

**Perham Memorial Hospital and Home
Perham, MN
Board of Trustees
Minutes**

Date: 9-29-10
Time: 5:30pm
Place: PMHH Board Room

Present: Kathy Hemmelgarn, Gail Quittschreiber, Alisyn Keil, Terry Marthaler, Eugene Jahnke, Jerry Kunza, Alfred Fresonke, Jane Aschnewitz, Gilbert Ebner, Cal Dockter and Cyndy Rastedt. Others present included: Chuck Hofius, Brad Wurgler, Jim Rieber, Bonnie Johnson, Sue Von Ruden, Dan Peterson, Karla Kupfer, Dennis Happel, Pat Sjolie, Nancy Orthman, Mary Mayer, Kathy Johnson, Marsh Korman-Sanford Health, and Paulette Amundson-Sanford Health (via teleahealth).

Excused: Bernice Genoch, Rich Richter, Karen Field

A. Call to Order

Chair Hemmelgarn called the meeting to order at 5:30 p.m.

B. Board Education

Natalie Eidenberg from Lawrence & Schiller (via conference call) reviewed the results of the listening session and their recommendations regarding a new name for the hospital. They provided five suggestions for new names and went through each suggestion showing the pros and cons. Once the final name is chosen, the process to create a new logo, along with selecting a new name for the nursing home, and the roll out for the new “brand” campaign will begin. If board members have specific ideas they would like to share, they are to contact Sue, Chuck, Kathy or Rich.

Natalie was excused from the meeting at 6:00 p.m.

C. Additions or Deletions to the Agenda

Board education was changed to the new naming process for the hospital. Credentialing of three ER physicians will be added to New Business, as well as personnel policy changes. The PMHH-Sanford Agreement item will be moved up, following Board Education, so that Dan McInerney can call in earlier in the evening to discuss this item with the Board. The purchase of a new table to be used with the new ultrasound machine will also be added to New Business.

D. Consent Agenda

A motion was made by Fresonke, seconded by Marthaler, to approve the consent agenda with the following changes: change the wording in the August board minutes regarding the certification of the tax levy item, and add Gilbert Ebner as present in the Finance Committee minutes. Motion passed.

E. New Business

1. *Sanford Health Definitive Agreements*

Dan McInerney joined the meeting via conference call at 6:05 p.m. Dan reviewed the four agreements negotiated over the past two years.

A motion was made by Kunza, seconded by Aschnewitz, to approve the adoption of the Management Services Agreement, pending final language changes to the Service Matrix section to the satisfaction of the Executive Committee. A roll call vote was taken with all voting in favor. Motion passed.

A motion was made by Keil, seconded by Dockter, to approve the adoption of the Asset Purchase Agreement, pending final language changes to the satisfaction of the Executive Committee. A roll call vote was taken with all voting in favor. Motion passed.

A motion was made by Ebner, seconded by Marthaler, to approve the adoption of the Affiliation Agreement, pending final language changes to the Hospital Software (EPIC) section to the satisfaction of the Executive Committee. A roll call vote was taken with all voting in favor. Motion passed.

A motion was made by Rastedt, seconded by Fresonke, to approve the adoption of the Professional and Related Services Agreement, pending clarification of three points, definition of full-time, RVU language, and ortho/OB/Gyn services, to the satisfaction of the Executive Committee. A roll call vote was taken with all voting in favor. Motion passed.

On behalf of the Board, Chuck thanked Kathy Hemmelgarn and Cal Dockter for their hard work and diligence serving on the Negotiations Committee for the past two years.

A motion was made by Rastedt, seconded by Ebner, to adopt a resolution authorizing the Executive Committee to make minor language changes that do not affect the substance of the agreements. Motion passed.

F. Reports

1. *Operations Reports*

Brad reviewed the August financials. August saw a net gain from operations of \$68,478, compared to a budgeted gain of \$183,119. With the addition of the non-operating income, August finished with a total net gain of \$250,687, compared to a budgeted gain of \$259,999. This brings the facility to a year-to-date total net gain of \$2,060,220 for the first eleven months of the fiscal year, compared to \$2,103,507, a negative variance of (\$43,287) or -2.1%. He also reviewed the operating statement and balance sheet – explaining several new balance sheet accounts pertaining to the hospital building project and the bonds for the project. Brad also provided an update on the hospital project payment detail report.

