

JANUARY 6, 2011

MINUTES FROM THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
OF
PLUMAS DISTRICT HOSPITAL

BOARD MEMBERS PRESENT: Valerie Flanigan, John Kimmel, Kathy Price,
Mark Satterfield, M.D., and Bill Wickman

BOARD MEMBERS ABSENT: None

OTHERS PRESENT: Linda Jameson, John Nadone, Dan Brandes, Socorro
Conway, Bill Peterson, Don Whiteside, Kim Kudick,
Recording Secretary, and members of the public

I. Call to Order and Introduction of Audience / Public Comment

President Satterfield called the meeting to order at 4:31 p.m. and invited everyone present to introduce themselves and offer questions/comments to non-agendized items.

II. Approval of Agenda

President Satterfield recommended the following changes to the order of the agenda:

- Advance agenda item VII, A – Fiscal Year End 2010 Audit Presentation by Bill Peterson, CPA, Matson and Isom, to follow agenda item V, and
- Delay agenda item VII, H - CEO Search Presentation by Don Whiteside to follow agenda item IX - Regular Staff Reports

John Kimmel moved to approve the agenda with the recommended changes and Bill Wickman seconded. Motion carried.

III. Approval of Minutes from the Regular Board Meeting on December 2, 2010

Valerie Flanigan requested a correction to the spelling of Dr. Erin Barnes' name on page 2, agenda item IV, C – Physician Recruitment.

IV. Approval of Minutes from a Special Board Meeting on December 9, 2010

V. Approval of Minutes from a Special Board Meeting on December 17, 2010

Bill Wickman requested the addition of a line to agenda item III - Update on CEO Search, Discussion and Possible Action - to indicate the introduction of Kim Kraul by President Satterfield as new community member to the CEO Search Committee.

Valerie Flanigan moved to approve all three sets of minutes with the aforementioned correction and changes. Bill Wickman seconded and motion carried.

VII. New Business

A. Fiscal Year End 2010 Audit Presentation – Bill Peterson, CPA, Matson and Isom

Mr. Peterson commented that this was the fifth consecutive year of a clean audit for PDH. He then distributed and reviewed the *Report to the Board of Directors*, highlighting the following:

- The net effect of nine audit adjustments during the course of the audit resulted in an increase in operating income by approximately \$579,000.
- Miscommunication on the part of Matson and Isom regarding how to record the interest on the \$3.2 million bond resulted in an adjustment of approximately \$700,000 to the final cost report estimate for 2010.

Mr. Peterson proceeded to review the *Financial Statements and Supplementary Information with Independent Auditor's Report*, highlighting the following:

- The balance sheet showed a decrease in cash and cash equivalents of \$315,000.
- Total current assets were down \$638,000, due in part to a reduction in cash and accounts receivable.
- Investments were up \$200,000.
- Accounts payable was down \$587,000.
- Estimated third-party payor settlements outstanding for 2007-2010 were \$525,000.
- Total liability showed a decrease of \$1.5 million
- Charity care increase from \$677,000 in 2009 to \$900,000 for 2010

Mr. Peterson concluded his report by reviewing the hospital financial ratios, which compares PDH to industry standards, (state and national).

VI. Old Business

A. CEO Search Update, Job Description, and Job Qualifications: Discussion and Possible Action – Mark Satterfield, M.D.

President Satterfield reported that nine (9) active candidates remain in the running. He then recommended for Directors Flanigan and Price to review and refine the job description, based on their expressed interest. Mrs. Flanigan requested John Nadone to assist them in the process.

Dr. Satterfield read through the list of job qualifications and opened discussion for improvement.

Doug Self offered public comment regarding Renown's interest in exploring a relationship with PDH. Discussion ensued. In addition to being the CEO of Seneca Healthcare District, Mr. Self is an employee of Renown Health.

B. Physician Recruitment and Retention – Linda Jameson, CNO and Interim CEO

Linda Jameson reported on the following:

- Collaboration efforts continue amongst the three Plumas County district hospitals in the recruitment of an additional general surgeon. The primary candidate, William Cannata, MD, has been eliminated as an option.
- John Jackson, D.O., a Family Practice/OB physician from Nebraska, has chosen not to pursue a position with the PDH Medical Staff.
- Matthew Fentress, MD, a Family Practice/OB physician from Contra Costa, is anticipated to interview in February.
- Dorin Popa, MD, a Family Practice resident from UNR, has been invited to interview, though no date has been set.
- Marko Miljkovic, M.D., a locums tenens physician, will not return in 2011.
- Profiles for Drs. Barnes and Thomas have been added to the PDH website.
- David Reed, DDS, has expanded services to Country Villa in Quincy, and continues to explore additional dental service outreaches in the County.
- Kennon Martin, DPM recommended the addition of Redge Hawkley, DPM as a visiting physician (podiatrist) from Paradise CA.
- Mrs. Jameson spoke with Dr. Kim Thomas about staying on with PDH once her husband completed his trauma fellowship at Renown, which she declined.

