



STEELE MEMORIAL  
MEDICAL CENTER

Final Report  
**Strategic Roadmap to Vitality:**  
Rebuilding Trust and Collaboration

September 3, 2021

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Kristin Troy  
Chairperson  
Board of Directors  
Steele Memorial Medical Center (SMMC)  
Salmon Idaho

Hello Kristin and your Colleagues on the SMMC Board Of Directors,

This document provides my final report. It contains my observations, conclusions, and recommendations of a set of strategies I believe are important to guide the work of the Board, Medical Staff, Managers, and the Community itself to move SMMC into an enhanced position as the preferred employer and care provider in the region. These are summarized on [slides 32](#) and [33](#), but the five Imperatives begin on [slide 14](#).

SMMC has been an essential Critical Access Hospital and key employer. However a number of factors have become evident over the past few months that threaten these valuable roles, and can weaken the organization's ability to regain its former vitality. My SWOT assessment is on [slide 12](#).

Many players have contributed to this dilemma. All must now play a role in rebuilding the trust and collaboration needed for SMMC's future success. It will not be easy nor fast. But it is essential.



STEELE MEMORIAL  
MEDICAL CENTER



## SMMC Value:

Proud Heritage.

Medical Care  
Champion.

Important  
Employer.

Community Asset.

**Protect & Enhance SMMC Value**

On August 16, 2021 I asked these questions.....

*Imagine Salmon Idaho as a community without Steele Memorial Medical Center.*

*What would we miss?  
Why should we care about its success and vitality?*

1. **\$21 million in salaries for about 205 employees and their families**
2. **Emergency and urgent care for over 3,400 ER visits, 24,000 clinic visits and 800 admissions**
3. **Community pride that supports all other employers, tourism, and community organizations.**



STEELE MEMORIAL  
MEDICAL CENTER

This valuable  
asset is in  
jeopardy.

And all have a  
role to play in its  
revitalization.

## Our Process:

- Input from over 51 people
- Reviewed many performance documents, reports, and plans
- Comparisons to other Critical Access Hospitals



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Gallagher HRCC was retained by the SMMC Board of Directors to conduct an assessment of factors that may disrupt the organization's pursuit of its mission and recommend strategies to enhance the vitality and performance of SMMC

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# Heritage and The Value of SMMC

## What needs to be protected in this process

The residents of Salmon are currently served by the Steele Memorial Medical Center (SMMC) which offers acute care and out-patient services. This modern facility, built in 2004, is county owned and offers critical access to general care, surgery, orthopedics, and other specialties. Funding comes from a small tax levy and user fees. The hospital has a heliport and is served by hospitals in Idaho Falls, Boise, Pocatello, and Missoula, Montana. Additionally, the Eastern Idaho District Health office provides services from a county office including physical, home, and environmental health programs

### [City of Salmon Comprehensive Plan August 4, 2010](#)

Founded in 1950, Steele Memorial Medical Center (SMMC), formerly known as Steele Memorial Hospital, is a Medicare-Certified, county-owned, 18-bed Critical Access Hospital and associated Rural Health Clinic. Located at 203 South Daisy Street in Salmon, Idaho, SMMC is a comprehensive healthcare system serving people in Lemhi and Custer counties and surrounding areas.

### [Our History | Steele Memorial Medical Center \(steelemh.org\)](#)

Recognized as an important [Critical Access Hospital](#).

Employs Approx. 205 or 180 FTEs earning: \$21 million in salaries, benefits and fees  
The local economy benefits from expense flows of \$30.8 million in Fiscal year 2021.  
SMMC will generate from 2021 to 2025 approx. \$164 million of economic value to the region.

**Key Bottom-line is Patient Care:** 3,417 ER visits; 24,609 clinic visits; 800 admissions, of which 47 babies delivered; 5,744 physician therapy services; and 52,603 lab tests



## Enhancing Relationships. Building Vitality.

### **Mission:**

To Deliver Compassionate Healthcare

### **Vision:**

SMMC is driven by a vision of service and organizational excellence. In achieving this vision, SMMC will be the first choice for healthcare services for the residents and visitors of the Salmon/Lemhi Valleys and surrounding areas.

