

Committee: Board of Trustees Monthly Meeting - Public Session

Meeting Date: August 29, 2019

Minutes Prepared By: Shannon Stec, Executive Assistant

Members Present:

Cynthia Hogan, Chair
Liz Masek, Vice Chair
Mike Tennican, Treasurer
Linda Aurelio, Secretary
Joe Albright
Bruce Hayse, MD
Scott Gibson

Members Absent:

Others Present:

Paul Beaupre, CEO
John Kren, COO/CFO
Marsha Sensat
Tom Hallberg,
JHN&G
Richelle Heldwein
Jonathan Crosby
Blair Christy
Jonathan Crosby
Julia Heemstra
Tom Lubnau
Jim Johnston
Collin Smith
Alisa Lane
Karen Connelly
Marty Trott, MD
Amy Russian
Allie Knetzger
Ted Morgan, MD

Board Advisors Present:

Dave Robertson
Bill Best
Sue Critzer

Call to Order

The public board meeting was called to order at 4:02 p.m. by Chair Cynthia Hogan.

Approval of Minutes

Ms. Hogan asked for any questions or changes to the regular minutes of July 18, 2019 Board of Trustees meeting.

A motion was made by Liz Masek to approve the regular minutes of the July 18, 2019, Board of Trustees meeting. The motion was seconded by Scott Gibson, and the motion passed unanimously.

Department Recognition

Dr. Beaupré recognized the Bio-med Department. This department is an integral part of safe, quality patient care. Our bio-med department is responsible for ensuring that our medical equipment is well-maintained, properly configured, and safely functioning; this is no small feat within such a small department. Bio-med engineers are an indispensable part of the healthcare team. We also want to recognize Bob Toll, a part of the bio-med team who will be retiring next month, for his years of service to the St. John's organization. We Bob will be missed and we wish him the best in his retirement.

Comments from the Chair

Ms. Hogan noted that we will be hearing the organization goals for FY2020 during the CEO report.

The presentation on Tuesday night, presented in conjunction with Huntsman Cancer Institute, on the latest developments in breast imaging as well as the local services available for diagnosis and treatment of breast cancer was amazing. The presentation highlighted our excellent team of radiologists, pathologists, surgeons, rehabilitative services, patient coordinators, nursing care, and program leadership. The depth of services available is really unusual for a small, rural hospital. The message of the presentation was very pragmatic, get your mammogram because early detection leads to smaller

tumors which leads to saving lives. This presentation really sets the stage for October, breast cancer awareness month, and Light the Town Pink on October 1st.

CEO Report

Quality

- Our Director of Patient Experience, Blair Christy, recently attended a Studer conference in Dallas where St. John's received two awards for Patient Experience and our CMS 5 Star Rating.
- Standard & Poor notified us that we have maintained our A- bond rating with a positive outlook.

CEO Goals

- Dr. Beaupré presented his goals for the fiscal year. These goals are created each year with the input of the entire administrative team and trickle down to everyone in the organization.
 - Quality: ISO 9001 Certification, Maintain CMS 5 Star Rating
 - Patient Experience: 90th Percentile
 - Physician Alignment: Comprehensive Medical Staff Development Plan, Physician Engagement
 - Strategic Plan: Service Line Growth, Enhance Access to Care, Sage Living Policies and Tactics
 - Employee Engagement: Leader Rounding, Sustainable Workforce Housing
 - Marketing and Communications: New Logo and Brand Identity
 - Sustainability: Meet or Exceed Budget and Maintain Bond Rating
 - Community Outreach: Outlying Community Support
- Mr. Albright moved to approve the CEO's FY2020 goals as presented. Mr. Gibson seconded the motion. The motion passed unanimously.

Living Center Update

- Work has begun to get utilities placed.
- We anticipate that the modulars that will house essential services for the community will be here the second week of September.
- We have formalized the approval process for all change orders on the Sage Living project.

Financial

- We had a good July with inpatient revenues being over budget much in part due to summer visitors who have had respiratory problems.
- We have been approached by Fremont County physicians to offer services in Lander.