C. Update on Hospital Expansion – Dan Brandes, Facilities Director

Mr. Brandes updated the board on an application that was submitted to PG&E, back in December 2008, for electrical services in the new hospital. In May 2010, PG&E submitted a proposal for \$72,000. Though the application process has since been cancelled, PG&E is billing PDH \$14,000 for engineering fees, which was part of the original proposal.

At this point in the meeting, President Satterfield proposed additional changes in the order of the agenda. The proposed order would follow agenda item VII, C:

- *Agenda item VII, H*
- *Agenda item XI*
- *Agenda Item XII*
- *Remainder of the agenda, starting with agenda item VII, D*

VII. New Business

B. Discussion and Possible Approval of Grievance Policy

Socorro Conway, Director of Quality Services and Risk Manager, reported on the revisions recommended by Director Wickman. There was discussion on further modifications. Director Price recommended an in-service for the staff on its content.

John Kimmel moved to approve the grievance policy as presented with modifications by Director Wickman. Bill Wickman seconded and motion carried.

C. Approval of Resolution 2011-01, Resolution Amending Resolution No. 08-03, Adopted by the Board of Directors of the Plumas Hospital District on October 6, 2008, Entitled "Resolution Authorizing the Issuance and Sale of General Obligation Bonds, Election of 2008, Series A (2008), in the Aggregate Principal Amount of Not to Exceed \$3,200,000," to Provide for the Redemption of a Portion of Such Bonds and to Provide for the Reissuance and Re-Amortization of Such Bonds, and Directing Certain Actions with Respect Thereto

John Nadone, CFO, reviewed the salient points of the resolution, which included:

- PDH will pay back the sole bondholder, United Healthcare, \$2.3 million of the \$3.2 million bond by February 1, 2011.
- The balance of \$900,000 will be paid back at an interest rate of 3.37% over a five and one-half year term.
- The first principle payment is due August 1, 2011 and will conclude with the final payment on August 1, 2016.

Kathy Price moved to approve Resolution 2011-01 as presented and John Kimmel seconded. The board authorized the passing of Resolution 2011-01 by the following roll call vote:

Director Flanigan.....yea
 Director Kimmel.....yea
 Director Price.....yea
 Director Satterfield.....yea
 Director Wickman.....yea

H. CEO Search Presentation – Don Whiteside, HFS Consultants

Mr. Whiteside gave a brief background on himself and proceeded with his presentation, which included:

- Suggestions on how to approach the CEO search process
- Criteria to consider beyond education and experience of candidates
- Composition and conduct of the search committee
- The interview process with prospective candidates
- Function of a search consultant
- Important points of the CEO contract
- Communication with the community about the process

XI. Adjourn into Closed Session: Pursuant to Government Code Section 54957, Public Employment, CEO

President Satterfield adjourned the meeting into closed session at 7:30 p.m. and back into open at 8:10 p.m.

XII. Report from Closed Session

A special board meeting was scheduled for Thursday, January 13, 2011 at 4:30 p.m.

VII. New Business

D. Consideration and Possible Approval of Membership for Kathleen "Kitty" Gay to the Measure A Oversight Committee – Bill Wickman, PDH Board Member

Bill Wickman explained that his resignation from the committee created a vacancy. Mr. Wickman then moved to approve the membership of Kathleen "Kitty" Gay to the Measure A Oversight Committee. John Kimmel seconded and motion carried.

Mr. Wickman requested for John Nadone to assist in the preparation of the Measure A Oversight Committee annual audit report. There was further discussion on the future of the committee, with regards to the passing of resolution 2011-01.

E. Discussion About Regular Board Meeting Time, Day, Venue, and Setting

President Satterfield opened discussion on the logistics of the board of directors meetings. After much dialogue, the board agreed to experiment in the set up of the administration conference room to make it more welcoming to the public. The board also agreed to change the start time of the regular monthly meetings from 4:30 p.m. to 5:00 p.m. A formal resolution to change the start time will be voted on at the special board meeting scheduled for January 13, 2011 at 4:30 p.m.

