NEWBERG COMMUNITY HOSPITAL

Minutes

Special Board Meeting, 4:30 P. M., December 11, 1979

Mr. Hurford called the meeting to order and asked for call of the roll.

MEMBERS PRESENT: Mr. Hurford, Mr. Tarlow, Mr. Dolan, Mrs. Ostlund, Mr. Smith, Mr. Plews.

EX-OFFICIO MEMBERS: Mr. Hall, Mayor, and Mr. Elsom, Administrator

GUESTS PRESENT: Karen Ferguson, Newberg Graphic; Elizabeth Harney, Capital Journal; Patti Renne, Hospital Auxiliary; Charles Caffal and Art Moffat, Steering Committee Members; Dr. Holman, Justine Pfeiffer, Milt Robins, Agnes Haugen.

FINDINGS OF FACT: Mr. Elsom announced that he had just received the findings of fact concerning the Certificate of Need. The State Health Planning and Development Agency's concerns may be summarized as follows:

1. Projected Utilization is Overstated.
   a. New physicians do not necessarily mean higher utilization.
   b. Patient days have not increased in the last six years.
   c. Surgeries are overstated.
   d. Emergency room visits are overstated.

2. This Proposed Plan Does Not Represent The Best Architectural solution.
   a. No plan solution for replacement of the core structure.
   b. Project could shorten the life of the new construction.

3. Scope of the project is too large.

The findings of fact received from SHPDA also offer several other conclusions:

1. Newberg Community Hospital does require remodeling.

2. Four deficiencies in surgery in both the current and proposed licensing requirements.

3. Central Supply is minimal in size and not well located.

4. Radiology space is very inadequate, expansion is needed.

5. Emergency room space for waiting and triage functions are inadequate.

6. Inadequate space for Physical Therapy and Respiratory Therapy.

7. The Intensive Care Unit will be disallowed for use in the future due to its inadequacies.

8. There are three private rooms. The balance are 2 and 4 bed rooms which impedes occupancy levels.

It is felt by Administration that the projected utilization based on new physicians is not overstated - that Newberg is indeed a medically underserved area. New physicians will contribute to greater utilization of the hospital. It is well recognized that Newberg does need modernization and renovation and that the proposed plan utilizes the existing structure to the utmost. Lengthens the life, in fact, of the old construction by upgrading it with new construction and that the scope of the project is not too large.

OPTIONS: Mr. Elsom outlined several courses of action:

1, Do nothing, essentially develop a new project and begin over with the HSA. It was the general concensus that this indeed was not a viable option for the Board to take.

2. File for a Reconsideration Hearing within 30 days. The Reconsideration Hearing requires permission from the State Health Planning and Development Agency. The Hearings officer will be appointed. It may be Mr. Grant or someone else. SHPDA would then set a date for the Reconsideration Hearing within 30 days after the receipt of request for the reconsideration. SHPDA would have up to 45 days to make a decision. The requirements for granting a Reconsideration Hearing is submission of new information not previously considered or based upon procedural errors in the C/N process.

3. Waive a Reconsideration Hearing and request a hearing before the C/N Appeals Board or,

4. Proceed with Civil Litigation. This option is remaining after exhaustion of all of the administrative remedies.

MODIFIED PROJECT: Mr. Elsom reported that in his conversations with Mr. Grant and Mr. Brevoort of SHPDA, that a modified project would be new information. In other words, if we should agree to modify our project, then they may be able to speed up the reconsideration process. A Reconsideration Hearing would still be required, however it is felt that such a modified project would be essentially negotiated with SHPDA and the Reconsideration Hearing would not be of an adversary nature.

At this point, Dr. Kern Joined the meeting in progress.

Mr. Elsom pointed out that whatever modifications were made to the project must certainly not compromise Newberg's position on either the chosen design or the scope of the project. Any modified project must certainly be in the best interest of Newberg Community Hospital. Mr. Elsom pointed out that in conversations with some of the Board members and other officials of the City that he had had in recent days, it seemed to be the general concensus that anything that could be done to speed up the reconsideration process and granting of the C/N without compromising the basic soundness of the project as proposed would be in the best interest of Newberg Hospital. He stated that he had arranged a meeting at 1:00 P. M. on Wednesday, December 14, with Mr. Brevoort and Mr. Nyberg

and Mr. Grant and representatives of Newberg Community Hospital. Mr. Elsom suggested that he, Mr. Thoennes and Mr. Cottrell of St. Vincent Planning Department and some representatives from the Hospital Board attend. Mr. Hurford, Mr. Hall and Mr. Mahr stated that they would also attend.

