

**SOUTH PENINSULA HOSPITAL, INC.  
REGULAR BOARD MEETING**

**SPH Conference Rooms**

**June 26, 2019**

**1. Call to Order**

**The BOD went into Executive Session to discuss personnel and financial matters prior to the start of the regular meeting.**

**\*\*\*\*\*Into Executive Session – 5:22 p.m. \*\*\*\*\***

**\*\*\*\*\*Out of Executive Session – 6:52 p.m. \*\*\*\*\***

**\*\*\*\*\*Regular Session – 7:00 p.m. \*\*\*\*\***

President David Groesbeck called the regular meeting to order at 7:00 p.m.

**2. Roll Call**

Present:	Tom Clark	Walter Partridge
	Melissa Jacobsen	David Groesbeck
	Lane Chesley	Bernadette Wilson
	Julie Woodworth	Keri-Ann Baker
	Matthew Hambrick	

Excused: M. Todd Boling, DO

Also Present: Noel Rea, Interim CEO  
Jim Basch, Interim CFO  
Lee Yale, Chief Nursing Officer  
Helen Armstrong, Service Area Board representative  
Glenn Radeke, Support Services Director  
Laura Hansen, Director of Physician/Provider Practices  
Emma Schumann, Director of Strategic Initiatives & Services  
Eric Groves, Attorney  
Sue Shover, Director of Quality Management  
Maura Jones, Sr. Executive Administrative Assistant and Acting Recording Secretary  
Maria Soto, Materials Management

A quorum was present.

**3. - 4. Reflect on Living our Values/Announcements**

Ms. Hansen read a comment received from a patient. “I can’t possibly say enough about how much Dr. Johnson has improved my quality of life. That woman is incredible. The

level of care and concern I have received since making her my primary care physician has literally been the highest quality care I have ever received in my entire life. She is a bit of throw-back to another time when doctors spent more time with patients. As a patient of hers, it means a world to know your doctor cares enough to spend the extra time with you. She has been so thorough in attempting to diagnose and treat my issue, and has personally called me multiple times simply to check in on how I am hanging on as a human being.” Mr. Groesbeck thanked Ms. Hansen for sharing the comment.

#### **5. Welcome Guests & Public**

Mr. Groesbeck welcomed guests, and mentioned that the Rules for Participating in a Public Meeting were available to review on page 6 in the Board packet.

#### **6. Approval of the Agenda**

Mr. Groesbeck called for approval of the agenda as written.

Hambrick/Woodworth moved/seconded:

To approve the agenda as written.

Discussion: None.

The agenda was approved as written.

#### **7. Approval of the Consent Calendar**

Mr. Groesbeck called for approval of the Consent Calendar.

Ms. Wilson read the items on the consent calendar into the record:

- a. Consideration to Approve the minutes of May 29, 2019 Board of Directors meeting.
- b. Consideration to Approve SPH Resolution 2019-11, A Resolution of the South Peninsula Hospital Board of Directors Authorizing Bank Account Signers.
- c. Review May Patient Centered Care Quality Committee Meeting

Woodworth/Clark moved/seconded:

To Approve the Consent Calendar as written.

Discussion: The Chair asked for a friendly amendment, as he believed SPH Resolution 2019-11 required a roll call vote. This was discussed, and it was determined the current resolution did not require a roll call vote

Motion carried.

#### **8. Public Comments**

Ms. Soto thanked the Board for all their hard work. She noted that the hospital has been in a state of flux for some time, and she hopes it is coming into a season of stability and calm. She said it is important to live within our beliefs and values, treating each other with respect. She appreciated those who had helped the hospital get through the difficult times, and we should remind ourselves just how much this means.

## **9. Presentations – Board Governance Education**

Ms. Baker introduced Eric Groves, local attorney representing numerous local nonprofits and corporations long term. He did some preparation work for the postponed Board retreat. Ms. Baker asked him to present the Board.

Mr. Groves discussed the desire for Unity in decision making, the belief that elimination of conflict will allow it to achieve its objectives better and move forward without having undue distraction. There is a sense that Unity and Stability are associated. He stated this is not the case, as conflict is a natural condition of humanity. There is a healthy amount of conflict, and there is a toxic form of conflict. He asked: Does the organization get unity right? When does it go too far?

When the group believes that “all conflict is bad,” and tries to avoid all disagreement, it gets into GroupThink. This discourages creativity and individual responsibility – the exact opposite of what the Board wants or needs.

Bringing multiple people into an organization will bring in multiple viewpoints and perspectives. Trying to accommodate all of this generates a detailed evaluation in an orderly and sensible fashion, which will achieve the best possible outcome for the group.

