

Our mission is excellence in health care services and the promotion of wellness in our community.

Petersburg Medical Center

PO Box 589

Petersburg, Alaska 99833

Phone: (907) 772-4291 | Fax: (907) 772-3085



Meeting: Medical Center Board Meeting

Date: May 26th, 2011 **Time:** 6:30 p.m.

Board Members Present: Tom Abbott, Jeanette Ness, Darcey Judy, Tim Koeneman, Chris Savage, Administrator John Bringhurst and Zac Hays by cell phone

Board Members Absent: Kris Kissinger

Staff Members Attending: Leon Walsh – CFO, Bobbi Scherrer – Business Office Manager, Stacey Thorsen – Compliance and Information Systems Specialist, Carol Doser – Administrative Assistant, Liz Bacom – MT(ASCP), RVT (ARDMS) and Emergency Preparedness, Lynn Porter – Clinic Manager, Karen Malcom – Patient Financial Representative

Visitors: Dr. Mark Tuccillo

I. CALL TO ORDER: Board President Tom Abbott called the meeting to order at 6:30 p.m.

II. APPROVAL OF THE AGENDA: The agenda was approved as presented.

III. REVIEW OF THE MINUTES: The Board minutes from the meeting held on April 28th, 2011, were approved as presented.

IV. VISITORS COMMENTS. None.

V. BOARD COMMENTS.

A. Liz Woodyard – New Administrator.

President Abbott reported that he had been on the same flight with the Woodyard's when Ms. Woodyard was called into action as a nurse and was very impressive. Also noted, Mr. Bringhurst reported that the Woodyard's had found a home to purchase.

VI. BOARD EDUCATION: None.

VII. NEW BUSINESS:

A. Budget Discussion – FY 2012. Mr. Walsh distributed the proposed FY 2012 operating budget and supporting information to the board. Mr. Walsh reported that the facility was anticipating a \$1 million loss for FY 2011 and felt we needed to take definitive action to turn the situation around in FY 2012. The proposed FY 2012 operating budget anticipates increasing Swing bed utilization by drawing Swing bed patients from Juneau, Ketchikan and Haines, where there are shortages of licensed Swing beds, to Petersburg Medical Center where there is excess Swing bed capacity. Additionally, there is potential for increasing the number of Clinic patients seen which would result in increased revenue if the encounters per day per physician can be increased. Mr. Walsh explained the reasoning behind the proposed 5% increase in lab, imaging clinic and surgery charges and the practice of adjusting all charges each year to correspond to market place conditions. A desire was expressed to be held accountable for the areas of improved access and patients by the Board.

Mr. Walsh summarized the FY 2012 Operating and Capital Budgets as reviewed by the Resource Committee. The Resource recommended a total FY 2012 Capital Budget of \$287,000.

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Mr. Bringhurst and Walsh reviewed other measures that could be put in place if the proposed strategies do not work sufficiently to achieve a financial turnaround: (1) joining with a Peace Health or Providence; (2) buy out of PERS, a very expensive plan, at about \$2 million; (3) health insurance premium for full time employees split between employer / employee; (4) compensation incentives for physicians seeing additional patients; (5) possibility of decreasing the number of physicians or adding a PA or Nurse Practitioner; and, (6) having the Clinic as a stand-alone operation.

President Abbott moved to approve the budget as presented with a 5% increase in the lab, imaging, clinic, surgery charges; a 2% increase in other charges, implementing a 90/10 split of the health insurance cost for full time employees in place of the existing 100% paid by PMC, and the Capital budget of \$287,000 as requested. Board member Koeneman seconded. Discussion proceeded. Roll call vote: Board member Ness, aye; Board member Savage, aye; Board member Judy, aye; Board member Koeneman, aye; and, President Abbott, aye. Motion carried, five to zero.

B. Medical Staff Bylaws. The Board reviewed the Medical Staff files on Drs. Raster, Isuani, Phillips, Gruchacz and Mr. Breeding for privileges. Board member Savage moved that the Board approve the reappointments to the Medical Staff of: Mr. Lance Breeding, CRNA, Deborah Geering-Fend, OD, John Raster, MD, Bernardo Isuani, MD, Michael Phillips, MD and Pamela Gruchacz, MD. Board member Judy seconded. Motion carried, five to zero.

VIII. OLD BUSINESS: None.

A. Update on Clinic Expansion. Ms. Porter spoke of increasing Clinic patients along with a cost saving plan with the new remodel job almost completed.

IX. REPORTS:

A. Financial Report. Mr. Walsh reported on the month of April 2011. It was a poor month with low revenue and high expenses.

B. Quality Improvement. Ms. Doser reported distributed the Code of Conduct and will email it out to the board for comments. Risk Management training will be on June 7th. The next QA meeting will be on Thursday, June 9th with President Abbott attending.

C. Chief of Staff Report / Joint Conference. Dr. Hyer's report was emailed to the board. There was also a Joint Conference meeting on May 25th.

D. Administrator's Report. The Administrator's report was distributed in the Board packet. Also discussed:

- o **Administrator.** Mr. Bringhurst's last day will be July 22nd, as he will be attending a meeting in Juneau. Ms. Woodyard's first day will be July 20th.

X. OTHER BUSINESS.

A. Next Board Meeting. The next board meeting was scheduled for Thursday, June 23rd, at 6:30 p.m. in the Dorothy Ingle Conference Room.

Vice President Zac Hays joined the meeting telephonically.

B. Update on Physician Recruitment – Executive Session. President Abbott moved that the Board go into Executive Session for the purposes to discuss a personnel matter that may affect public image. Board member Koeneman seconded. Ms. Bryner and Dr. Tuccillo were asked to remain. Motion carried, six to zero.

The Board came out of Executive Session at 9:40 p.m.

President Abbott moved that the Board authorize the Administrator to negotiate a one year contract that would appropriately take into consideration some benchmarks for Dr. Tuccillo. Vice President Hays seconded. Motion carried, six to zero.

XI. Adjournment.

Respectfully submitted,

Jeanette Ness, Board Secretary