LEGAL ADVICE: Mr. Mahr and Mr. Elsom recommended that the Hospital consider hiring some outside legal advice should the Reconsideration Hearing develop into an adversary process. There was considerable discussion about the advisability of obtaining outside legal assistance at this point in time. Mr. Hurford stated that it would be additional expense that perhaps may not be warranted if a solution can be negotiated with SHPDA. Mr. Tarlow recommended that we obtain legal advice stating that a Reconsideration Hearing is full of legal language and legal maneuvers that can only effectively be handled through an attorney. Mr. Mahr pointed out there were relatively few attorneys familiar with the Reconsideration and C/N Appeals Board process and the selection would indeed be very limited. Mr. Hurford and other members of the Board felt that perhaps a better decision could be made following tomorrow afternoon's meeting with the staff of SHPDA.

It was the general concensus of the Board that if a modified project could be developed that would meet SHPDA's concerns as well as protect the integrity of the project in the interest of Newberg Community Hospital, that such a course of action should be taken, assuming that such an action would speed up the time involved in obtaining the C/N.

RECESS: At this point, it was the general conclusion of members of the Board that we would have more information following the Wednesday afternoon meeting with SHPDA the following day to choose the alternative course of action. Mr. Hurford recessed the special meeting of the Board of Commissioners called this date to reconvene at 7:00 A. M. Thursday, December 13th. The meeting was recessed at 5:55 P. M.

Respectfully submitted,

Donald S. Elsom
Administrator

DSE:jp

NEWBERG COMMUNITY HOSPITAL

Minutes

Special Board Meeting continuation from December 11th which was reconvened at 7:00 A. M. on Thursday, December 13, 1979.

MEMBERS PRESENT: Mr. Hurford, Mr. Tarlow, Mr. Plews, Mrs. Ostlund, Mr. Dolan, Mr. Wilson, Mr. Smith, Dr. Kern

EX-OFFICIO MEMBERS: Mr. Hall and Mr. Elsom

Terry Mahr, Hospital Attorney was also present.

VISITORS: Agnes Haugen, Justine Pfeiffer, Milt Robins, Fred LaBonte

MEETING WITH SHPDA: Mr. Hurford reported that a meeting was held with Mr. Grant, Mr. Brevoort and Mr. Nyberg of SHPDA; himself, Mr. Elsom, Mr. Thoennes, Mr. Cottrell, Mr. Hall and Mr. Mahr the previous afternoon to discuss what could be done concerning the denial of the C/N. Mr. Elsom reported that SHPDA staff felt that based on past utilization, a 40 bed hospital of all single beds perhaps was the best solution for Newberg. SHPDA was concerned about the Long Range Planning involved in this project and the relationship of Long Range Planning to the future replacement of this current project. Mr. Brevoort stated that the Hospital should build for today and plan for tomorrow. In short, SHPDA's concerns were the projected utilization and an architectural plan to meet that utilization. If an agreement can be reached on utilization and an architectrual plan developed to meet that utilization, we could overcome SHPDA's concerns. The utilization projections and any modified architectural plan could be submitted as new information to SHPDA and provide a basis for a Reconsideration Hearing.

Mr. Mahr stated that he could draft a letter requesting a Reconsideration Hearing within five or six days. SHPDA could then set up a public hearing presenting the new evidence. It would be assumed that we could reach a stipulated agreement prior to the public hearing. We then could have a decision within five to ten days following the Hearing. Mr. Elsom stated that he would be willing to negotiate with SHPDA on a modified project. He reported that Mr. Cottrell felt that perhaps the staff at SHPDA could be convinced on the realistic development of Newberg's utilization projections as developed by the Planning Staff. It was generally agreed that if negotiations would (1) lead to a suitable project for Newberg (2) quicker granting of the C/N, it would be in our best interest to negotiate. Dr. Kern moved that we continue negotiations with SHPDA in developing a modified project. The motion was seconded by Mr. Dolan and passed unanimously.

There being no further business, the meeting adjourned at 8:45 A. M.

Respectfully submitted,

Donald S. Elsom
Administrator

DSE:jp

NEWBERG COMMUNITY HOSPITAL

Planning Committee Meeting

Minutes

December 18, 1979

MEMBERS PRESENT: Leslie Inman, M.D., Chairman
Bruce Breitling
Donald Elsom
Agnes Haugen, R.N.
Michael Kimbrell, M.D.
Jean Nicholson
David Peto, M.D.
Ernie Smith
Don Wilson

ALSO PRESENT: Gayle Lucus
Nick Thoennes

MEMBERS ABSENT: Joann Hoy
Don Millage
Lawrence Nielsen

The meeting was called to order by Dr. Inman, Chairman, at 7:05 p.m.
The minutes of the previous meeting were approved as written.