It is important to differentiate between issues conflicts and relationship conflicts. Issues-related conflicts tend to be healthy, and promote better decision-making within the organization and how it performs. When the conflict becomes personal, this leads to organizational dysfunction that bleeds everywhere else.

There are times when Board members are going to disagree. What are the signs that the conflict has gone overboard?

1. Separate agendas. Resentment for Board decisions that go against your vote. Things don't go your way, so you start trying to undermine the organization/get your way by working through subordinates or others, and creating a backdoor.
2. Conflict leak. Don't get your way, sabotage every other vote for the rest of the meeting.

To reach its goals and avoid toxicity, the Board must establish a framework of discussion with ground rules that:

1. Facilitate effective dialogue.
2. Determine legal duties of the Board, as well as its advisory oversight role.
3. Develop clear rules on confidentiality.
4. Build a framework that acknowledges we come in knowing we disagree, but trying to facilitate adequate conversation to maneuver our way to agreement: through listening, truthful communication, contained/buffered conflict, and finally coming to agreement.

Mr. Groesbeck and the Board thanked him for his presentation.

**10. Unfinished Business**

No items.

**11. New Business**

**a. Consideration to Approve: SPH Resolution 2019-12, Resolution approving the Fiscal Year 2020 Operating Budget.**

Discussion: Mr. Chesley stated the Finance Committee had met and Finance Department gave a presentation with the Budget, and moved it to the full Board with recommendation for adoption.

Clark/Woodworth moved/seconded:

To Approve:

SPH Resolution 2019-12, Resolution Approving the Fiscal Year 2020 Operating Budget.

Discussion: Mr. Clark said it was reviewed in Finance Committee, that Mr. Basch had done a wonderful job, and Mr. Chesley had led the Board through the process and what went into it. He noted that it is the most coherent budget package that has ever been presented to the Finance Committee since he has been on the Board.

Mr. Chesley thanked Mr. Basch, Ms. Hermanson, Mr. Taylor, and Mr. Rea and others for their help in the process.

Mr. Basch noted that it was the first time they had discussed a budget where we have gone into it knowing we need to do better, finding some of the money as we go along.

Roll call vote was requested.

The vote:	Yes:	Groesbeck, Hambrick, Wilson, Chesley, Baker, Clark, Jacobsen, Partridge, Woodworth
	No:	0
	Excused:	Boling
	Abstain:	0

Motion carried.

**b. Consideration to Approve: SPH Resolution 2019-09, Resolution Approving Purchase and Installation of Deaerator Tank.**

Discussion: Mr. Clark requested staff report from Mr. Basch. Mr. Basch explained that we are asking for approval of capital expenditure for purchase for Deaerator Tank of \$180,000. This mechanism pulls O2 out of water for the whole system to protect against corrosion. The old one has been there since about 1985.

It is leaking and needs to be replaced. The Assembly Field Engineer wants this model for mechanical assistant design planning.

Baker/Hambrick moved/seconded:

To Approve:

SPH Resolution 2019-09, A Resolution Approving the Purchase and Installation of Deaerator Tank.

Discussion: Mr. Partridge asked to know the source of the funding. Mr. Basch answered it was from the 491 Capital Fund at the Borough.

Roll call vote was requested.

The Vote:	Yes:	Groesbeck, Hambrick, Wilson, Chesley, Baker Clark, Jacobsen, Partridge, Woodworth.
	No:	0
	Excused:	Boling
	Abstain:	0

Motion carried.

**c. Consideration to Approve: SPH Resolution 2019-10, A Resolution Approving the Purchase and Installation of a Steris/Amsco Orthovision Table.**

Discussion: Mr. Basch noted that the Orthovision table costs \$25,000. It is a spine fracture table for use by the orthopedic surgeon, Brent Adcox, MD. This will replace the current equipment that needs to be replaced, as it is malfunctioning.

Baker/Woodworth moved/seconded:

To Approve:

SPH Resolution 2019-09, A Resolution Approving the Purchase and Installation of Steris/Amsco Orthovision Table.

Discussion: None further.

Roll call vote was requested.

The Vote:	Yes:	Groesbeck, Hambrick, Wilson, Chesley, Baker, Clark, Jacobsen, Partridge, Woodworth.
	No:	0
	Excused:	Boling
	Abstain:	0

Motion carried.

Ms. Jacobsen noted in the first Whereas, it states, “current 9 yea old” which should be “current 9 year old”.

**d. Review of FY19 Strategic Plan Action Items Report**

No action was required.