Community Outreach

- On August 27th we had a Breast Imaging presentation in conjunction with Huntsman Cancer Institute. The presentation was informative, engaging, and well received among the community members present.
- Yesterday, Dr. Beaupré visited the Teton Pines for the Wednesday Men's Lunch Group and did a brief presentation on the challenges of rural healthcare. The group asked some very thought provoking questions and was asked to imagine Jackson without the hospital.
- The St. John's Hospital Auxiliary will have their annual golf tournament on September 4th at Snake River Sporting Club.
- Rocking Sage Living will happen on September 19th. The foundation will be live auctioning a handful of rocking chairs painted by local artists to raise money for Sage Living.
- On Friday, September 13th, from 1-1:30pm at the Senior Center, Dr. Ted Morgan and Dr. Ryan Bair will do a presentation on "How to Keep Your Prostate Healthy." The presentation will be followed by a Q&A session.
- We will be holding monthly Sage Living updates for the community in the boardroom. These

updates will provide a look at where we are at in the construction process as well as give community members a chance to ask questions about the project.

Lifestyle Medicine

- Julia Heemstra, Director of Wellness, spoke about a new Lifestyle Medicine program.
- Approximately 80% of health care costs are related to chronic diseases, and nearly 80% of chronic diseases are related to lifestyle choices. The goal of lifestyle medicine is to prevent, treat, and reverse lifestyle-related chronic diseases.
- Lifestyle medicine is designed to address lifestyle behaviors related to nutrition, physical activity, stress management, sleep, social support, and environmental exposures.
- As of 2017 physicians can become board certified in Lifestyle Medicine. Physicians aim to treat chronic diseases through natural, less expensive ways with patients understanding that no amount of medications can undo the effects of an unhealthy lifestyle without side effects and high costs.

Dr. Beaupre asked for any questions.

Finance, Audit and IT Committee – Mr. Gibson reported on the meeting of August 26, 2019. We are off to a good start for FY20. Inpatient volumes continue to remain strong which was one of the contributing factors to operating budget being \$72K over budget for July. Benefits and supplies were both over budget for the month. Benefits were over in part because Blue Cross Blue Shield is still catching up on past claims, and this includes St. John's employee claims. Supplies were up in both orthopedics and oncology, but fortunately these two areas also help contribute to our positive revenue variance.

Mr. Gibson moved to approve the purchase of the Sismex lab hematology analyzer for \$155,000. The motion was seconded and passed unanimously.

Mr. Gibson moved to approve the real estate transaction discussed in the August 29, 2019 executive session. The motion was seconded and passed unanimously.

Human Resources Committee – Ms. Hogan reported on the HR Committee meeting of August 23, 2019.

The committee discussed the housing plan for the lots purchased in Alpine. The hospital currently has two developers interested in designing, building, and managing the units at risk. The hospital will focus on rental units while considering options at a later date to facilitate home ownership. Our intention with the Alpine lots is to design them as dense rental units and we have agreed with the developers that the project will be completed in phases in order to minimize their risk. Construction will begin with space for travelers. The goal of the board is to review proposals from developers by January 1, 2020. We encourage any other developers who have experience building and managing rental units who are interested in the project to contact Administration.

Ms. Hogan asked for any questions.

Facilities Committee – Mr. Albright reported on the meeting held on August 23, 2019. The committee reviewed and approved for consideration by the board and hospital foundation a document entitled "Prioritized Sage Living Add-Alternates List." The list was prepared by administration, with the input of architects from AMD, and includes the most significant value engineering cuts that had to be made in early June to bring the total project cost down to \$45.1MM. Under our contract with GE Johnson we have the option to add any of these add-alternates back into the project by October 30th at costs that

were set when the GE Johnson contract was approved by the board back in June.

D. Beaupré and John Kren reported that the modular buildings will be put in place on the southwest corner of the hospital campus during the first half of September and will be ready for occupancy in early October.

The contract with our owner's representative, Kyle Gillette of Schutz Foss Architects, has been completed. The contract falls within the CEO's authorized signing limit and therefore will not go the board for approval.

Dr. Beaupré noted that our lawyer, Tom Lubnau, has been in discussion with the Town of Jackson's legal department on a proposed MOU considering parking and transportation. Dr. Beaupré has also met with Councilor Jonathan Schechter who serves as the town council's liaison to the hospital.

Mr. Albright and Jim Johnston met with GE Johnson project officials this week and took a brief tour on the Sage Living construction site. An asphalt pad has been installed where the modulars will go and existing utilities have been located and unearthed. Preparations have begun to dig the utility trench that will connect Sage Living to the hospital's central utility plant.

Mr. Albright made the motion to resolve that the board authorizes the CEO and his brand development team to begin a soft launch of our new identity of St. John's Health, the name the board has already voted unanimously to approve. Mr. Gibson seconded the motion. The motion passed unanimously.

