

**McDonough District Hospital
Board of Directors Special Meeting
October 9, 2017**

The Board of Directors of McDonough District Hospital (MDH) met on Monday, October 9, 2017 at 12:00 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: Chuck Butterfield, Dr. Richard Iverson, Rita Moore, Noel Oliver, Matt Reynolds, Kent Slater, Dr. K.T. Wright

Excused: Andy Baker, Crystal Bedwell

Also present: Kenny Boyd, President/CEO
Dr. Ed Card, President Medical Staff
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
Patrick Osterman, Department Leader/Public Relations and Marketing
Alexa Shaw, Public Relations Assistant
Ronda Baker, Executive Secretary

Michelle Langhout, McDonough County Voice and Emily Boyer, Tri States Public Radio were present.

Consideration of the Lifeguard Agreement for Review and Approval

Kenny Boyd reviewed current MDH Emergency Medical Services (EMS) operations, MDH ambulance coverage per day, the process involved for MDH achieving non-emergency ground transfers, MDH being an EMS resource hospital, retaining this responsibility of resource hospital in the proposed model and the financial piece for MDH EMS.

Kenny Boyd outlined the Lifeguard proposal to include, additional ambulance coverage going from 48 hours to 60 hours of advanced life support (ALS) ambulance coverage on a daily basis, the staffing Lifeguard will provide on the trucks, a quick response vehicle (QRV) Lifeguard will provide equipped to do everything an ambulance can except transport, the staffing for the QRV, staggering the use of ambulances and QRV based on call volumes, Lifeguard being responsible for all 9-1-1 and non-emergent ground transfers, Lifeguard maintaining current relationships with county rescue squads, Lifeguard coordinating education with rescue squads, Lifeguard's plan to integrate the education aspects with EMS, the fire department and the air ambulance to a one team environment, Lifeguard's plan to add a fifth ambulance to our fleet of four and a QRV, Lifeguard's arrangement with the City of Macomb to station the active ambulances and QRV in firehouse #1 with the back-up ambulances stationed at firehouse #2, Lifeguard's crews to be stationed at firehouse #1, the City of Macomb providing a firefighter/EMT for one ambulance per day, Lifeguard's operating costs being \$136,000 a year paid to the City of Macomb for the firefighter/EMT, rent space and a monthly service fee, the county charging \$10,000 a year for Lifeguard to utilize the 9-1-1 service for their dispatch, Lifeguard purchasing hardware and frequencies for approximately \$15,000, Lifeguard adding 10,840 man hours on top of MDH's current model and adding approximately \$350,000 of extra operating costs inside of Lifeguard's model versus what MDH currently has. Kenny Boyd mentioned the human resource time MDH spends on non-emergent transfers.

Kenny Boyd reviewed Lifeguard's terms and costs to include, the proposed term being five years with automatic renewals as appropriate if operational standards are met, the allowance for the fair market value of current assets to apply towards the annual subsidy and the annual subsidy request of \$147,000 along with annual medical consumer price index (CPI).

Kenny Boyd reviewed tax levies for ambulance services in the surrounding counties to include, Fulton, Adams, Hancock and Dallas City, the average of the counties around us being over \$524,000 and the tax levy not being the total cost of operating the ambulance service.

Kenny Boyd discussed the subsidy Lifeguard is requesting, moving EMS in the direction it needs to go to provide the necessary services, lessening the operating expenses on the hospital by approximately \$110,000 a year, recruitment and retention issues, the meeting with MDH EMS staff today and the proposal from Lifeguard offering more cohesive EMS in the county.

Chuck Butterfield asked if MDH is billed by 9-1-1. Kenny Boyd discussed MDH being a county entity which is not charged for that service, other cities inside the county being charged a fee to provide their dispatch piece and a similar fee that would be charged to Lifeguard.

Chuck Butterfield asked about the person based at the firehouse and if the person is designated to the ambulance. Kenny Boyd discussed the firefighter who is the EMT driver that day, that person not having fire department duties that day and his understanding of the city's staffing process.

Dr. Richard Iverson asked if the county ambulance services were eligible for any of the educational benefits from Lifeguard. Kenny Boyd discussed Lifeguard including them in all training opportunities.