**12. Reports**

**a. Finance**

Mr. Chesley said the Finance Committee had met, and focused on 2 issues. One was the presentation with Mr. Basch and Mr. Taylor, working on budget. Other part of the meeting was spent working through the SLOA documents.

**b. Governance**

Ms. Woodworth had excused herself, and was no longer at the meeting.

**c. Education**

Ms. Baker stated the next meeting was scheduled for July 31.

**d. Pension Plan**

Mr. Partridge said he had nothing to add.

**e. Board President - David Groesbeck**

Mr. Groesbeck said he had nothing to share.

**f. Board Representative to the Service Area Board**

There was no Service Area Board meeting this month.

**13. Organizational Reports**

**a. Chief of Staff – Giulia Tortora, MD**

Dr. Tortora had nothing to add.

**b. Service Area Board Representative – Helen Armstrong**

Mr. Groesbeck welcomed Ms. Armstrong to the meeting. She noted that she was new to the Service Area Board, having joined last November, and this was her first meeting with the Board of Directors. To her query, Mr. Groesbeck explained that the SAB generally gave a very brief summary of the last meeting. She then explained that the SAB has been developing new grant application and guidelines for the grant process. She noted the resolutions approved by the SAB, SPH Resolution 2019-04, the Women’s Clinic Lease to amend its lease agreement, and SPH Resolution 2019-03, Patient Monitors.

Mr. Groesbeck thanked the SAB for their work on behalf of SPH, and welcomed her again.

**c. Interim Chief Executive Officer – Noel Rea**

Mr. Rea made note of several items:

- The HR Director will be here July 9 (not March 9).
- Ms. Rodman is back and doing a good job with LTC.
- Mr. Basch has agreed to extend his term as Interim CFO, and urged everyone to encourage him to stay even longer.
- He met with the new union representative, LyDette Keiffer.
- He will be meeting with the DHSS Commissioner Adam Crum during the first week of July.
- The meeting with Premera and attorneys is scheduled for tomorrow morning.
- The Quarterly presentation to the Borough was done.
- Monthly meetings are taking place between SPH & CPH leadership, with a scheduled Friday luncheon meeting in Homer.

There were no questions or comments.

**d. Financial Report – Jim Basch**

Mr. Basch's report was included in the packet, and he displayed the overview on the screen. He mentioned the following:

- This was a strong month, with a stronger gross revenue driven by inpatient and average daily census.
- He noted that things were pretty close to budget.
- Last month there was a Medicaid hold, but we got that back, so that that days cash went right back up.
- Other measures are also tracking back up.
- Outpatient visits are staying strong. He thanked all the doctors.
- Outpatient surgeries are tracking down a little. A new surgeon will come on board in July. He thanked Dr. Hough for all his hard work.
- LTC resident level is down, but the good news is that we have a 3-star rating back. And LTC admits have gone up a bit.
- Payer mix got up to about 44% on Medicare; this has not been correlated to revenue numbers. Will watch this.

Mr. Hambrick said that with the budget resolution, we are looking for \$1 million in efficiencies over 5 projects. He asked if we could see that in open session to track the progress of the efficiencies projects. This is new for us, and he is excited to follow the progress of it. Mr. Basch said they were experimenting with how to communicate it to the Board. He said they would have to show how they were dynamically responding.

Mr. Groesbeck thanked him for his report.

**e. Senior Managers (written reports)**

**i. Chief Nursing Officer - Lee Yale**

Mr. Groesbeck welcomed Ms. Yale back. She had nothing more to add to her report.

There were no questions or comments.

**ii. Quality Management - Susan Shover**

Ms. Shover had nothing to add to her report. Mr. Groesbeck thanked her and Dr. Tortora for the very comprehensive analysis on Quality this month.

There were no questions or comments.

**iii. Human Resources - Kelley Gaul-Houser**

Ms. Gaul-Houser's report was included in the packet. Ms. Gaul-Houser did not attend the meeting.

There were no questions or comments.

**iv. Marketing - Derotha Ferraro**

Ms. Ferraro's report was included in the packet. She had to leave the meeting early.

There were no questions or comments.

**v. Facilities - Glenn Radeke**

Mr. Radeke's report was included in the packet. He had nothing further to add.

There were no questions or comments.

**vi. Physicians/Provider Practices - Laura Hansen**

Ms. Hansen had nothing to add to her report. She hoped everyone had an opportunity to read the proclamation in the packet which Dr. Bell had received for his retirement from being the Medical Director for the EMS.

There were no questions or comments.

