPROVAL OF FINANCIAL REPORTS:**

Board member Cook said he does not believe the warrants and disbursements gives him enough information to do his due diligence. Board member Brissenden said the County warrants provide very minimal information. Board member Miller stated that if the tools and knowledgeable staff are available at the hospital to answer any questions, she is okay with the warrants as they are presented. Cook suggested the disbursements include information about the purpose of each and the department. Miller suggested a strategy meeting is the place to discuss these types of issues.

Motion by board member Brissenden and second by board member Cook to approve the May 2015 warrants and disbursements as presented but to withhold approval of the payments to Kent Maher, Nicole Maher and Michael Clay (Sheppard). Motion failed with Brissenden and Cook voting aye, and Chatfield, Miller, and Hummel voting nay.

Motion by board member Chatfield and second by board member Miller to approve the May 2015 warrants and disbursements as presented. Motion carried with Chatfield, Miller, and Hummel voting aye, and Cook and Brissenden voting nay.

Administrator Parrish presented the May 2015 financial reports.

Motion by board member Chatfield and second by board member Hummel to approve the May 2015 financial reports as presented. Motion carried unanimously.

#### **DISCUSSION / ACTION ON ITEMS OF BUSINESS & OTHER REPORTS:**

##### **1. Administration / agreement for preconstruction and construction services for a guaranteed maximum price with Sletten Construction of Nevada as construction manager at risk for phase 4 of hospital building expansion and tenant improvement project / Administrator–Sletten Construction-CTA-Owners Representative**

Administrator Parrish said the submitted proposal (in the meeting packet) for the phase 4 building project guaranteed maximum price is well within the budgeted amount for the construction. Phase 4 will replace the existing OB unit and add much needed office space to the campus. In April 2014, the board approved the entire hospital building expansion and improvement project with the condition that each of the phases 3, 4 and 5 be authorized before proceeding. Parrish commented on the excellent financial shape of the hospital, the improved economy, and the high need for the planned facilities. Mike Sheppard (Owners Representative), Bill Sharp (Sletten), Dustin Keyes (Sletten), and Tom Calla (CTA) explained the guaranteed maximum price bidding process, and gave a project update and answered questions.

Board chairman Hummel asked for questions or comments from the public. The question was asked if the pharmacy is part of the remodel. Administrator Parrish said it is not, there a number of things which need to be looked into to make an informed decision on a pharmacy remodel.

Motion by board member Chatfield and second by board chairman Hummel to approve the guaranteed maximum price proposal for phase 4 and the alternate 1 hospital building expansion and tenant improvement project as presented in the sum of \$10,312,172.00. Motion carried with Chatfield, Hummel, and Miller voting aye, and Cook and Brissenden voting nay.

##### **2. Administration / Michael Clay Corporation agreement terms and conditions to provide professional consultation services to owner for building projects management, administration and construction / Administrator**

Administrator Parrish spoke on agenda items 2, 3 and 4, and noted that in his travels he is often complimented on how well the hospital has done. Parrish said there are many reasons for the success, and staff and consultants are among those reasons. Three of the consultants are on the agenda tonight. Kent Maher has been with the hospital fifteen or more years; Parrish said Maher has more public meeting and hospital knowledge than any attorney he has worked with. Nicole Maher has been with HGH for eleven or twelve years and has provided a positive stamp on the organization in terms of public relations. Mike Sheppard has been the Owners Representative for a number of years and has done a tremendous job. Parrish encouraged board to approve the proposed Sheppard contract as submitted. Board member Cook

said he has problems with the contracts, especially the Kent Maher agreement. There was discussion regarding the history of the services which have been provided without formal agreements. At the request of the board, Maher explained the laws that were brought up during in public commentary portion of the meeting. Board member Miller stated she suggested the best practices are to put it in writing, that way each party knows what is expected.

Motion by board member Cook and second by board member Miller to approve the Michael Clay Corporation agreement as presented. Motion carried unanimously.

### **3. Administration / O. Kent Maher agreement terms and conditions to provide professional legal services / Administrator**

Administrator Parrish said that Kent Maher has provided HGH legal services for many years and has done an excellent job of representing the district in all aspects of the business, and is well regarded in the state and very knowledgeable in not only on Nevada law but on hospital law. Parrish recommended the board approve the Maher agreement. Board member Cook stated his belief that if the agreement is accepted as written there is a good chance there could be an ethics problem. Cook remarked on his areas of disagreement with the proposed contract. Cook suggested the board get a second opinion and made a motion to table the issue until next month and get these contracts reviewed by an independent attorney. There was discussion on selecting an attorney for the review and board member Miller said they should decide who the reviewing attorney will be. Cook made a motion the contract be reviewed by independent legal authority. There was further discussion. Board member Miller said that it should not be a local attorney, and suggested Parrish find a firm to review the contract. Board member Brissenden said she has no problem with Miller finding a firm, but does not want Parrish finding the firm because she believes the board of trustees should do it. Miller suggested that she would work with Parrish. Cook made a motion to table this. Board chairman Hummel advised there was already a motion on the floor. Cook asked what the motion is. Hummel said it is to have an outside attorney look at the agreement and the board has been discussing what attorney to use. Legal counsel Maher said a motion on the floor should either be acted upon or withdrawn before another motion was made. Cook withdrew his prior motions and started to make another motion to table this and ask Miller to find an attorney to review this contract when it was suggested by Parrish that Parrish work with Miller to select an attorney.