Rita Moore asked if the county ambulance services would be charged for the education. Kenny Boyd discussed this coming through MDH as a resource hospital and through Lifeguard's responsibility inside of their agreement.

Dr. K.T. Wright asked about EMT/paramedic continuing education requirements. Kenny Boyd discussed the EMT/paramedic continued education requirements, MDH providing these as a resource hospital to volunteer rescue squads at no cost to them.

Noel Oliver discussed the latest information on the finances, the \$1 million annually for salaries/benefits, if this was just for the MDH ambulance services, if it included the emergency room staffing and asking when Lifeguard takes over MDH not having to pay the \$1 million any longer. Kenny Boyd discussed the \$1 million being ambulance salaries/benefits, the \$1 million in salaries/benefits becoming part of Lifeguard's operating costs when they take over, the responsibility MDH will have if this proposal is approved being the stipend, the resource hospital expenses which would include Dr. George Roodhouse's annual stipend for his EMS Medical Directorship, Chris Cunningham, EMS Coordinator, restocking ambulances and coordination of training for the rescue squads.

Noel Oliver asked about the costs for the patient care technician. Kenny Boyd discussed MDH continuing with the emergency room patient care technicians which is part of the emergency room expense and the reasons why we have the technicians.

Chuck Butterfield asked about budgeting for ambulance replacement. Kenny Boyd discussed MDH placing ambulance replacement in the capital budget.

Noel Oliver asked about the proposal and Kenny Boyd's presentation not mentioning the current MDH ambulance employees. Kenny Boyd discussed Lifeguard assuming all of our current MDH ambulance

employees at their current rates of pay, giving the ambulance employees credit for years of service to the organization with these costs being built into the operating model and the only reasons Lifeguard can refuse employment to one of our existing ambulance staff members. Noel Oliver asked if this was part of the agreement. Kenny Boyd discussed this being part of the agreement between MDH and Lifeguard and these costs being built in to this operating model.

Dr. Richard Iverson asked about the anticipated date of the transfer occurring. Kenny Boyd discussed the transition period being 90 days and if the board approves this proposal shooting for a January 15 transition date.

Chuck Butterfield asked about the \$147,000 and if the full time firefighter was MDH's cost. Kenny Boyd discussed the costs for the firefighter not being a cost for MDH, one contract being between Lifeguard and the City of Macomb, the other contract being between MDH and Lifeguard and the agreement costs of approximately \$136,000 a year with the City of Macomb and Lifeguard being in the operational model.

Rita Moore asked about the estimates on the ambulances. Kenny Boyd discussed the four ambulances MDH has, not having an exact amount on the estimates for the ambulances, the cost of a new ambulance being approximately \$160,000 to \$180,000, the ages of the MDH ambulances and the ambulance equipment/supplies that Lifeguard would purchase from MDH on day of transition.

Dr. Richard Iverson asked about the status of the contract between Lifeguard and the City of Macomb. Kenny Boyd discussed the City of Macomb approving the agreement with Lifeguard last Monday pending the approval of MDH.

Noel Oliver mentioned the City of Macomb, the county and Western Illinois University (W.I.U.) having no expense in this. Kenny Boyd agreed. Noel Oliver discussed being told three months ago numerous times that this ambulance service is not our obligation, that it is not our business, that we should get out of it, that we should give it to privatization and now all of it being our responsibility and missing the transition between this is not our obligation, we shouldn't have been doing it for the last 40 years to now we are the only ones paying. Kenny Boyd discussed MDH being the only ones paying now to operate the ambulance service, MDH paying in the future, that operating the ambulance service is not something MDH is the best at, looking at privatization of ambulance services, the reasons to look at privatization, improving ambulance services to the county, the option of ambulance services not costing MDH anything not being the right piece to move forward with, MDH losing money on the ambulance service and losing money on ambulance services with Lifeguard but improving the service to the community at the same time. Noel Oliver mentioned ambulance service is one MDH is not obligated to provide as he has been told this many times by Kenny Boyd. Kenny Boyd discussed his thoughts that he didn't believe the ambulance services to be our obligation but MDH has it, his follow up response when asked what happens if this doesn't work, his response always being while he doesn't believe it is our obligation we have a responsibility to ensure that the service is there because of the way it was set up decades ago, his belief that this proposal would provide the most well rounded and cohesive emergency medical response services for the county as a whole long term, the other option of going to the tax payers for a levy to do the ambulance service, his comment publicly that he didn't think that was the best step to levy more taxes in the current environment of the economic issues in our region as the best idea, trimming operating costs while improving services being a win in his opinion, the ambulance service continuing to be MDH's responsibility if the bottom falls out even though from a community emergency medical response piece and he doesn't see it as our obligation but that is how the ambulance service is set up so MDH has to take responsibility for it.