**vii. Strategic Initiatives and Services - Emma Schumann**

Ms. Schumann's report can be found in the packet. She was not at the meeting.

There were no questions or comments.

**14. Discussion**

No items.

**15. Comments** (announcements/congratulations)

a. Chief Executive Officer – Mr. Rea

Mr. Rea had nothing new to announce.

b. Board Members

Ms. Wilson thanked Mr. Groves for his presentation tonight. She welcomed back Ms. Yale, as well as Ms. Rodman in LTC.

Mr. Clark had nothing to add.

Mr. Chesley had in the last few months bumped into fishing crew members who had well-bandaged arms and legs. He felt we were doing a good job in orthopedic surgery of keeping fishermen active. It's good to see they don't have to go out of town for good work.

Ms. Jacobsen noted a SAB member had approached her about something that the City has going on. Many years ago the City adopted a climate action plan, and established an "Employee Sustainability Handbook". This addresses energy saving efforts that can be done within the City organization, as well as efforts towards cost saving and environmental improvement. Ms. Jacobsen was asked to make the hospital aware of this. Board members can contact her at the City. She was unsure if it was on the city website. Mr. Groesbeck suggested she get together with Mr. Rea to discuss it.

Ms. Partridge thanked Mr. Groves for his presentation. He also thanked all who wrote documents and put together the reports, saying all their hard work helped make his job as a Board member a lot easier.

Mr. Hambrick welcomed Ms. Armstrong to the Service Area Board, saying that the SAB and hospital will both benefit from her membership. He thanked Mr. Basch for staying on, and did not take it for granted. He told Mr. Rea that the Board appreciated his being a quick study, and they were happy to have his help.

Ms. Baker thanked the Finance Team, especially Mr. Basch, for making the process readable and comprehensible, taking a complex thing and make it look really simple. She thanked Ms. Jones, saying she goes above and beyond in everything she does. She had noted in the past few months a lot of growth, and has really enjoyed working with her on the Education Committee.

Mr. Groesbeck thanked Mr. Chesley and the Finance team. He felt this year's budget is something we can all be proud of: it is understandable, it makes sense to us, and is something the Board can defend. He thanked Mr. Clark in advance for working with Borough Mayor Pierce on renegotiation of the SLOA, which is of critical importance to the future of South Peninsula Hospital.

**16. Announcements as a result of Executive Session - Bernie Wilson**

a. Credentialing

After review of the applicants’ files in Executive Session, Ms. Wilson moved to approve the following positions in the medical staff as requested and recommended by the Medical Executive Committee:

Appointment of:

Alexandar, Iskandar LCSW	Mental Health	Allied Staff, Cat B
Larsen, Jeffrey MD	Gen. Surgery	Locum Tenens
Lieberman, Jon MD	Gen. Surgery	Locum Tenens
Singh, Tarvinder MD	Neuro/TeleStroke	Telemedicine

Reappointment

Dziekhan, Kathryn PhD, LCC	Mental Health	Allied Staff, Cat B
Glass, Graham MD	Neurology	Courtesy Staff
Lada, Robert MD	Neurology/	Courtesy Staff
Le, Chuong MD	Neuro/IONM	Telemedicine
Spencer, Sarah DO	Family/Addiction Med	Affiliate Staff
Whittaker, Dana CNM	Midwifery	Allied Staff, Cat A

Mr. Clark seconded the motion.

Discussion: None further  
Motion carried.

**17. Informational Items**

The Board Calendar, Information about the ASHNHA Annual Conference in September, and Behavioral Health 40<sup>th</sup> Anniversary Celebration in July were pointed out. The issues of #7 (Medical Facility Planning Updates), #19 (Medical Staff Development update), #23 (Strategic Plan Review) were discussed in detail as well.

**18. Executive Session (if necessary)**

Mr. Groesbeck called for a motion to reconvene into Executive Session.

Clark/Wilson moved/seconded to reconvene into Executive Session. Dr. Tortora had to leave, and could not stay for executive session.

Discussion: None further.  
Motion carried.

The Board went into to Executive Session at 8:06 p.m.

The Board returned to regular session at 8:48 p.m.

**19. Announcements as a result of the Second Executive Session**

None.

**20. Adjournment**

President Groesbeck called for adjournment.

Jacobsen/Partridge moved/seconded:  
To Adjourn.

Discussion: None further.  
Motion carried.

Meeting Adjourned at 8:49 p.m.

Respectfully Submitted,

Accepted:

---

Nancy M. Chastain  
Recording Secretary

---

David Groesbeck, President

Minutes Approved: July 31, 2019

---

Bernadette Wilson, Secretary