CERTIFICATE OF NEED UPDATE:

Mr. Elsom reported on recent discussions with SHPDA regarding the denial of the C/N application. The Commission has taken the position to work with SHPDA informally on the utilization projections, which seem to be the main difference of opinion. Mr. Elsom reported that at the latest meeting the SHPDA staff had failed to include the secondary service area population figures in their own projections for bed need. At the present time, 45 beds can be justified on utilization and the 2 physicians coming to practice in Newberg in 1980. Another meeting is scheduled with SHPDA by the end of the week to discuss other data and their reaction to the last meeting.

Jean Nicholson asked about FHA financing. Mr. Elsom reported that chances are remote in securing FHA financing. Other mechanisms are being explored.

Mr. Elsom reported that beds are the main issue with SHPDA at this point. The remainder of the plan does not seem to be a problem with the state architect. It might be possible to not equip some of the emergency room area as a compromise. Reduction in beds can either be handled by eliminating the 2-bed rooms on the North wing or converting those rooms to 1-bed

rooms or redesigning parts of the West wing to reduce the number of beds. HBE is aware of this possibility and is considering it.

LONG RANGE PLAN: Mr. Thoennes distributed the final draft portion of the Long Range Plan (LRP). Discussion centered around the first portion of the LRP that was distributed at the last meeting. Several changes were noted. Members were asked to study the second portion for discussion at the next meeting. After that time, a final draft will be compiled and sent to the Hospital Commission via the Executive Committee and the Joint Conference Committee.

HMO's: Dr. Peto mentioned a problem of HMO growth and its influence on patients within Newberg's hospital service area and its threat to the local physician. He stated that there is a need for physicians and hospital officials to work together to study the problem and determine a solution. The recent planning amendments under P.L. 93-79 have caused the greatest concern due to the support for HMO's in that piece of legislation. HMO's with enrollments over 50,000 are not required to go through C/N processes for facility and service approvals. Also, HMO's are being federally subsidized to a certain extent. Dr. Inman proposed that a statemen be drafted by the hospital to be sent to local legislators and congressmen opposing the concept of federal support for HMO's which is in direct competition with private, fee-for-service systems. After a brief discussion, Dr. Peto moved to support such a statement. It was seconded and passed unanimously.

NEXT MEETING: The next meeting of the Planning Committee will be on January 8 at 7:00 p.m. in the hospital conference room.

ADJOURNMENT: There being no further business, the meeting was adjourned at 9:45 p.m.

Respectfully submitted,

Leslie W. Inman, M.D., Chairman

NEWBERG COMMUNITY HOSPITAL

MINUTES

HOSPITAL BOARD OF COMMISSIONERS, December 27, 1979 7:00 P. M.

The meeting was called to order by Mr. Wilson at 7:15 P. M.

MEMBERS PRESENT: Mr. Wilson, Mr. Smith, Mr. Dolan, Mrs. Ostlund, Mr. Tarlow and Mr. Anderson.

EX-OFFICIO MEMBERS: Mr. Hall, Mayor and Mr. Elsom, Administrator

Mr. Mahr, City Attorney, was also present.

GUESTS: Mr. Hausner, Mrs. Haugen and Elizabeth Harney, Capital Journal.

Minutes of the previous meeting as mailed were reveiwed. There were no corrections or additions and it was moved by Mr. Smith that the minutes be approved as submitted. Seconded by Mr. Dolan and passed unanimously.

OLD BUSINESS: Certificate of Need Report: Modified Project:

Mr. Elsom reported that negotiations with SHPDA had essentially concluded. The staff of SHPDA had omitted 14% of our patient days, those patient days arising from the secondary service area. A method for forcasting patient days based on new physician arrivals had been agreed upon. The sum total of this project was that Newberg Hospital could justify 45 beds considering these two accepted facts. There was a feeling that some square footage in the Emergency Room could be shelled in and not completed until it was absolutely necessary. The best architectural solution to this project, considering the invested time, effort and the working drawings, would be to eliminate the four double bedrooms on the north wing extending onto adjoining property. Such a modified project could be reduced by approximately $125,000 in construction costs, $100,000 budgeted for land and property acquisition, $14,000 in saved shelled in space in the Emergency Room, another $16,000 in equipment, giving a grand total in reduced project expenditures of $255,000. At this point Mr. Elsom asked the acting chairman, Mr. Wilson, for an executive session to discuss property acquisition under Oregon Revised Statutes 192.610. Minutes of this executive session are stored in Hospital files.

At the conclusion of the Executive Session Mr. Tarlow moved that the modified project be accepted by the Board, if a stipulated agreement can be reached prior to a Reconsideration Hearing. In the event there is no stipulated agreement, we revert to a full adversary hearing on the proposed project. Motion was seconded by Mrs. Ostlund and passed unanimously.

