

**Pondera Medical Center  
Board of Directors Meeting Minutes  
January 6, 2011, 5:30 p.m.**

**The regular December meeting of the Pondera Medical Center Board of Directors was held on Thursday, January 6, 2011 at 5:30 p.m., in the Pondera Medical Center Conference Room.**

**Those Board Members in attendance were as follows:**

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

**Administration and Staff of PMC:**

Mark Jones, CEO	Wayne Ashworth, Director of RM & RHC
Mary Erickson, COO	Dave Doran, CFO
Tiffany Nitz, Extended Care DON	Brenda Ries, Accounting Manager
JD Duncan, HR Director	Dennis Lott, Med/Surg Manager
Jay Taylor, MD	Lori Sebben, Executive Assistant

**Public Guests and Employees of PMC:**

None

**Ted Kronebusch, Chairman, called the meeting to order at 5:31 p.m.**

**MEETING CALLED TO ORDER**

AGENDA ITEM	MINUTES	MOTIONS/ACTION
<b>Public Comment</b>	Ted called for any public comments. There were none.  Mary introduced Rose Hill, Food & Nutrition Manager; Rose told the group that tonight's meal was a sampling of what the PMC Cafe would be offering and said plans are for the Cafe to be open on January 10.	
<b>Approval of Agenda</b>	Ted asked if there were any changes or additions to the agenda. There were none. Ted called for a motion.	Ms. Styren made a motion to approve the agenda as presented; Ms. Gollehon seconded. Motion passed.
<b>Consent Agenda:</b> • <b>Approval of the Revised Minutes from the meeting on 11-18-10.</b>	Ted asked if there were any changes to the minutes from the meeting held on 11-18-10. There were none. Ted called for a motion.	Mr. Gaylord made a motion to approve the minutes from the 11-18-10 meeting; Mr. Christiaens seconded. Motion passed.
<b>Senior Staff Reports</b>	Brent asked why there was no Lab report for November; Mark explained that the Director was out on FMLA.	

Mark introduced Tiffany Nitz, Extended Care Director of Nursing and asked her to tell the group about herself. Tiffany talked to the group about her background in nursing and the Board introduced themselves to Tiffany. Ted explained how the Board is formed and PMC's association with the County. Jaynie asked about the HR Dashboard and the 403b; JD told the group that the 403b is through Edward Jones. The group discussed the total discharges versus no budget; Mary explained that the numbers are based on inpatient days; therefore, the numbers are not included in the budget. The group discussed surgical services year-to-date for inpatient services, C-sections and scope procedures; some scope procedures are done on inpatients.

Ted called for a break at 5:42 so that the group could eat dinner.

The meeting was called back into session at 6:11 p.m.

Ted called for a motion to accept Senior Staff reports.

Ted requested a report from Wayne on dietitian services; Wayne told the group there is nothing new to report; they are waiting on Lisa's return, but that they are anxious to move forward with outsourcing dietitian services. Wayne told the group that Vann's current function is as a clinical provider by doing care plans and diets for residents and patients so that we can meet state requirements.

Brent asked about October and November Clinic numbers being down and if December numbers would be better. Wayne told the group that he needs to look at prior year numbers, but attributed the low numbers to the holidays and a low number of flu cases this year. Mark explained that the numbers are cyclical and that they normally drop at year end. Ted asked what the current number of Extended Care residents was; Tiffany told

Mr. Christiaens made a motion to accept Senior Staff Reports; Ms. Gollehon seconded. Motion passed.