Dr. K.T. Wright discussed the big plus in addition to reduced costs and increased service is it gets MDH out of the staffing struggles experienced for a number of years turning it over to Lifeguard.

Dr. Richard Iverson discussed what started the conversations originally was the fact that MDH was getting complaints regarding people waiting too long to get transferred out of here and his belief that this answers that. Kenny Boyd mentioned it was two years ago when we began to have those patient transfer issues.

Rita Moore asked about anything from the State of Illinois that prohibits Lifeguard from doing business or if Lifeguard has to get any licenses that could slow us down in the implementation piece. Kenny Boyd discussed Lifeguard's review of this, Lifeguard's contact with Illinois Department of Public Health (IDPH), the license they will be required to obtain as an ambulance provider, Lifeguard not foreseeing any issues with this, there being a possible delay in transition if it got to that point, the safeguard being that MDH is a licensed provider and MDH not notifying IDPH to drop the ambulance service piece until that transition occurs so we can ensure continuity of care.

Chuck Butterfield discussed the financials looking better the last few years than they had previously and what has changed. Kenny Boyd discussed not providing the full continuum of ambulance services care as we had, farming out the patient transfer piece which is part of the cost, becoming a fragmented service and not being the best way to operate.

Chuck Butterfield discussed the long term transports not coming near covering our costs for providing those services. Kenny Boyd agreed and discussed not being able to keep up the current operation of fragmented service as we might run into a problem.

Rita Moore asked about the other patient transport entity being in town or if they had left. Kenny Boyd discussed Midwest Transport being here, their leasing of firehouse # 2 and the City of Macomb having a 60 day obligation to them.

Dr. Richard Iverson asked about calling an 800 phone number if emergency room personnel decide someone needs to be transferred and in transition if the condition of the patient involved changes who staff contact to update. Kenny Boyd mentioned that it would be the same 800 phone number which makes it more streamlined.

Noel Oliver commented that MDH has to do this ambulance service as he doesn't see any choice and the improvements are all great but he doesn't like the way this has been handled, that he is embarrassed by the way we have handled this personally, that he is answering to the public on a lot of issues about the numbers we had three months ago, on making major decisions based on numbers three months, about those numbers not even being close compared to what we are looking at today, the fact that in a county board meeting Kenny Boyd said MDH would consider a stipend up to \$150,000 and then later in discussions Kenny Boyd saying that is not going to happen, that's not what I meant, even Lifeguard themselves at the public meeting as he recalls said that's way over anything that we would expect and here we are at \$150,000. Noel Oliver commented that he is embarrassed about the way we handled this thing, that misleading himself and a lot of other people as to why we were doing this, his belief that MDH was doing this he thought because MDH was either losing \$50,000 or \$200,000 as we never did get that real straight a year on this just for the last couple of years, prior to that we have been making money on it but what MDH gave away what MDH was calling the bread and butter then MDH started losing money and even that part of it is not true, it's not the bread and butter, it wasn't the bread and butter, MDH has been losing money a long time on this, not just the last couple of years so he thinks we misrepresented the whole thing and he is embarrassed by it. Noel Oliver commented that we have to have this ambulance service, no question and MDH is going to move

forward on it and MDH is going to go but he doesn't like the way it has been handled. The fact that this proposal was created August 30th, that we had a full board meeting in this room on September 18 and it wasn't even mentioned that this thing existed and the board wasn't given a copy of it then. On September 27 he received it and not sure when the other board members got it and then we call a special board meeting to discuss this and approve it, review and approve is the only option according to the agenda a week before our regular board meeting. Now we are in a hurry to do something again on this. He commented he doesn't like the way this has been handled. Noel Oliver asked why was the thing in house two weeks, the board didn't know about it at the board meeting as they could have had more time to look at it, why are we calling a special meeting on a holiday Monday to review something as we have a meeting scheduled next Monday and is a week that critical on this thing. Kenny Boyd discussed that he didn't realize this was a government holiday. Kent Slater mentioned that the meeting was called today to accommodate one of the board members. Noel Oliver mentioned instead of the regular Monday meeting next week. Kent Slater agreed.