### **Values:**

**S-P-I-R-I-T**

Service

Pride

Integrity

Respect

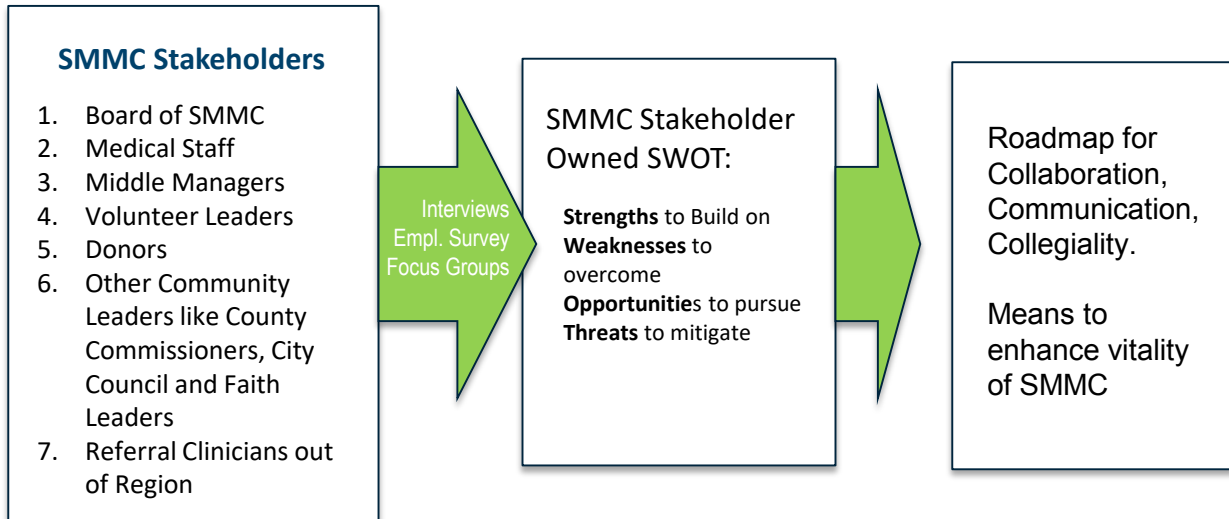
Involvement in community

Teamwork

**What are factors that facilitate or frustrate the achievement of these aspirations in the leadership and governance of SMMC?**



## Key Stakeholders Need to Engage in Building a Collaborative Roadmap to SMMC Vitality



Conclusions from Expedited Review August 2-September 3, 2021

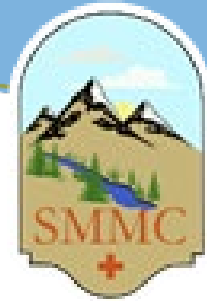
# SMMC Vitality Pillars 2025



SMMC is driven by a vision of service and organizational excellence. In achieving this vision, SMMC will be the first choice for healthcare services for the residents and visitors of the Salmon/Lemhi Valleys and surrounding areas.

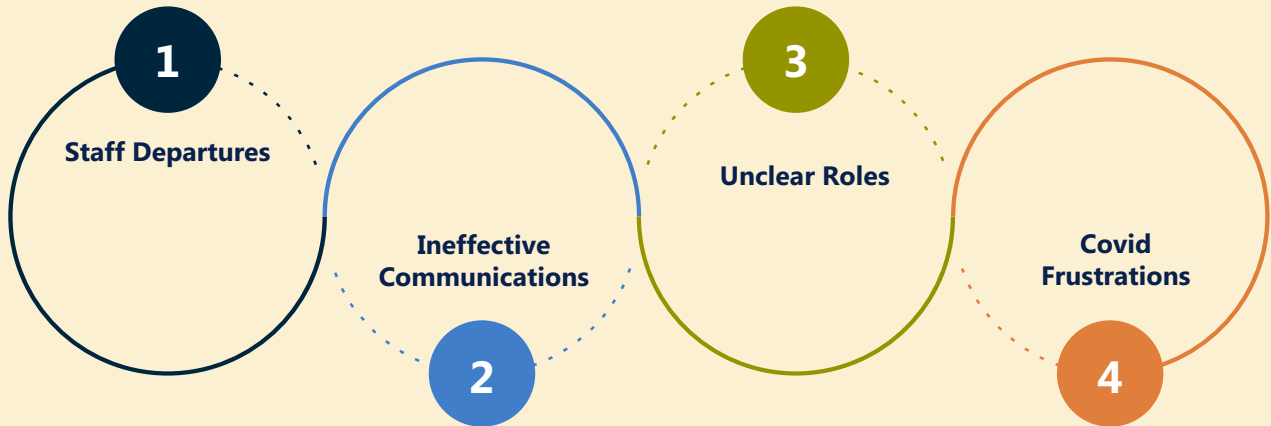


**The recent frustrations disrupt SMMC journey to this vitality**



## Distractions and Obstacles to Vitality

These challenges interact to fuel confusion, frustrations, anxiety, and erode trust



Industry is transforming. Future is uncertain. Change is happening.