	<p>the group that PMC Extended Care residents are currently 54 with three or four pending for next week.</p> <p><b>Finance Report</b></p> <p>Bernard gave a summary of the November 2010 Financial Report and reported on monthly budget numbers, salaries, professional fees, Acute days, swing bed days, AR days, cash on hand, AP days, AR for the month and the early bed tax payment. Bernard told the group that revenue and expenses are at 95% of budget, numbers show a profit of \$82,000 for the end of November, cash flow, loans to the Eye Clinic and October/November census would show up in the January numbers. Ted told the group that there would be a dashboard report for the Eye Clinic beginning in January. Bernard told the group that there will be an annual report on service contracts.</p> <p>Bernard told the group that audit bids had been sent out and received; the Finance Committee had reviewed the bids and recommended hiring Doug Wilson as the auditor. Brent made a motion to accept the proposal from Doug Wilson and hire him as PMC's auditor.</p> <p>Dave requested approval of a Resolution for Mary Erickson to conduct business with First Liberty Credit Union on behalf of PMC. Ted called for a motion.</p> <p>Bernard told the group that the Finance Committee had reviewed the budget for 2011; PMC had gone over budget for births in 2010; more revenue has been budgeted in 2011 for OB and Clinic visits. Brent asked if price increases would take effect in 2011. Wayne explained that currently the Clinic has an average of 85 no-shows per month and he has initiated a pre-visit patient phone call to try to reduce the number of no-shows. Wayne told the group that price increases have not yet been put into place; Brent encouraged raising visit prices. Wayne agreed and Mark explained that insurance pays what they pay regardless of the price of a Clinic visit and that an increase needs to be based on the cost</p>	<p>Ms. Gollehon seconded the motion to accept the proposal from Doug Wilson. Motion passed.</p> <p>Mr. Christiaens made a motion to approve the Resolution; Mr. Gaylord seconded. Motion passed.</p>
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	<p>of running a business and ensuring that pricing is competitive with that of other facilities.</p> <p>Bernard discussed the 4% salary increase; increase in services and staffing, benefits paid by PMC and the increase in enrollment as a result; ambulance services price increase; interest expenses for ER equipment, advertising expenses, cash flow, decrease in CPSI services, private pay collections; EMR expenses that will be in a separate budget; advertising and utilization of resources and Eye Clinic new patient increase as a result of advertising. Brent asked if there had been discussion of a name change for the Eye Clinic. Mark told the group that it had been discussed, but senior staff feels it is not necessary.</p> <p>Following discussion and a recommendation to review the budget in six months to determine if adjustments need to be made, Bernard called for a motion to accept the Finance report.</p> <p>Ted requested that Policy Review be done prior to the CEO report.</p>	<p>Ms. Cooper made a motion to accept the finance report; Ms. Styren seconded. Motion passed.</p>
<p><b>Policy Review</b></p>	<p>JD explained the Hire and Orientation of New Employees and Contracted Personnel Policy and the changes made to ensure better hiring practices. Ted called for a motion.</p> <p>Ted asked JD to explain what PMC is doing to enhance employee morale. JD told the group that the employee satisfaction survey indicated that employees felt they are not appreciated and last year PMC implemented the Thank You cards from supervisors and managers; the cards were on display for the group to read. JD told the group that this year's morale booster will be customer service focused and will roll out next week. JD discussed last year's Employee Recognition Committee and the monthly basket drawings along with special employee recognition days where members of the committee took ice cream to all employees</p>	<p>Mr. Gaylord made a motion to adopt the Hire and Orientation of New Employees and Contracted Personnel Policy; Ms. Styren seconded. Motion passed.</p>

and another day they took lemonade, tea and ice water around to all employees, along with other activities to appreciate staff's hard work throughout the year. Bernard asked if there is a way to get financial information out to staff; JD explained that financial information is posted on communication boards throughout the building and emailed to employees; the Leadership Management Team (LMT) holds meetings twice a month, minutes from those meetings are posted on the website and emailed out to LMT to share with their staff; managers are more involved in the budgeting process and decision-making for their departments.

Ted told the group that prior to the Union negotiations and involvement, PMC had an employee representative on the Board to report on employee activities, morale and other items; Ted suggested considering bringing back an employee representative. JD suggested requesting department supervisors to attend the Board meetings to report on their departments. Joe told the group that had worked well in the past; Brent said he thought that would be great. Bernard agreed and said that any department supervisor could come and report. Mark told the group that he encourages employees to attend the Board meetings every month. Ted asked JD to spearhead coordinating with the departments. JD agreed and Mark said he would work with JD on setting up a rotation. Ted requested that a supervisor and department employee attend the meetings to report; Jaynie told the group that having an employee representative is a good idea and a way for employees to communicate information to the Board and for them to hear what the Board is doing. The group discussed when the department supervisor and employee would give their report and it was decided they would present at the beginning of the meeting.

JD distributed Foundation information to the Board and explained the purpose of the letter. JD requested that the Board members give Foundation information to other business associates for donations. JD told the group that there had been discussion of having a

	<p>Foundation golf tournament, but because of scheduling conflict, the Special Events committee is working on a gala event to be held in May; she will provide more information as she has it. JD encouraged the Board members to attend the gala event. The group discussed this year's Fish Fry date, which is on April 15, 2011; last year's Fish Fry was on Good Friday and there was a good turnout for that.</p> <p>Brenda explained the Pay Periods and Pay Dates Policy and the Accounting department's ability to move the pay date when payday falls on a holiday. Brenda told the group that the pay period schedule is distributed to all employees at the beginning of the year. The group discussed preparation for holiday paydays and notification to personnel well in advance of the holiday. Following discussion, Ted called for a motion.</p>	<p>Mr. Gaylord made a motion to adopt the Pay Periods and Pay Dates policy; Ms. Bakken seconded. Motion passed.</p>
<p><b>CEO Report</b></p>	<p>Mark discussed the following:</p> <ul style="list-style-type: none"> <li>• The Chamber Banquet, scheduled for February 8<sup>th</sup> and this year's theme is TV Shows; PMC will be sponsoring two tables. Mark told the group that he had nominated PMC for the Clydesdale Award which is given to the group that has worked as a team to make a difference in turning things around for their business and the community.</li> <li>• A strategic planning session will be scheduled again this year and he would like to have it in February; Mark will get back to the Board with the date(s). Mark told the group that he would be inviting the revenue stream managers and after the feasibility study, depending on their report, will get back together to decide which initiatives need to be worked on. Mark told the group that the strategic planning session will be at Norley Hall, if a date could be secured; managers will need to adjust their work schedules if the session is on a Saturday to avoid overtime.</li> <li>• There will be a purchase request for the new endoscopy equipment; which will be approximately \$205,612; Mark did not have the paperwork, but he would send</li> </ul>	

