

**McDonough District Hospital
Board of Directors Meeting
October 16, 2017**

The Board of Directors of McDonough District Hospital (MDH) met on Monday, October 16, 2017 at 5:30 p.m. in the Board Room. The meeting was called to order by Kent Slater, Chairman, Board of Directors. The following Board members were present: Andy Baker, Chuck Butterfield, Dr. Richard Iverson, Noel Oliver, Rita Moore, Matt Reynolds, Kent Slater, Dr. K.T. Wright

Excused: Crystal Bedwell

Also present: Kenny Boyd, President/CEO
Dr. Ed Card, President Medical Staff
Dr. Tim Biagini
Linda Dace, VP Finance
Wanda Foster, VP Nursing
Maggie Goettsche, Administrative Leader/Quality & Innovation
Sue Dexter, Administrative Leader/Human Resources
Chris Dace, MMG Chief Operating Officer
Harlan Baker, Chief Information Officer
Adrian MacGregor, Department Leader/Outreach
Patrick Osterman, Department Leader/Public Relations/Marketing
Vicky Kipling, Department Leader/Foundation
Alexa Shaw, Public Relations/Marketing Assistant/Graphic Designer
Jill Cook, Foundation Assistant
Ronda Baker, Executive Secretary

Consent Agenda

The board meeting minutes from September 18, the special meeting minutes from October 9 and the executive session minutes from October 9, 2017 were included in the packet.

A motion was made by Chuck Butterfield and seconded by Rita Moore to approve the board meeting minutes from September 18, the special meeting minutes from October 9 and the executive session minutes from October 9, 2017. Motion carried.

Public Comment

There was none at this time.

President/CEO's Report/Senior Leadership Team

Kenny Boyd shared a patient focus. Kenny Boyd discussed provider recruitment, the provider searches, a hospitalist candidate visit, provider renewals, continued work with a potential partner on feasibility of services at the Carthage building, operational efficiencies and the reasons for emergency room (ER) provider staffing changes.

Noel Oliver discussed the ER provider staffing changes to be seen as another thing we are outsourcing from the hospital and understanding Kenny Boyd's explanation.

Kent Slater mentioned the two physician assistant's in that ER position not being from the community.

Kenny Boyd discussed the ER decision driven by the Medicaid payer piece, ER provider staffing in hospitals being contracted, operational efficiencies productivity targets review and the progress with non-labor cost reductions.

Harlan Baker discussed the Cerner OB/Gyn maternity install for the labor/delivery department, the optimization for the clinics and the registration department, the meeting with Cerner leadership staff, locations set up for telehealth connections and the telehealth demonstration for medical staff.

Matt Reynolds asked about the outstanding issues with Cerner.

Harlan Baker discussed some of the Cerner issues being program related for responsiveness on a system, installations and service requests placed.

Kenny Boyd discussed the board approval for partnering with Lifeguard for privatization of emergency medical services (EMS), the transition date planned for February 2018, the process for finalizing the Lifeguard contract legalese, the final Women's Center design numbers possibly being presented in November and phasing options for the Women's Center.

Noel Oliver asked about the phasing idea for the Women's Center, if MDH would only build with funds that exist and not having to borrow.

Kenny Boyd discussed building with existing funds being one of the options, the review of current cash and future promised cash, how to phase those pieces together, costs for phase two, the opportunity to review all potential options and keeping patient care in mind.

Kent Slater asked about this not precluding that MDH may have to borrow some money.

Kenny Boyd discussed the possibility of short term borrowing to be paid back with pledges as they come in long term.

Dr. K.T. Wright mentioned getting the project kicked off and people seeing the work going on being a benefit for Vicky Kipling and her staff regarding raising more funds.

Kenny Boyd discussed the work being done to draft the new Medicaid assessment program and conversations that will occur regarding this with our local representative and our state senator once we have a final draft.

Foundation Report

Vicky Kipling discussed the development fund balance, the foundation balance, funds raised last quarter, the golf tournament that was held in September, the Women's Center campaign at almost \$4.6 million, the Festival of Trees event and the grateful patient program.

Finance Committee Report

The Finance Committee meeting minutes from October 13, 2017 were distributed. Dr. Richard Iverson mentioned the two motions needed, one motion for the audit report and the other motion for the finance committee meeting minutes.

Matt Reynolds asked a question regarding the audit on the increase in purchased services and professional fees and the decrease in operating revenues.

Linda Dace discussed professional fees being reflective of the addition of new providers and the combination of items included in purchased services.

A motion was made by Chuck Butterfield and seconded by Andy Baker to approve the audit report. Motion carried.

A motion was made by Dr. K.T. Wright and seconded by Rita Moore to approve the October 13, 2017 Finance Committee meeting minutes. Motion carried.

Andy Baker asked if RSM and other vendors are being approached about donating to the Women's Center. Vicky Kipling discussed approaching the vendors and some of the donations received from the vendors.

Medical Staff Report

Dr. Card reviewed a medical staff application, Contract Staff: Asim Saeed, MD, Hospitalist. This application has been reviewed by the Credentials Committee as well as the Executive Committee of the medical staff and we would request that the board grant privileges as requested for contract medical staff.