# Conclusions from August Assessment

## Strengths

- Experienced Medical Staff: Physicians and Nurse Practitioners
- Good range of clinical services, facilities and technologies
- Several respected industry Accreditations for SMMC
- Good financial strength and clean audits on accounting systems
- Talented Manager skills for operations (but underdeveloped communication styles)
- Talented Board Members (but asking for enhanced role clarity and education on governance best practices)

## Weaknesses

- Employee morale and pride is eroding
- Growing frustration that Executives are not doing enough, and the Board is doing too much regarding concerns over staff turnover
- Heavy dependence on "Travelers" to meet staffing needs
- Under-developed employee education, recognition, and reward programming
- Perception CEO is not visible enough on campus and in community, and CFO too involved in clinical and operational activities
- Community stakeholders underappreciate SMMC value
- Under-developed culture of trust, transparency and collaboration

## Opportunities

- New HR Executive to oversee external HR policy and practice review
- Expanded communications with all internal & external stakeholders
- Enhance relationships with staff in all departments
- Improve engagement of providers and staff in strategic quality and business planning
- More intentional collaboration with referral hospitals and "The Hospital Cooperative"
- Invest in "Culture of Celebration" among all internal and external stakeholders

## Threats

- Transforming funding at State and Federal levels
- Eroding sense of trust and fair grievance practices among employees
- Under-developed performance management systems
- Unclear Board understanding of governance roles and responsibilities
- Competition for providers and staff
- Obstacles to attract and retain providers and staff: externally like housing & spouse work, and internally collaborative working conditions
- Distractions of small number but vocal members of frustrated & disgruntled community members

A Strategic Roadmap to Vitality Must Build on these Strengths, Overcomes Weaknesses, Takes Advantage of Opportunities, and Mitigate the Threats.

## SMMC Value:

Proud Heritage.

Medical Care  
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This value can be protected and enhanced if **Five (5) Imperatives** are well defined and expeditiously implemented.

**It will not be easy to implement these Imperatives.**

It requires time, wise leadership, and transparent monitoring/reporting of progress from:

- County Commissioners
- SMMC Board of Directors
- Medical Staff
- SMMC Senior and Middle Management

# Strategic Roadmap to Vitality:

Rebuilding Trust and Collaboration Needs  
Five Strategic Imperatives



Strategic  
Framework

Human Resources

Governance

Communication

Leadership



Several initiatives in each Imperative

# Strategic Imperatives

## Essence of Work in Each Imperative



Several initiatives in each Imperative outlined below

## Imperative 1: Strategic Framework



All stakeholders need to own the vision and the strategic plan for SMMC to successfully make the journey to achieve it.

