

**Pondera Medical Center
Board of Directors Meeting Minutes
April 28, 2011, 5:30 p.m.**

The regular meeting of the Pondera Medical Center Board of Directors was held on Thursday, April 28, 2011 at 5:30 p.m., in the Pondera Medical Center Conference Room.

Those Board Members in attendance were as follows:

Ted Kronebusch, Chairman	Karla Styren, Secretary	Bernard Ries, Treasurer
Brent Gaylord, Vice-Chairman	Jaynie Gollehon	Cheri Bakken
Betty Cooper	Joe Christiaens	

Administration and Staff of PMC:

Mark Jones, CEO	Mary Erickson, COO
Tiffany Nitz, Extended Care DON	Lisa Hanson, Director of Business Development
Sean Kavanagh, IT Director	Lori Sebben, Executive Assistant

Public Guests and Employees of PMC:

Janette VanLuchene, Medical Records Manager

Ted Kronebusch, Chairman, called the meeting to order at 5:32 p.m.

MEETING CALLEMEETING CALLED TO ORDER

AGENDA ITEM	MINUTES	MOTIONS/ACTION
Public Comment	Ted called for any public comment. There was none.	
Approval of Agenda	Ted asked if there were any changes or additions to the agenda. There were none. Ted called for a motion.	Mr. Gaylord made a motion to approve the agenda; Ms. Bakken seconded. Motion passed.
Consent Agenda: • Approval of the Minutes from the meeting on 03-24-11.	Ted asked if there were any changes to the minutes from the meeting held on 03-24-11. Lori told the group that the Motion in Credentialing was incorrect and has been corrected; Jaynie requested a change to the auditor's last name from Nelson to Wilson. Ted called for a motion. Ted called for a break for the group to get their meals.	Ms. Bakken made a motion to approve the minutes from the 03-24-11 meeting with amendments; Ms. Gollehon seconded. Motion passed.
Department Report – Board Education	Janette introduced herself and told the group she would be doing HIPAA training. Janette explained that HIPAA violations have come to the forefront and told the group about a case where the party that was non-compliant was sued and the fines imposed amounted to over \$3 million. Janette said that the	

<p>Department Report – Board Education, Continued</p>	<p>government has a violation called “willful neglect”, which is defined as conscious, intentional failure or reckless indifference in complying with HIPAA’s provisions. The highest penalty for willful neglect is \$50,000 per violation; and even though a provider makes a final correction to a willful neglect suit, the law requires an additional fine of \$10,000. Janette explained how much time and the costs involved to investigate a single claim, the reminders used keep staff constantly aware of confidentiality of information; precautions for keeping confidential information protected and training for new hires. Janette discussed when records can be released and the reasons why some require authorization and others don’t. Janette told the group that her group is doing refresher training for all employees this spring, then distributed a form with HIPAA questions and asked the group to fill them out, and read them the answers. The group discussed when it can be appropriate to discuss “seeing” a patient in the hospital and when it needs to be kept confidential. Janette told the group to contact her if they had any questions. The Board thanked Janette for coming.</p>	
<p>Senior Staff Reports</p>	<p>The group discussed the following:</p> <ul style="list-style-type: none"> • Nursing home residency status • Medicaid index • Dietary stats on report • PT/OT staff, service sharing and locums • Ambulance calls; Ted asked for an ROI after 6 months; Mary will put something together for the next board meeting. • Sleep studies for the year • HR turnover rate for 2011 • Eye Clinic new patient growth and interest by an individual in possibly purchasing the small building next door • Cliff Davis is the Ambulance Medical Director over all protocols and training • Clinic patient flow; the Clinic phone system and possible changes; patient scheduling and changes to CPSI to improve scheduling by nurses and front desk. 	