A motion was made by Dr. K.T. Wright and seconded by Andy Baker that Contract Staff: Asim Saeed, MD, Hospitalist be placed on the provisional staff with privileges as requested. Motion carried.

Quality Focus

Maggie Goettsche discussed the hospital preview reports. The star rating received was mentioned.

Old Business

There was none at this time.

New Business

Wanda Foster reviewed highlights from the MDH home health report.

A motion was made by Dr. Richard Iverson and seconded by Matt Reynolds to approve the annual MDH home health report. Motion carried.

Wanda Foster reviewed highlights from the MDH hospice report.

Dr. K.T. Wright asked about MDH hospice patient market share information.

Wanda Foster discussed the hospice program, regulations MDH follows, hospice market share and home health agency information.

A motion was made by Rita Moore and seconded by Dr. Richard Iverson to approve the annual hospice report. Motion carried.

MDH Board of Director Nominating Committee for Board Officers 2018

Kent Slater appointed Rita Moore, Andy Baker and Chuck Butterfield to serve on the MDH Board of Director Nominating Committee for Board Officers with a meeting to be held November 20th, 5 p.m.

Andy Baker respectfully declined serving on the committee due to a conflict with the November meeting.

Kent Slater asked Noel Oliver if he would serve on the committee. Noel Oliver declined. The committee will consist of Rita Moore and Chuck Butterfield.

Kenny Boyd discussed the first quarter MDH scorecard, the current score, the statistical value, areas for improvement, areas exceeding our goal, hospital consumer assessment of healthcare providers and systems (HCAHPS) scores, financial results and our harm scores being at zero.

Kenny Boyd discussed the Midland Institute creating entrepreneurial opportunities (CEO) program coordinated by the Macomb Area Economic Development Corporation (MAEDCO), the goal of the program, support of this program, the funding needed to start the program, MDH's support of the program, the goal to have this program up August, 2019 school year for school districts inside of McDonough County and the school's involvement with this program.

Kenny Boyd discussed sharing educational industry information/articles with the board in the future and the benefits of the board seeing industry trends.

Noel Oliver discussed the board choosing to move forward with the Lifeguard ambulance issue a few months ago, knowing that the board would have another opportunity for review when the board saw the contract, making the final approval as a board of a contract that the board hasn't seen at a special meeting, approving a final contract that hasn't been written, not feeling comfortable with that, it is done, not knowing if the board realized what the board was doing at the time, voting at the meeting this summer with the idea that the board would have another chance to look at this, the board's chance to look at this being last Monday and the board still not seeing it.

Dr. Richard Iverson discussed disagreeing with this and requested Kenny Boyd address what the review process would be when this is all down black and white, how it is evaluated.

Kenny Boyd discussed all the major terms being presented to the MDH Board of Directors for their review, never seeing a place where a board sits down and reviews a 60 page contract line by line, if this is the expectation it being outside of the normal scope of operating procedure, paying legal counsel for review of the legalese of the contract being constructed, all of the terms of the contract being agreed upon, everything impacting the organization and everything that will impact the provision of 9-1-1 emergency services being explained and agreed upon, the process of attorneys putting together all the other pages inside of the legal agreement, semantics, agreeing on terms and having legal counsel put them into the language that has zero impact on operations.

Dr. Richard Iverson discussed understanding what the board voted on, what occurs when attorneys get ahold of it, the need for legal counsel and the reality of it.

Noel Oliver discussed hearing a statement earlier in the meeting regarding legislators passing rules/laws/regulations that they don't know anything about, hearing many times that the United States Senate passed Affordable Care Act (ACA) before it was read or published, seeing those things as mistakes, issues changing throughout this process, feeling uncomfortable, not trying to change anything as it is done, feeling disappointed that the board has not seen a final agreement, legalese that he might not understand but understanding what the board agreed to and it being too late.

Dr. Richard Iverson asked Kenny Boyd when the contract would be final and if it would be final when he signs it. Kenny Boyd discussed that it would be final when he signs it, legal counsel working to ensure all the details of the impactful terms inside of the contract from us fit inside those parameters,

review of the contract with legal counsel and the good job that legal counsel does ensuring the best interest of the organization is represented inside of the final agreement.

Dr. Richard Iverson asked if it would be permissible for a board member to sit down with what the board agreed to and what legal counsel has as the final document. Kenny Boyd agreed that this would be permissible.

Noel Oliver mentioned that it would be permissible but pointless as it is done.

Chuck Butterfield mentioned that if it is not signed it is not final, the board establishing policies, hiring administrators to do the work, having faith in administrators and if board members don't have faith in administrators something else having to change.

Kenny Boyd discussed not signing a contract that was contrary to the terms approved by the board and being the one to negotiate those terms on behalf of the organization.

Discussion

The infection control team fiscal year 2016 summary report was included in the board packet.

At 6:52 p.m. a motion was made by Dr. Richard Iverson and seconded by Dr. K.T. Wright to adjourn. Motion carried.

Dr. Richard Iverson
Secretary/Treasurer of the Board