### Initiatives to Consider:

#### 1.1 Review Current Strategic Plan with Stakeholders

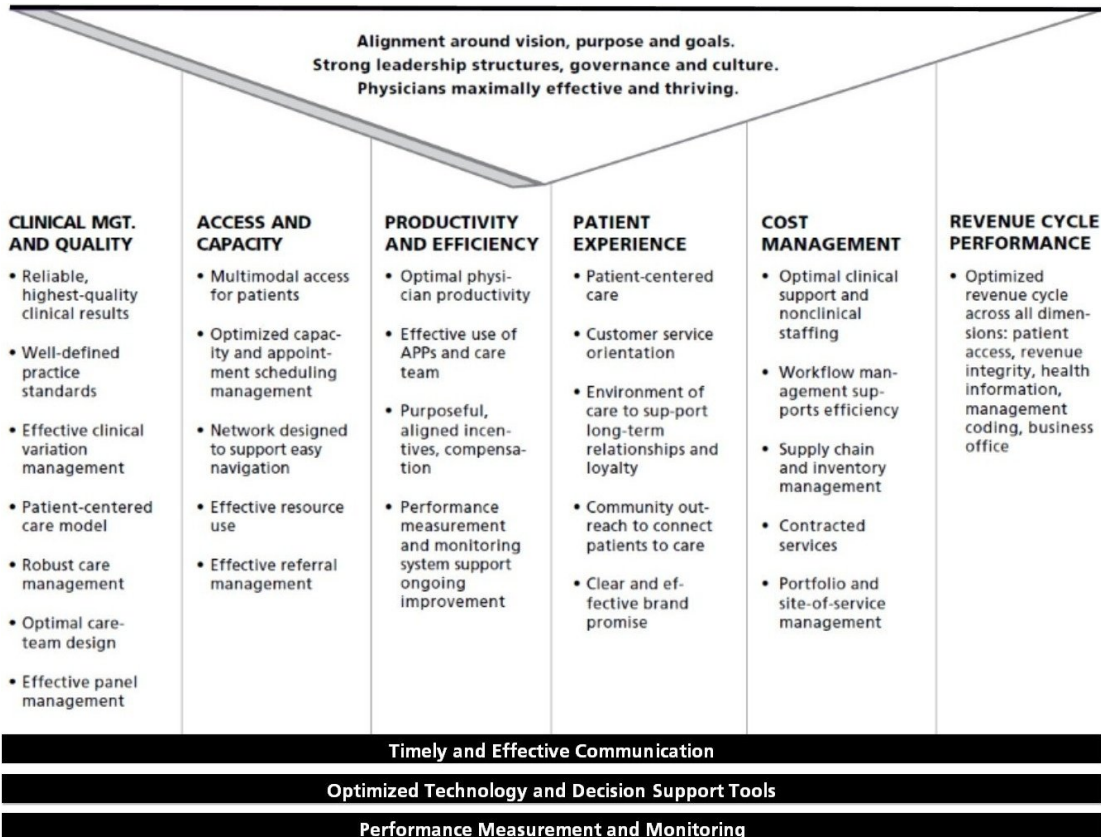
- Broaden View of “Stakeholders”: Patients, Providers, Payers, Staff, Employers, Faith Communities, Visitors, Tourists
- Link Strategic Plan to “SMMC Value Propositions”
- Review Plan through Lens of “[The Hospital Cooperative](#)”
- Discuss Implications of Plan to Each Stakeholder
- Show How Strategic Metrics Link to Leadership Recognition and Rewards

#### 1.2 Engage Stakeholders to Refresh a New SMMC Strategic Plan

#### 1.3 Quarterly Progress Reporting to Internal and External Stakeholders



# Example Strategic Goals to Engage Stakeholders in Strategic Thinking, Planning, Action



## Imperative 2: Human Resources



Rebuild Trust, Collaboration, Camaraderie, Shared Pride.

### Initiatives to Consider:

2.1 Support new HR Executive to Publish Profile and Explanation of the 2021 Departures Compared to Other Critical Access Hospitals in Region

2.2 Conduct Independent Assessment of Entire HR Principles, Policies, Procedures, and Practices

2.3 Conduct Stakeholder Orientation on Reaffirmed/Refreshed HR Functions and Policy Compliance and Grievance Frameworks

2.4 Provide Custom Employee and Provider Reports on their Total Compensation as part of the value of working in SMMC (they will need more than money)

2.5 Launch Monthly Programming to Celebrate “The People of SMMC”:

- Patients
- Providers
- Staff

## Staffing Quality and Continuity Key to SMMC Vitality

Period	Departures	Hires
Jan-Mar 2020	19	22
Apr-Jun 2020	14	6
Jul-Sep 2020	13	18
Oct-Dec 2020	11	15
Jan-Mar 2021	12	11
Apr-Jun 2021	19	14
Total for 18 months	88	86

Some very sensitive departures in past 6 months

## The turnover rate in the health care industry has risen nearly 5% — across all jobs in the industry — over the last decade.

According to the National Healthcare Retention & RN Staffing Report, the average hospital turnover rate in 2019 was 17.8%, a decrease of 1.3% from the previous year. Since 2013, the average hospital turned over 85.2% of its workforce.

However, since 2015, the average hospital turned over 89% of its workforce. Market analysts say that health care's turnover is second worst, only to hospitality.

And while COVID accounted for a 9.5% decrease in health care employment from February through May 2020 (mostly in ambulatory health care settings) offices, this is far less than the drop in employment in other sectors.

Market analysts say that health care's turnover is **second worst**, only to hospitality.