<p>Senior Staff Reports, Continued</p>	<p>Following discussion, Ted called for a motion.</p>	<p>Mr. Gaylord made a motion to approve Senior Staff Reports; Ms. Styren seconded. Motion passed.</p>
<p>Finance Report</p> <ul style="list-style-type: none"> • Board Resolution 	<p>Bernard gave a summary of the March 2011 Financial Report and discussed the following:</p> <ul style="list-style-type: none"> • YTD revenue • Operating revenue • Purchased services • Cash flow statement • Accounts Receivable • Eye Clinic loan • Operating margin for March • Days cash on hand • Days in Accounts Receivable • Accounts Payable <p>Mary told the group that PMC obtained the current anesthesia machine from Benefis in 1997 and GE will no longer support it. They will not be making any more parts for it; it is our only machine and the back-up machine had to be discarded; therefore the need for purchasing a new machine is critical. Mary said they have been working on this for over eight months; found competition and leveraged with GE; PMC can get a good machine for about \$50,000 that will last at least 10 years. Mary told the group she is comfortable with the machine, price range and EMR compatibility. We will keep the current machine as a back-up and negotiate a service agreement with GE to get PMs. Our current service agreement on the existing machine is \$23,000 per year and there is only one person in Montana that can work on it. The service agreement on the new machine is approximately \$1,700 per year and there will be annual service. The machine will pay for itself in 3-5 years. Mary said that Dave, Mark and she feel confident that we can get a loan for it through the Montana Finance Authority. The group discussed property tax on leased equipment; but if equipment is owned, property tax would not have to be paid. The group discussed PMC's borrowing ability with the Montana Finance Authority, vendors and cost. Mary said that GE brought their price down to \$50,000 and we should be able to get the service contract and machine for under \$50,000. The Board agreed with</p>	<p>Mr. Christiaens made a motion to accept the Board Resolution for a new</p>

	<p>purchasing the GE machine and service contract not to exceed \$50,000. Ted called for a motion regarding the Board Resolution.</p> <p>Following additional discussion, Ted called for a motion regarding the Finance report.</p>	<p>anesthesia machine; Mrs. Bakken seconded. Motion passed.</p> <p>Ms. Gollehon made a motion to accept the Finance Report; Mrs. Bakken seconded. Motion passed.</p>
<p>CEO Report</p>	<p>Mark discussed the following:</p> <ul style="list-style-type: none"> • Extended Care resident status • At a resident's requests, there is now a private pay suite in Extended Care. The rate is 2.5 times higher than the regular rate and we lost a bed but are cutting down on overhead for a two-person room • Golf tournament on July 16th; the silent auction with proceeds to benefit the Foundation and hole-in-one prizes • The Brown Bag Lunch Series success and plans for continuation. The next one is on culture change for the Extended Care facility moving toward the Eden Alternative; from an institution to a home. Mark gave kudos to Lisa for getting it in paper • Preferred Provider status and Benefis' decision not to accept that status for some insurance companies and the group discussed further • House Bill 2 went through, with a few modifications; the cuts in long-term care services went through and the direct care wage funding was reduced by 40%. <p>Mary gave an update on the EMR program and told the group they have gotten through all initial demonstrations via webinar. The Project Oversight Team evaluated 6-7 companies; McKesson came in first, HMS came in second; CPSI and Meditech came in third and NextGen came in fourth. Following discussion, the team decided to go with CPSI and NextGen for the next two in-depth demos. Those were two they felt wanted to look at further. The concern with HMS was that they will not interface with any other company; it is \$300,000 per year and is off-site hosting, which would leave us reliant on internet connectivity. Even though they were</p>	

the second highest ranked; the team felt they were not worth evaluating further. Meditech was evaluated as standalone and as a purchase through Benefis, but ended up being cost prohibitive so Meditech was not chosen. Benefis/MHA had made an offer almost two years ago regarding Meditech and only one hospital took advantage of that, which causes concern. The district manager of CPSI was on-site last week, and we presented a list of likes and dislikes; the CPSI customer relations manager will be here in May; CPSI has been very responsive to our requests. Mary told the group that everything is moving along at good pace and we should have an idea by the end of June who will be chosen. Mary said our first priority is to figure out the existing CPSI issues and fix them before doing anything else or we will continue to build on those existing issues. There is another Montana-based company out of Billings called Tech Time that they will take a look at; 15 different hospitals in the State are using and they may be an affordable option. Brent gave kudos to Mary for all the work she has done on the EMR project.