Chuck Butterfield discussed the board meetings held at Spoon River College (SRC) Outreach Center that it was very uncomfortable out there for him as a board member and he is thinking if the board could have been on the up and up, looking each other in the eye and saying what was on their minds it would have been a whole lot simpler. Noel Oliver agreed with Chuck Butterfield and asked when the board could do that. Chuck Butterfield said he didn't know but that they need to be up front with one another.

Noel Oliver commented that he is embarrassed by it. Noel Oliver discussed people asking these questions, he's saying we got new numbers now, it's not the way we thought it was, it wasn't our obligation, now it is MDH's obligation, MDH could pay up to \$150,000 a year stipend, no MDH isn't going to do that, being told you misunderstood what I said, all those things he is answering to and being uncomfortable with that but the bottom line is MDH has to do this now, MDH has to go with this ambulance service now and do it and he agrees.

Kent Slater asked if there was further discussion. With no other discussion Kent Slater asked if there was a motion.

A motion was made by Dr. Richard Iverson and seconded by Dr. K.T. Wright to approve the agreement as outlined by Kenny Boyd today for Lifeguard to run our ambulance service.

Dr. Iverson asked Kenny Boyd if this was an adequate motion covering everything that is needed. Kenny Boyd agreed.

Chuck Butterfield asked if this was a five year agreement. Kenny Boyd commented that it was.

Kent Slater asked if there was further discussion.

Matt Reynolds asked about what senior management thinks about this, is this decision supported by senior management as well, does it seem like the right way to go with senior management being in here day to day seeing it.

The senior leadership team commented yes, absolutely, they agree as they have struggled with staffing issues. Chris Dace discussed this question being out there for years, the review of ambulance services in 2002 that took place, the only thing keeping us a float back then was the fact that we did transfers, his overseeing that area in the past, the culture change and it being the right way to go.

Kent Slater asked if there was further discussion.

Rita Moore mentioned the people attending the meetings, the about face they have faced, thinking they are probably behind us on this now, the money being a different story as we have told them we are not paying but yes, we are going to have to pay, saying at that meeting that night that we didn't have enough information to make a decision and we didn't, now having all of the information so we can make a valid decision, voting that night that we needed to proceed to get the numbers but we didn't have the numbers that night to make a decision or enough information and today we do.

Kent Slater asked if there was further discussion. Kent Slater called for the question.

A roll call vote was taken.

	<u>Yea</u>	<u>Nay</u>
Butterfield	x	
Iverson	x	
Moore	x	
Oliver		x
Reynolds	x	
Slater	x	
Wright	x	

The motion carried by a vote of 6 to 1.

Kent Slater thanked the group for attending the meeting. Kent Slater let the group know that the next agenda item was an executive session and asked for a motion.

A motion was made by Dr. K.T. Wright and seconded by Dr. Richard Iverson to move into executive session for the purposes of open Meetings Act Exception 17 (5 ILCS §120/2(c)(17)). The recruitment, credentialing, discipline or formal peer review of physicians or other health care professionals for a hospital, or other institution providing medical care, that is operated by the public body. A roll call vote was taken.

	<u>Yea</u>	<u>Nay</u>
Butterfield	x	
Iverson	x	
Moore	x	
Oliver	x	
Reynolds	x	
Slater	x	
Wright	x	

Motion carried.

At 12:50 p.m. the meeting returned to regular session with the seven board members present along with Kenny Boyd and Ronda Baker.

A motion was made by Dr. K.T. Wright and seconded by Matt Reynolds to adjourn at 12:50 p.m.

Dr. Richard Iverson
Secretary/Treasurer of the Board