Mr. Albright moved to approve the following procedure for approving any change orders on the Sage Living project. Any proposed Sage Living change order will be promptly reviewed by the CEO and his administrative team. If the CEO decides the proposed change order is necessary, he will promptly report this to the Chair of the Facilities Committee. The Facilities Chair will promptly consult all available committee members about the proposed change order and its cost. The Facilities Chair will advise the CEO within 48 hours of any objections. In case of a change order which would cost the hospital less than \$200,000, the CEO is authorized by the Board of Trustees to approve, modify, or deny the proposed change order. Any change order which would cost the hospital \$200,000 or more would require Trustee approval as provided in the board bylaws. Mr. Gibson seconded the motion. The motion passed unanimously.

Mr. Albright asked for any questions.

Strategy Committee – Ms. Hogan reported on the committee meeting of August 23, 2019.

The committee discussed the opening of a healthcare center in Lander. Approximately 7% of our revenue comes from Lander and the community relies on us for access to quality care and diagnostics.

Mr. Gibson moved to approve the opening of a clinic in Lander, WY. The clinic will offer family medicine in addition to various other specialized services including, but not limited to, Urology, General Surgery, Sleep/Pulmonology, Cardiology, and Plastic Surgery. The clinic is anticipated to have a soft opening the week of October 28th and a grand opening on November 4th. Mr. Tennican seconded the motion. The motion passed unanimously.

The committee led a discussion on the funding of drugs for oncology patients. We would like to better understand how much the hospital is absorbing on the cost of these medications and what could possibly be paid by foundations operated by the drug companies. It would be beneficial to patients to have a third party who could help them find sources of funding if their insurance companies do not adequately cover the cost of drugs. We need to work on partnering with Huntsman on drug protocols and procurements for patients to be infused locally. St. John's does not qualify as a 340B hospital and therefore does not have access to discounted drug prices. Huntsman does have access to these discounted prices and their oncologists can prescribe costly drugs to their patients regardless of where the patient will be infused.

Lastly, the committee discussed the need for renovations and additional equipment in the professional office building in order to expand services lines.

Ms. Masek made a motion to approve expenditures not to exceed \$1.5MM on renovations and equipment in the professional office building. Mr. Tennican seconded the motion. The motion passed unanimously.

Compliance Committee – The quarterly Compliance Committee meeting was held on August 27, 2019. Richelle Heldwein gave an updated report from the meeting.

The group reviewed and recommended the Regulatory Agency Visit – For Cause or Complaint Investigation policy for approval. Ms. Aurelio moved to approve the Regulatory Agency Visit – For Cause or Complaint Investigation policy for approval. Mr. Tennican seconded, and the motion passed unanimously.

The committee reviewed seven items of new business, eighteen items on the OIG audit plan, and took action on eight OIG items that applied to St. John's.

The HIPAA and Patient Grievance reports were reviewed and it was determined that no action was necessary on either at this time.

There was discussion about how Board of Trustees should handle complaints that come to them. Ms. Heldwein instructed the group to forward complaints directly to her and also reminded the group that we have a hotline setup that can also be used by those wishing to file a complaint.

Organizational Committee – Ms. Aurelio reported on the committee's August meeting. The committee would like to move forward with the nomination of a new board advisor.

Debby Hopkins is a member of the St. John's Hospital Foundation board and the Chair of their Finance Committee. Debby serves on the hospital's Facilities Committee and has worked with the board and administration as a part of the task force for Sage Living.

Debby retired as the CEO of Citi Ventures and Chief Innovation Officer of Citi in December of 2016 after eight years in that role. She also served as Citi's Head of Corporate Strategy and M&A and CTO. Debby also served at the Boeing Company and Lucent Technologies, as well as General Auditor at General Motors and VP of Finance at GM Europe. Debby brings a wealth of knowledge and experience to the Board of Trustees and shares a great passion for St. John's Medical Center. We are very fortunate to have her commitment to serve as a Board Advisor.

Ms. Aurelio moved to approve Debby Hopkins as a Board Advisor to the St. John's Medical Center Board of Trustees. Mr. Albright seconded the motion. The motion passed unanimously.

Foundation Report – There was no foundation report.

Old Business – No old business.

New Business – No new business.

Public Comment – No public comment.

Next Meeting

The next regular monthly meeting will be Tuesday, October 1, 2019. Public session will be held at 4:00 p.m., executive session will be held at 3:00 p.m.

Adjournment

Ms. Hogan adjourned the meeting at 5:39p.m.

Respectfully submitted,
Shannon Stec, Executive Assistant