F. Election of Board Officers for President and Secretary

John Kimmel nominated Valerie Flanigan as President of the board of directors. Bill Wickman seconded and Mrs. Flanigan accepted.

John Kimmel nominated Kathy Price as Secretary of the board of directors and Mrs. Price accepted.

Dr. Mark Satterfield will remain as the Chair of the CEO Search Committee.

G. Appointment of Board Members to the Finance Committee and the Medical Policy Committee

Directors Kimmel and Satterfield will serve on the Finance Committee, and Directors Price and Wickman will serve on the Medical Policy Committee.

Bill Wickman recommended the formation of a Facilities Committee. No definitive decisions were made regarding this matter.

VIII. Board Education

Included in the Board packets were the PDH Newsletter for December, PDH conference room calendars for January and February, and hospital/healthcare related articles from Feather Publishing.

IX. Regular Staff Reports

A. Medical Staff Report

No report was given.

B. Nursing Staff Report / C.E.O. Report – Linda Jameson, CNO, Interim CEO

Linda Jameson reported on the following:

- Grand Rounds for February will be on the subject of orthopedic services.
- A second Grand Rounds presentation for February by Dr. Slonick on perinatal care is possible.
- Jeff Obenland, Lab Manager, is working on a new contract with Beckman Coulter for a new lab analyzer, which will reduce cost for PDH.
- Mrs. Jameson is scheduled to meet with Bob Schapper, CEO of Tahoe Forest Hospital, their CNO, and OB Manager to discuss nursing training and staffing.
- Kathleen Hughes, LCSW resigned from PDH. Mrs. Jameson is discussing particulars with the Medical Staff regarding the recruitment of another LCSW.
- Ross Morgan, MD requested an in-service to the Medical Staff on the variance of payor mix, as it relates to lab and radiology studies.
- The PDH Volunteers are starting a program to distribute teddy bears to ER pediatric patients. They are also working on a skunk eradication process.
- We are now looking for an OB Nurse Manager.
- Safety issues within the medical clinics were brought to the attention of Mrs. Jameson, which are now being remedied.
- Five defibrillators have been purchased at a cost of \$48,000
- Two replacement lights have been purchased for OB rooms 102 and 103.
- PDH is 78% compliant in administering flu vaccines to staff members.
- Senate Bill 1058 mandates the testing of high risk patients for MRSA upon admission as in-patients and just prior to discharge. This will assist in the tracking of hospital acquired infections.
- Mrs. Jameson is working on a patient satisfaction process regarding the interstitial cystitis treatment.
- Mrs. Jameson distributed Personal Wellness Profiles (PWP) to board members and encouraged their participation in the PDH Wellness Program and events.

1. Plumas County Hospice Update

Report was deferred to the February board meeting.

C. Financial Report – John Nadone, C.F.O.

Mr. Nadone reviewed the November 2010 Financial Statements as follows:

- Cash was \$3,926,823 – 70 days on hand
- Accounts Receivable is at \$7,749,055 – 77 days outstanding
- Gross Patient Revenue was \$3,474,414
- Revenue Deductions were (\$1,589,662) – 45.6% of gross revenue
- Total Operating Expenses were \$1,831,838
- Net Income was \$85,843
- Accounts Payable down from \$1,014,412 to \$778,349

D. Director Remarks

Director Kimmel: Director Kimmel expressed his pleasure in having Directors Price and Wickman on the board.

Director Flanigan: Director Flanigan echoed Mr. Kimmel's sentiments and thanked Dr. Satterfield for his mentorship and service as President for the last two years.

Director Satterfield: Director Satterfield commented on his experience as President and his optimism for the future.

Director Wickman: Director Wickman commented on his work with the Plumas County Economic Recovery Committee (PCERC) and their efforts to bring rural healthcare to the attention of Senator Feinstein and Congressman McClintock.

Director Price: Director Price commented on an article from the San Francisco Chronicle regarding the difficulties in recruiting physicians to rural hospitals and their aging physician population.

X. Next Board Meeting


The next regular Board of Directors meeting is scheduled for Thursday, February 3, 2011 at 4:30 p.m.

XIII. Final Statements


None were made.

XIV. Adjournment

There being no further business to discuss, the meeting was adjourned at 9:10 p.m.



Mark Satterfield, M.D., President
Board of Directors



Valerie Flanigan, Trustee
Board of Directors