### Topics

ADP **Attrition Rate** award  
CFPB EWA constructive receipt  
coronavirus **COVID-19**  
**DailyPay** daily pay daily  
pay benefit **dailypay life**  
DailyPay Nation **Earned**  
**Wage Access**  
**Employee Attrition**  
employee benefits **Employee**  
**Experience** Employee  
recruitment

Request a Demo

**BOOK A DEMO NOW**

## Health Care Turnover Rates [2021 Update] | DailyPay

## By Position

- Bedside registered nurse averaged a 16.8% turnover, with bedside nurses slightly lower on the scale and nurses working in emergency care, step down and medical/surgical averaging the highest. The current nurse turnover rate is **8.8% to 37%**, depending on region and nursing specialty. With a national average of 17.1% for registered nurse (RN) turnover year over year,
- Certified Nursing Assistant (CNA) 27.7%
- Physician Assistant (PA) 14.2%
- Physical Therapist 10.7%
- Medical Technologist 10.5%
- Pharmacist 8.3%
- Radiologic Technologist 10.8%
- Patient Care Tech (PCT) 19.3%

Additionally, AMN health care reports that hospital CEOS experience a turnover rate of about 18%.


## The cost of turnover and staffing gaps

There are many factors that go into the true cost of turnover. For example, when a health care professional leaves, the hospital must account for:

- Staffing costs: Overtime payouts, agency nurses, travel nurses
- Continuity of care
- Training costs
- Staff workloads
- Accident rates
- Absenteeism
- Medical staff dissatisfaction



## From Board Policy Manual



### STEELE MEMORIAL MEDICAL CENTER

Compliance Policy

Title: 650-102 Compliance Code of Conduct

Originating Date: 01/2006                      Last Reviewed: 05/03/2017

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**PURPOSE:**  
Steele Memorial Medical Center (SMMC) has adopted a Compliance Program to ensure SMMC operates in full compliance with applicable laws. Important components of the program are Standards of Conduct, which set out basic principles that SMMC, its employees, providers, and volunteers (i.e. Board of Directors and Auxiliary) must follow. These Standards of Conduct apply to all business operations and personnel. Non-personnel representatives of SMMC, such as sales agents/vendors or external advisors and consultants, should also be directed to conduct themselves in a manner consistent with these Standards of Conduct when they are acting on behalf of SMMC.

These are good policies but should be reviewed by an external expert. The Board and Management must ensure they are understood by all stakeholders, followed carefully, and messaged often about how they are being followed.

## Imperative 3: Governance



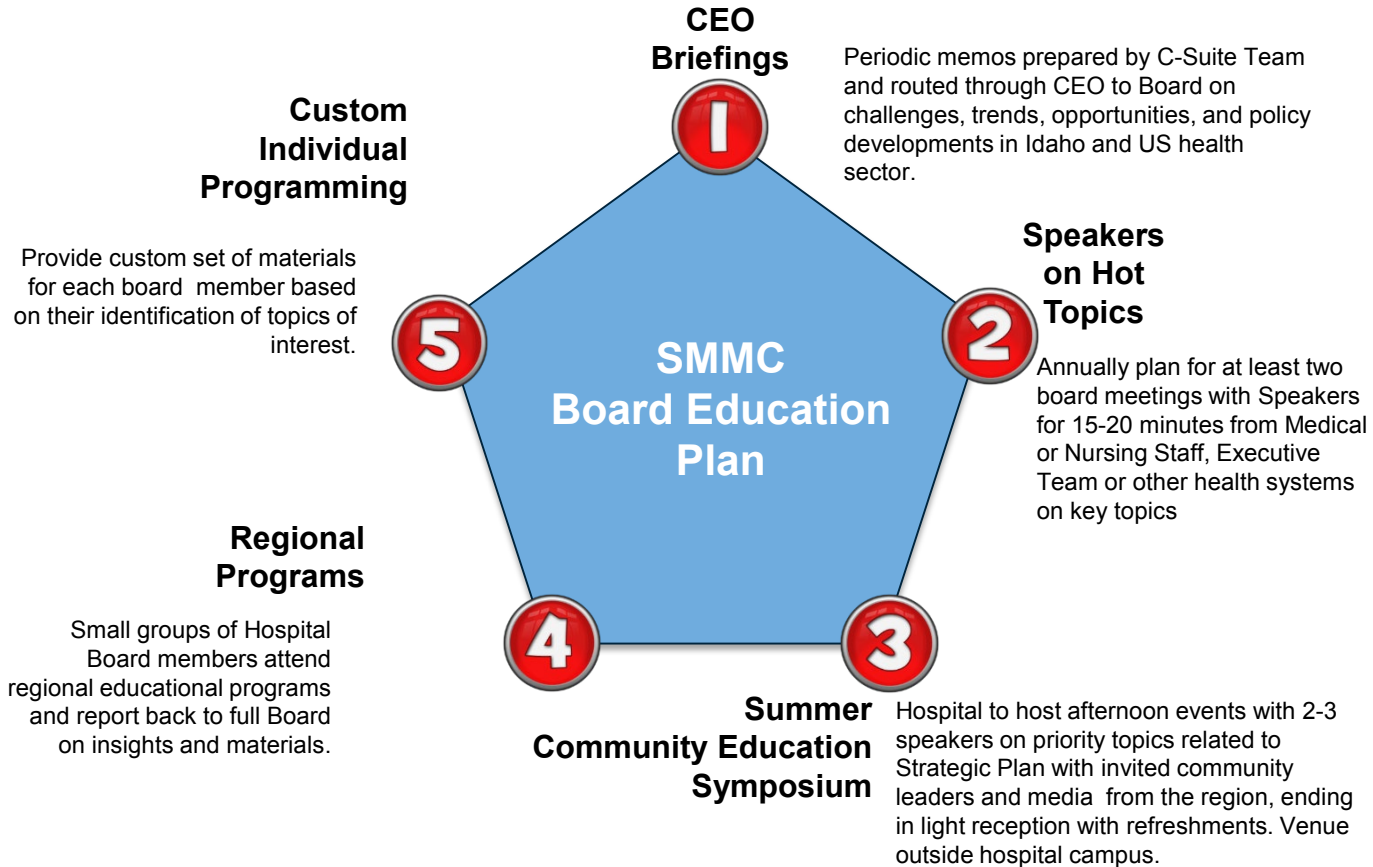
Governance Can be enhanced with intentional  
“Governance Enhancement Plan”