the paperwork for financing. Mark told the group that no resolution was needed at this time, but he was requesting the Board's approval to go ahead with the financing paperwork and purchasing process. Dave explained the down payment process; Bernard told the group that once the paperwork is finalized, the equipment can be shipped and delivered within a very short time. Ted asked about the life of the equipment; Dennis told the group that it is about 5 years or so, but that this is top-of-the-line equipment. Dennis also told the group that the new sterilizer equipment is being enfolded into the financing for the endoscopy equipment. Brent asked if price negotiation had been done; Dennis assured the group that it had been and that he is working with IT to provide video hardware needed; which will save between \$15,000 and \$20,000 and that IT will ensure the video equipment will work with the endoscopy equipment. Ted asked if the maintenance agreement is included; Dennis told the group that it is included in the lease price and assured the group that Dr. Taylor and Janet King would treat the equipment as if it had been purchased with their own funds. Dennis told the group that the maintenance agreement going through the leasing company would be around \$888 more; PMC may be able to buy a maintenance agreement outright, but research will be done before making that decision. Mark asked the Board if PMC can go ahead with the paperwork and provide the resolution to the Board at a later date. The Board agreed.

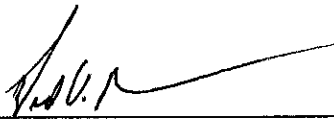
Ted told the group that he had attended the legislative meeting on December 30<sup>th</sup> because Mark and Brent could not attend. Ted told the group that there were 13 legislators there to give people the opportunity to speak to them before they go to Helena and that he was the only hospital board member in attendance. The group at the meeting discussed Medicare, Medicaid, the 2% physician fee cut and Ted said he explained the impact of the cut on small hospitals; Ted said some of the

	<p>legislators sought him out after the meeting to talk to him. Ted told the group that he was able to speak with the legislators who sign checks. Brent asked if the legislators had agreed to keep the physician cut; Ted said they had not, but at least they now know and understand that rural hospitals cannot afford it or fund capital expenditures, etc. Brent asked if Llew Jones and Rob Cook could champion for PMC; Mark told the group that he feels that Mr. Jones would not, or even could, do anything and that PMC needs to work with our legislators on this and other issues. The group discussed changes to Medicare and Medicaid, working smarter with less, cuts on individuals versus facilities and physician cuts. Brent asked why we couldn't just tell them we can't take the cuts; Ted said that every hospital is saying the same thing to them and hopefully these issues can be looked at collaboratively. The group discussed the businesses affected by the healthcare reform, which are primarily healthcare, education and prisons.</p> <p>Ted requested an update on the bridge during Executive Session. The group discussed the possibility of obtaining a time and attendance module; it has been looked at and the cost is unknown at this point, but staff will find out and let the Board know; however, staff feels that the module would be very cost-prohibitive.</p>	
<b>Adjournment</b>	Ted called for a motion to adjourn the public meeting at 7:57 p.m.	Ms. Styren made a motion; Ms. Bakken seconded. Motion passed.

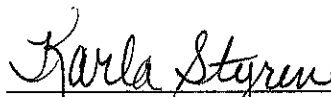
**Open meeting was adjourned at 7:57 p.m.**

Ted Kronebusch, Chairman, called Executive Session to order at 8:12 p.m.

<b>Executive Session</b>		
<b>Consideration/Action-Medical Staff Appointments</b>	<p>Ted called Executive Session to order at 8:12 p.m. Prior to Consideration/Action-Medical Staff appointments the group discussed the PMC Cafe, when it would be operational, the cost, changes to appearance of the cafeteria and going public.</p> <p>Lori Sebben presented the following Medical Staff file for consideration by the Board:</p> <ul style="list-style-type: none"><li>• <b>Benjamin Pomerantz, MD:</b> Provisional Privileges for appointment to Courtesy 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.</li></ul>	<p>Mr. Gaylord made a motion to approve Provisional Privileges to Courtesy Staff for Benjamin Pomerantz for a six-month term; Ms. Bakken seconded. Motion passed.</p>



Ted D. Kronebusch, Chairman of the Board



Karla Styren, Secretary of the Board

01/27/2011  
Date