Mark told the group that PMC has created a minor conflict of interest for a board member. Mark told the group that the facility has been in need of electrical repair and had asked for bids and quotes, contacted several electrical companies and got no return calls. When contacted to come back, the people that came in last year to give some bids declined and McDonald Electric no longer wants to do business with PMC; therefore PMC ran into a problem. Last week Mark authorized Lorrie Combs to contact Kronebusch Electric to get them in and get the work done that needed to be done. Kronebusch Electric took care of items pending within two days. Brent told the group he felt every effort had been made to follow policy and doesn't feel it was a conflict; if it is, it can be justified. Brent spoke to Mike O'Neal about working for PMC in the future and Mike will reconsider. Ted said he made sure Lorrie sent all information to Mark so that when this comes up in the future, we will have documentation to back it up. Ted said that he told Mark and

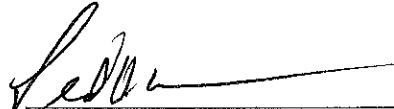
	<p>Lorrie that Kronebusch Electric would do this work, but that they are to follow procedure in any future projects. Kronebusch Electric worked on the boiler, repaired a few items in the kitchen and repaired some automatic doors. Jaynie suggested putting all the documentation with the bill.</p> <p>Ted distributed the quote he had gotten for the bridge work and told the group that a bridge committee meeting was held with the builder and architect and that PMC Maintenance, the Board and County had input. The group discussed the details of the quote, use of County equipment, costs, aesthetics of the design and funding options. Ted told the group that if the Board approves going forward, we would need to try to secure a loan through Stockman Bank and if rejected we would go to the Port Authority and ask for loan, whose terms would be the same as a bank. Ted requested Board input on the quote; asked for acceptance of the concept and permission to move forward with securing financing. Mark told the group he would like to try to get the bridge done without borrowing any money because of current finances and the possibility of any facility emergencies that may arise. Joe agreed that not borrowing money will allow for any emergencies. The group discussed alternate ways of repairing/replacing the bridge, asking the community for funds and the possibility of transferring funds from a current memorial to the bridge project. The group agreed that financing needs to be in place before doing anything. The start date would be contingent on the weather and when the Board gives the ok, the repair/replacement would be done on a specific timeline. The Board gave Ted permission to move forward with securing financing.</p>	
Adjournment	Ted called for a motion to adjourn the public meeting at 8:36 p.m.	Mr. Ries made a motion; Mr. Gaylord seconded. Motion passed.

Open meeting was adjourned at 8:36 p.m.


Ted Kronebusch, Chairman, called Executive Session to order at 8:44 p.m.

Executive Session

Consideration/Action-Medical Staff Appointments	Lori Sebben presented the following Medical Staff file for consideration by the Board: <ul style="list-style-type: none">• Richard Brown, CRNA: Provisional to Active Privileges to Allied Medical Staff were requested based on experience, education, training, professional competence, good judgment and demonstrated ability to adhere to lawful ethics, work cooperatively with staff and properly discharge medical staff responsibilities. PMC Medical Staff had given prior approval for appointment. The group discussed current anesthesia coverage and information contained in Mr. Brown's credentialing file. Ted called for a motion.	Mr. Christiaens made a motion to approve Privileges to Allied Medical Staff for Richard Brown for a two-year term; Ms. Gollehon seconded. The remaining members of the Board voted against. Motion denied.
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Ted D. Kronebusch, Chairman of the Board



Karla Styren, Secretary of the Board

05/26/11
Date