### Initiatives to Consider:

- 3.1 Conduct 90 minute Webinar of Modern Board Roles and Best Practices
- 3.2 Conduct Governance Self-Assessment Survey with Input from Board, Providers, and Managers
- 3.3 Update SMMC Governance Model with input from County, City and State Hospital Association leaders
- 3.4 Enhance Board Education Programming (see next page)
- 3.5 Publish Annual Stakeholder Report to Community on SMMC Results and Value



## Board Education Plan for Fiscal Oct – Sept 2022



## Imperative 4: Communications

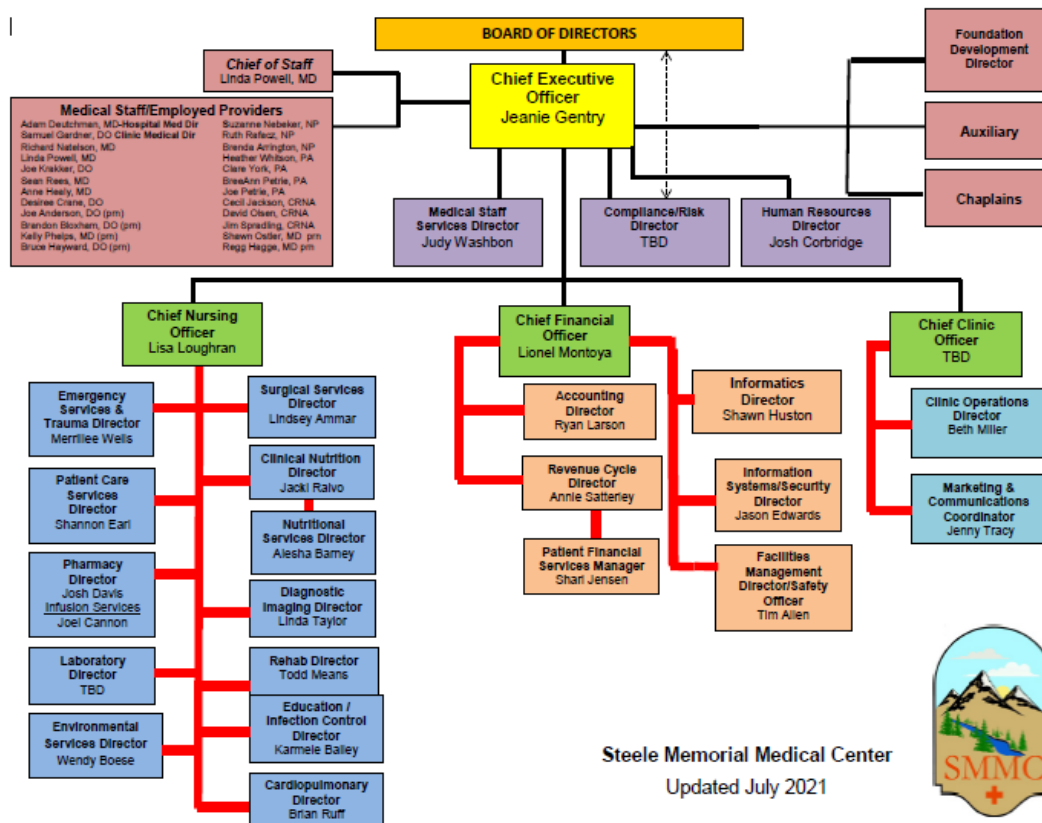


Transparency, Pride, Trust, *The Human Face of SMMC*

Initiatives to Consider:

- 4.1 Retain External Agency To Support Comprehensive Communication Strategies And Programming: Logo, Website, Signage
- 4.2 Launch Monthly Multi-media Messaging To Internal And External Audiences, Including Refreshed Website, Radio Programming, And Streamed Video Profiles Of SMMC People