(a) *Patient Services Report*

There were no additions to the report. Bonnie thanked the Board for their ongoing support of professional growth during these uncertain economic times.

(b) *Long Term Care Report*

There were no changes to the Long Term Care Report.

(c) *Community Services Report*

The PAC drive has been very successful, bringing in \$3,574 so far. Dan also thanked the Board for the several donations he received from them tonight.

2. *CEO Report*

Chuck submitted the Equitable Cost-sharing for Publicly Owned Nursing Facilities program application and we are waiting for federal approval. We have purchased Echocardiogram services from Sanford, and have notified DMS that we are discontinuing those services from them. Chuck clarified the loss of reimbursements in the nursing home that was discussed at the last board meeting.

3. *Medical Staff Report*

A physician board certified in pediatrics and internal medicine will be revisiting PMHH this weekend, with a social planned for Friday evening with the physicians, and another one planned with various community members on Saturday. Paulette noted that he has been sent a contract, and they await his decision. Dr. Winston's last day for the season was today, she has accepted a half-time position and will be here five months each summer plus some vacation coverage in the winter.

4. *Sanford Report*

Marsh applauded the Board for their action to support the Definitive Agreements with Sanford. This has taken a lot of work and commitment, and reiterated Sanford's commitment to make it work for all of us.

G. Old/Other Business

1. *Hospital Construction Update*

Chuck reported that construction continues to go well. The atrium steel and windows should be installed in the next week or two. Permanent power should be coming soon. There were no significant change orders, and those continue to stay within budget.

2. *Public Comments*

Dan Peterson participated in the "Walk a Day in Her Shoes" fundraiser or the Someplace Safe program for abused women.

Eugene Jahnke – was approached by an employee with a concern about having carpeting in the new hospital patient rooms.

Bonnie Johnson – Visited with two family members about their recent experience in our ER. Both praised the ER physician, Dr. Lorenz, for his genuine care and concern that they experienced during the visit.

H. New Business, cont'd...

1. *Credentialing*

Upon the recommendation of the Medical Staff Executive Committee, a motion was made by Keil, seconded by Rastedt, to approve medical staff privileges for Dr. Andrew J. Stasko, General Surgery, reappointment until 9-30-12; Dr. Khaled Zreik, General Surgery, appointment until 9-30-11; Dr. George A. Portilla, General Surgery, appointment until 9-20-11. Motion passed.

2. *Personnel Policies*
Personnel policies changes will be tabled until the October board meeting.
3. *Board Bylaws Discussion*
Dennis Happel suggested several changes to the Board Bylaws, based on the Board's approval of the Definitive Agreements. The Bylaws Committee will meet in October to review and discuss these changes. Kathy asked the Board to review the changes and pass on any concerns or recommendations to any member of the Bylaws Committee or Chuck prior to the Bylaws Committee meeting in October.
4. *2011 Operating Budget*
Brad reviewed the 2011 Operating Budget. A motion was made by Quittschreiber, seconded by Aschnewitz, to approve the 2011 Operating Budget as presented. Motion passed.
5. *2011 Draft Capital Budget*
The Capital Budget draft includes all requests for next year. Brad and Chuck will be meeting with departments to finalize by the October board meeting.
6. *Ultrasound and Table Purchases*
Pat Sjolie and Nancy Orthman were present to explain the new ultrasound machine and table. The Toshiba ultrasound model was their recommendation for \$128,170, along with the Sonobed table from Heritage Medical Products at \$8,105.

Upon the recommendation of the Finance Committee, a motion was made by Quittschreiber, seconded by Ebner, to purchase the Toshiba ultrasound machine and Sonobed table for an amount not to exceed \$136,275 as presented. Motion passed.
7. *Board Comments*
Chuck – We are having serious sewer problems involving an underground disintegrating pipe in the basement hallway between Materials and Dietary. We are currently resolving the issue, however, it could be quite extensive.
Kathy – reminder to turn in your board expense vouchers at the end of the meeting. If you attended the summer MHA conference there is no need to sign up for the fall meeting because the speaker and topic is the same as you heard this summer.

A motion was made by Kunza, seconded by Fresonke, to adjourn the meeting. Motion passed.

There being no further business, the meeting was declared adjourned at 7:25 p.m.

Katherine A. Hemmelgarn, Chair

Jerry Kunza, Clerk

Karla Kupfer, Recorder