STEELE MEMORIAL MEDICAL CENTER

203 S. DAISY ST. ~ SALMON, IDAHO 83467 ~ (208)756-5600 ~ FAX (208) 756-4169

SPECIAL BOARD OF DIRECTOR'S MEETING
July 8-9, 2024

MINUTES

MEMBERS PRESENT: Jean Anders, Chair
Dennis Krasowski, Treasurer
Chuck Mark
Diana Ketterling
Robert Frahme
Steve Lish
Rebecca Hilgendorf
Kim Kesl, Lemhi County Commissioner-Voting
Ex Officio:
Preston Becker, CEO
Adam Deutchman, MD, FACS, Chief of Staff

OTHERS PRESENT: Todd Linden
R. Larson, CFO
K. McNitt, CNO
S. Huston, CQO
B. Miller, CCO

ABSENT: Lori Stacy, Vice Chair

Minutes recorded by Judy Washbon, Executive Assistant / Med Staff Svc Director

CALL TO ORDER: The July 8, 2025 meeting was called to order at 12:30 p.m. by J. Anders.

J. Anders and P. Becker welcomed T. Linden to Salmon and Steele Memorial Medical Center. Mr. Linden discussed his bio and gave a brief history. The first day of the work session began with a discussion and quiz on "What Shape Are You" and discussed "Know your Why".
Highlights of discussions and exercises were:
The board's role in strategic planning;

- Strategic thinking is more administrative;
- Board's ultimate responsibility is SMMC's mission;
- Discussed defining future possibilities along with the uncertainties;
- How does the board communicate and what are the strategies;
- The board is the What and the administration is the How;
- The steps of the strategic planning processes were reviewed;

SMMC's mission, vision and values were discussed and reviewed: The mission statement is good and will stand as is. The vision was reviewed and discussions held on if the current vision statement is too antiquated. Discussions followed on how high should we set the bar. The suggestion was made to read SMMC should be "the trusted healthcare provider to those needing help". Vision statements should be aspirational. We want to be known for

for high quality healthcare. T. Linden commented we can put refreshing the vision statement on a task "to do" list. It can be reviewed with a small task force assigned to review mission-vision-value statements.
Further areas of discussion included

- Challenges and issues;
- Reviewing environmental current drivers;
- Burnout of employees, particularly provider burnout;
- Workplace safety;
- Financial sustainability;

P. Becker discussed the OBBB and reported rural hospitals are bracing for $1 trillion in Medicaid cuts and it will be difficult for some institutions to keep their doors open. Discussed legislative updates and noted the funding mechanism that Idaho was enticed by, which was the state directed payment, Because Idaho did not act on it sooner, Idaho will not get the state directed payments. At this point the predication is the state will see a huge deficit in Medicaid funding. Medicaid is small with SMMC, about 10%, but is still incredibly impactful. Concerns discussed on high acuity patients coming to the ER for treatment, which could really cost the hospital.
T. Linden reported there is a great deal of money in healthcare, e.g. pharmaceuticals, insurance, etc. This particular bill can be detrimental to small rural hosptals.

Discussion topics on:

- Hospital financial stresses;
- Medicare Advantage Plan denials - many rural hospitals will no longer accept MA;
- Quality and safety;
- Hospital ranking;
- Financial sustainability;
- Soaring drug costs;
- Cybersecurity;
- AI and the AI potential to help combat physician burnout;
- Understanding changing technology;

P. Becker presented a PowerPoint on SMMC finances and how an "outsider" may view the hospital. Reviewed the FY25 Financial Dashboard and noted we are seeing increases in denials from insurances, e.g. Medicare Advantage, etc. Some of the denials are computer AI generated denials, discussed the complexities involved.
P. Becker noted there has been a tremendous increase in revenue over the last few years, but expenses are keeping up with it as well. Reviewed additional financials: Debt covenants, balance sheet, assets & liabilities;

T. Linden reviewed governance structure - discussions followed;

P. Becker reported he received the results of the Community Needs Assessment survey. We did not receive nearly as many respondents as the previous year. The main take-aways with the community are:

- Billing issues;

- The ability to make an appointment and see a provider in a timely manner;
- Being able to call the hospital and speak to someone on the phone (many comments on difficulties calling the hospital);
- Concerns how some people think we are not meeting their needs and we transfer too many patients out;

P. Becker will get the survey results to the board as soon as possible.

The current strategic plan and priorities were reviewed and discussed. It was noted the biggest change is the shift to an aging population. It is great for growth, but cannot help in contributing to the work force. Discussions followed.
P. Becker reviewed and discussed the organizational scorecard.

T. Linden reviewed and discussed a strategic options and legal considerations. Discussed independency and noted it is very unlikely for a hospital to remain completely independent.
Discussed what is the best way to deliver high quality services that are sustainable. We are not completely independent today and SMMC does have partnerships, e.g. Providence, Oncology, etc. It is more about how much control you have. The stronger you are the less help you need. But, if you atrophy at all, there will be less to negotiate with. It's a matter of looking in our own crystal ball. Where will we be, where are we now? Discussions followed with examples. P. Becker reviewed a PowerPoint by K. Stanger. Reviewed the strategic options and discussed pros and cons of being a county hospital vs. a hospital district vs. a 501c3 tax exempt hospital.
There are many areas to consider. T. Linden discussed an independence readiness assessment by an expert. Continued discussions followed.

ADJOURNMENT: The July 8, 2025 Strategic Planning Meeting was adjourned at 5:09 p.m.

July 9, 2025

CALL TO ORDER: The July 9, 2025 meeting was called to order at 8:00 a.m. by J. Anders.

T. Linden led discussions on:
- Governance and how to take the collective wisdom of the board and put it into the committee;
- What are the challenges in healthcare today, what can make us go "below the line?" referencing a change in mindset.
- Oversight: Fiduciary is not just financial. Fiduciary also covers the oversight of the quality of the organization;
- Boards that have generative discussions are usually held once a quarter;
- The difference between generative and strategic;
- Reviewed the Trustee Pledge;
- Discussed Governance vs. Administrative Leaders;
- Discussed the idea of having a "board corner" in the newsletter;
- Board members always act as a collective group and never act individually;
- Every board member should be a strong ambassador for the hospital;
- Board members must share and support the vision and values;

- The board must have the discipline to have a 12-24 month goal. It cannot be done at once, but most use a 24 month plan;
- Develop a list of generative suggestions;
- Create a list explaining what a CAH is, what we do, etc.;
- Add a round table discussion item to the board agenda;
- Create a task force for a board ambassador;

Combined SOARS listing:
Increase public trust / education
Financial Stability in a changing environment
Recruitment / Retention / Succession
Mental Health Services
Growth Mindset vs. Fixed mindset of institutions direction
Promote Vision / Mission
Risk Management in a changing environment / compliance-tort law
Collaborate with schools
Master Facility Plan
Board Development / Education
Maintain Independence
Quality / Patient Safety
Information Technology
Succession Planning

ADJOURNMENT: The July 9, 2025 Strategic Planning Meeting adjourned at 12:10 p.m.