- 4.3 Conduct Communications Audit On All Internal And External Methods, Messaging And Effectiveness
- 4.4 Engage Stakeholders To Develop And Publish A Bold Strategic Five Year Communications Plan
- 4.5 Coordinate Annual Stakeholder Report with Its Creative In-community Dissemination Events And Programs

# Leadership Structure



Patient Care Services Board Reports are helpful and show staff and leader innovation and a focus on patients

## June Monthly Report to Board July 21, 2021

### Statistics:

Days beat budget 31%  
Surgery beat by 39%  
Clinic below 14%

### Patient Revenue:

Gross beat budget 58%  
Outpatient beat by 11%  
Clinic best 17%

### Balance Sheet:

Days of cash on hand 163

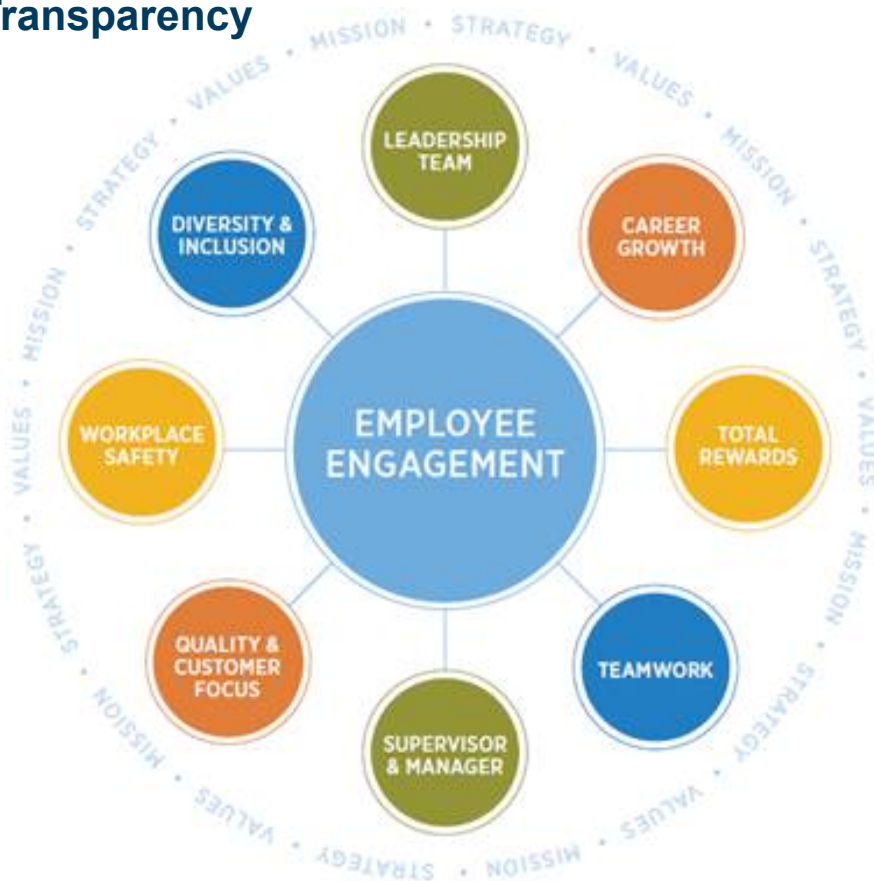
## Payer Mix Dependent on State and Federal Insurance

2020

Medicare	50%
Medicaid	16%
Blue Cross and other commercial payors	31%
Self pay and other	3%
	<hr/>
	100%