Motion by board member Brissenden and second by board member Cook to send out the proposed agreement with attorney Maher for independent legal review, with the independent legal reviewer to be selected by the Administrator in consultation with board member Miller, and to bring back an agreement proposal to the board when information is received from the outside legal counsel. Motion carried unanimously.

### **4. Administration / Nicole Maher agreement terms and conditions to provide professional services for public relations, marketing and advertising / Administrator**

Administrator Parrish said that Nicole Maher has provided public relations services for over ten years and has done an excellent job in building public identity, developing the website and organizing special events. Parrish recommends the Maher contract be approved. Board member Cook stated that public relations are usually a staff function, and questioned why the hospital has a contract for public relations. Parrish stated that most small organizations don't have a full time public relations department. Cook believes all these contracts should go out to bid. Board member Miller noted she would like periodic reports on the matters Maher is working on. Maher commented briefly on the services she provides.

Motion by board member Miller and second by board member Chatfield to accept the proposed agreement with Nicole Maher as presented, and to request that regular updates be provided on the services provided. Motion carried with Miller, Hummel, and Chatfield voting aye, and Cook and Brissenden voting nay.

**5. Administration / Shouping Li, M.D. employment agreement extension / Administrator**

Administrator Parrish said Dr. Li's current contract expires at the end of June, and a fair market value analysis is being conducted by a consultant firm to determine the appropriate compensation for a new agreement. The analysis has not been completed. Parrish asked that the Li contract be extended until the analysis is completed. Board member Cook asked if it is typical to review the compensation. Parrish advised it is.

Motion by board member Chatfield and second by board member Miller to approve an extension of the current Shouping Li, M.D. employment agreement until the analysis is obtained. Motion carried unanimously.

**6. Administration / board retreat action plan / Administrator**

Administrator Parrish said a board action plan has been provided in the packet which was developed by Erica Osborn of Via Healthcare Consulting as part of the board self-assessment process recently completed, Parrish suggested board to accept the action plan as submitted so staff can begin addressing issues on the action plan.

Motion by board member Brissenden and second by board member Miller to accept action plan as presented. Motion carried unanimously.

**7. Physician Recruitment / Administrator**

Administrator Parrish said Dr. Kurt Kracaw will begin seeing patients on July 6, 2015, and the resident physician will start July 1, 2015.

**HOSPITAL BOARD OF TRUSTEE COMMENTS / STAFF REPORTS:**

Board member Cook said he went to the trustees' symposium in Sun Valley, Idaho and was able to speak with peers from a hospital similar to HGH about billing, noting they do their own billing with a staff of four using the Serener program. They reported their bills go out within four days. Cook stated this hospital has multiple problems compared to the similar hospital and suggested that things need to be fixed.

Board member Miller thanked Administrator Parrish for completing the salary survey.

Board member Brissenden said she understands that HGH does not belong to 342B to provide reduced price pharmaceutical drugs. Brissenden stated she spoke with a representative who was able to look up how much money is being lost on outpatients under Medicare numbers. Brissenden passed out a presentation and note from the representative. Administrator Parrish advised the program is the 340B Program. HGH had a consultant look at the program about three years ago. The consultant determined that the program was not worth bringing in. Parrish said it could be looked at again. Brissenden commented on the trustees' symposium.

**PUBLIC COMMENTARY:**

Lewis Trout commended Controller Eddy Davis and EMS Debbie Whittaker for pursuing unclaimed property. Trout commented on statements made by legal counsel Maher.

Leonard Perkinson stated he intends to speak as a citizen that utilizes the hospital facility, as a taxpayer, as a voter, and as a citizen of this county. Perkinson said some things on the board have reached the point of ineffectiveness which is due to individual agendas. Perkinson reminded the board is elected to do what is best for the hospital, not to conduct a personal vendetta nor engage in personal attacks. The administrator was brought here to keep the hospital open, and he's done it. He was brought here to make the hospital be able to stand for generations to come, and he's done it. He was asked to make the hospital a viable enterprise, and he's done it. He has put this hospital in the top ten critical access hospitals in the country for almost a decade because of his leadership. The personal attacks on Perkinson and others with the organization make people feel what they do in this institution does not mean anything to the board. The personal agenda of a couple of board members has made a one hour meeting into a three hour meeting. The EMS system is one of the best in the world due to in large part to Administrative Director Songer, and his work has been attacked repeatedly. Perkinson said he has been attacked repeatedly in open forums without recourse or ability to defend himself.

Vickie Rock stated before there is a challenge of the affordable care act before the US Supreme Court, and asked if there is a contingency plan if the court rules the act should go away. Board chairman Hummel responded.

Mike Sheppard commented on the hospital history and background in relation to some of the matters that were discussed earlier in the meeting.

Patricia Tindall commented on: the residency program, and how the resident physician services are billed; if the resident physician will be accredited for insurance companies who do not pay a claim from a non-accredited care provider; the 147 hospitals in the salary survey and how they were selected for the pool, and why HGH is in the pool; and, if the financial team has a plan to adjust receivables.

Board chairman Hummel adjourned the June 23, 2015 meeting of the Humboldt County Hospital District Board of Trustees at 8:41 p.m.

**APPROVED:**

**ATTEST:**

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Mel Hummel, Chairman

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Alicia Wogan, Administrative Assistant