

STEELE MEMORIAL MEDICAL CENTER

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

BOARD OF DIRECTOR'S SPECIAL BOARD MEETING

August 7, 2019

MINUTES

MEMBERS PRESENT:

Dennis Lile, Chair
David Weston, Vice Chair
Kristin Troy, Secretary/Treasurer
Sherry Taylor
Linda Price
Rebecca Hilgendorf
Ingrid Fulstone
Lisa Loughran, CNO
David Pike, Interim CFO
Ex Officio:
Rick Snyder, Lemhi County Commissioner – Voting Member
Jeanie Gentry, CEO

OTHERS PRESENT:

Ron Vigus, QHR, AVP
Dan Hamman, QHR

Minutes recorded by Judy Washbon, Executive Assistant

CALL TO ORDER:

The meeting was called to order at 5:04 p.m. by Dennis Lile, Chair.

BOARD WORK

SESSION DISCUSSION:

D. Lile began by addressing the public with concerns over rumors circulating through the community regarding the purpose of tonight's meeting was to sell the hospital. D. Lile announced that the hospital is not being sold and these rumors are completely false. The public was welcomed and it was noted that public comment is heard only during regular session board meetings, but not at special board meetings.

J. Gentry explained to the public audience that when a board meeting is held separately from a regularly scheduled meeting it is a special board meeting for the purpose of board education, no decisions or actions are taken. Tonight's meeting is for education only which will be provided this evening by D. Hamman, QHR Consultant.

Financial Summary

J. Gentry delivered a financial summary power point. Discussed several highlights for SMMC, including high quality metrics, consistently in the top 100 of CAH's, successful provider & staff recruitment. SMMC currently has a negative EBITDA. Contributing factors have been physician locums, correction to outdated pay ranges, Providence raised their ER physician contract by 30%, lower Medicare reimbursement, changes in payer mix and new building payments and depreciation. J. Gentry noted that our hospital is not alone and many other hospitals in Idaho are facing the same concerns. It was noted there are 27 CAH's in Idaho with 19 of them in the red. Our goal is to remain independent, but we must have a backup plan and be prepared for the future.

A brief review of K. Stanger's board education presentation from the May 6th Special Board meeting was given. Options reviewed were the pros and cons of County Hospitals, Hospital Districts, 501(c)(3) tax exempt Hospitals, joint venture or affiliations, consolidating or annexing, lease, conveyance or sale, etc.

Presentation

J. Gentry introduced Dan Hamman from QHR who is providing the board education today. D. Hamman delivered a power point presentation and noted he gives education to hospital boards all over the country. Highlights were:

- Discussed factors that contribute to community hospital struggles:
 - Changes in Medicare & Medicaid
 - Predatory large systems;
 - Ongoing competition;
 - Changes in demographic, social & economic pressures of rural communities;
- Discussed rationale summary of organizations looking for support:
 - Emerging value-based payment systems;
 - Infrastructure – standardization costs;
 - Cost of attracting employed physicians and medical professionals;
 - The high cost of innovative technological equipment;
 - Replacing existing equipment and upgrades to an aging plant;
- Disciplined approach and options discussed;
- Discussed the decision making process flow;
- Discussed the continuum of options;
- Discussed potential partners for SMMC:
 - Providence/St. Patrick's; University of Utah, St. Luke's, Community, EIRMC, etc.

D. Hamman reported the top goal of the Board is to keep health care in the community and Board's must have a strategic plan looking 10-12 years in the future.

Board Q&A

Board Q&A session followed with continued discussion. D. Lile allowed public comment and Q&A discussion as well.

Meeting was adjourned at 6:52 p.m.