**Positive but fragile vitality**

# Leaders Must Foster Culture of Engagement, Trust, Transparency



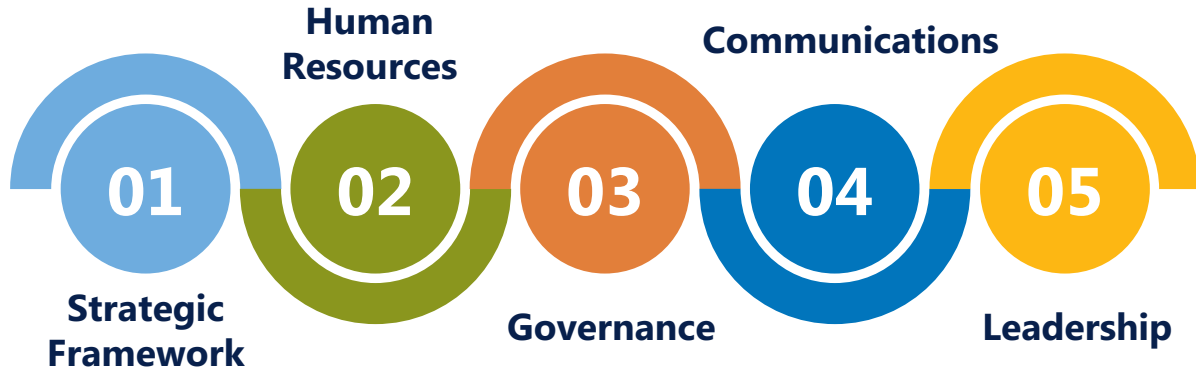
## Critical Success Factors

Interim CEO should develop plan with HR Director and Physician and Nurse inputs

# Imperatives are Interdependent

**Define Roles and Actions for Each Set of these Players in Each Imperatives:**

SMMC Board of Directors | Medical Staff | Staff | Public | Senior and Middle Management



## Recommendations in process:

1. Support for acceptance of resignation of current CEO
2. Encourage board and legal counsel to provide severance for current CEO and calming communications with stakeholders
3. Introduction for experienced firm to expeditiously retain interim CEO, Rudish, [Rudish Health](#)
4. Supporting Board discussions with [Studer-Huron firm](#) to enhance leadership accountability planning and coaching. This can begin while CEO search is accomplished, and in collaboration with new HR Director and Interim CEO
5. Drafted guidelines for Executive Team focus and continuity during placement of Interim CEO and search for new CEO
6. Plan to meet with physicians to ensure their ongoing engagement and to define SMMC visible commitments to their unique practice needs
7. Plan to develop a profile on the ideal traits for the new CEO via interviews with Board, Managers, Physicians, Providers and Staff
8. Conduct Board Self-Assessment of their performance and development needs

# Everyone must contribute to enhanced culture and pursuit of SMMC Vitality

	Strategy	HR	Governance	Communication	Leadership
Board	Ask for Strategic Plan by 12/2021	HR Check-up Review Orient Staff to Policies Support PIPs	Webinar on Duties Self Assessment Survey	Annual Report for FY 2021 Published by 11/2021	Support Interim CEO Launch CEO Search Retain Huron-Studer
Executives	Develop Strategic Business, Manpower, and Fiscal Plans	Actions for each value, expand staff education, and appreciate staff	Attend Webinar on Board Roles & Duties Better Meetings	Invest in better staff communications, website, logo	Support Interim CEO Implement new LEM with Huron
Directors	Engage in performance plans linked to SMMC plans & budgets	Develop PIPs for everyone, and Support growth and performance	Schedule tours and report series to Board	Provide grateful patient stories and staff service profiles	Redesign Pillars, metrics, with monitoring, reporting & appreciation
Providers	Engage in services and provider recruitment & planning	Provide input to recruitment planning & performance reviews	Joint Education Program Joint Planning Input to assess board	Support new culture and communications planning	Support Interim CEO Update Medical Staff Governance
Staff	Provide input to quality, service and facility planning	Review policies, engage in education, help ensure PIPs	Support periodic tours	Input to comm. audit Support positive stories Share with community	Assess Interim CEO Engage in new LEM with Huron
Community	Engage in Strategy Development Retreat	Welcome new Providers and staff Enhance Housing	Support Board Volunteers	Review new Website and Annual Report Attend Year end review	Support Interim CEO Welcome Final CEO



# What's Next?





# Thank you.

## Questions and Comments

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