BOND ISSUE: Mr. Mahr stated that he would like to have a recommendation from the Hospital Board concerning the Bond Issue and moving forward on selling the Bonds which were initially planned for issuance on the 4th of February. Mr. Tarlow moved that we proceed with hiring the bonding consultants and recommend that the City Council sell the Hospital Bonds as soon as possible. Motion was seconded by Mr. Dolan and passed unanimously.

HBE CONTRACT: Mr. Mahr stated that it would be advisable to appoint a group of Board members to be negotiating the final contract with HBE. Mrs. Ostlund suggested that Mr. Wilson be involved in that committee since he had been involved with the Hospital project longer than anyone. Mr. Wilson stated that he would be glad to sit in and assist if the meetings would fit in with his new job schedule. Mr. Wilson than appointed Mr. Hurford and Mr. Tarlow with assistance provided by Administration and the City Attorney. Mr. Elsom stated that he would request the assistance of Mr. Ken Zinsli in such contract negotiations.

REPORT OF COMMITTEES: Finance Committee:

Mr. Elsom summarized the report of the Finance Committee and reviewed the revised September financial statement. The September financial statement shows a net revenue from operations of $16,000 for the month of September and actual year to date contributions to growth and development of $1,500 for the first quarter. Final contribution to growth and development in September was $18,800, year to date a deficit of $2,700 compared to the previous year's deficit of $13,300. He also reported that costs per adjusted patient day in September was $221.00 versus a year to date cost of $235.00. There was considerable discussion concerning the accounts receivable and receipts. It was noted that cash receipts are steadily increasing through the month of November but that higher than expected revenue in November did not in fact decrease total accounts receivable. Mr. Hausner reported that during the month of November over $305,000 had been billed and it appeared that in December we would also have billed over $300,000. We were becoming current (within 3 to 4 weeks) in billing.

1980-81 City Budget:

The Finance Committee had reviewed the proposed 1980-81 City Budget and recommended that it be adopted by the Board of Commissioners. It was moved by Mr. Tarlow and seconded by Mr. Dolan that the proposed 1980-81 City Budget, as attached, be adopted and forwarded to the City for inclusion in the City Budget. Motion passed unanimously.

Standby Letter of Credit:

It was the recommendation of the Finance Committee that a Standby Letter of Credit be obtained for the deductible reserve in lieu of the $25,000 Certificate of Deposit for the malpractice insurance. It was moved by Mr. Tarlow and seconded by Mr. Dolan that a Standby Letter of Credit be used for the deductible malpractice reserve. The motion passed unanimously.

At this point Mr. Tarlow excused himself stating that he had another engagement that evening.

Planning Committee:

The Planning Committee had recommended that statements of the Hospital's key objective commitments as attached to these minutes, be adopted by the Board of Commissioners. There was considerable discussion by the Board concerning these key objectives and the purpose commitment, service commitment, service area commitment, patient commitment, employee commitment, medical staff commitment. Mr. Wilson stated that all of the Long Range Plan, developed by the Planning Committee, focuses on these key objectives

and commitments of the Hospital. It was moved by Virginia Ostlund and seconded by Ernie Smith that the key objectives and commitments be adopted by the Board. The motion passed unanimously.

Joint Conference Committee:

Mr. Dolan reported that the JCC had met on Monday morning and recommended that in lieu of hiring a third full time ER physician as adopted by the Board in June of 1979 that residents from the U of O, satisfactory to administration and the Medical Staff Credentials Committee be hired to cover the Emergency Room for approximately 24 hours per week. Mr. Elsom reported that the second ER physician was approximately breaking even financially, at this point in time. Residents are the least expensive alternative to hiring a third full time physician. There was considerable discussion concerning Emergency Room coverage. It was moved by Mrs. Ostlund and seconded by Mr. Dolan that U of O residents be hired for approximately 24 hours per week in lieu of hiring a third full time Emergency Room physician at this time. The motion passed unanimously.

There was a second recommendation from the JCC that Mr. Tarlow be appointed to fill the vacant position on the JCC. The Personnel Committee had also made a recommendation concerning appointment to that vacancy. The minutes of the last Board meeting in November showed that Mr. Hurford had requested that the Personnel Committee review different Board members positions and make a recommendation concerning appointment to the JCC. The recommendation of appointment to the JCC was deferred to Mr. Hurford.

Personnel Committee:

Mr. Anderson reported that the Personnel Committee had been very busy. They had met twice concerning the development of Personnel Policies and Procedures. The Personnel Committee also having obtained the consent of Mr. Dolan and Mrs. Ostlund and Mr. Smith recommends that the Board recommend to the Mayor that these three individuals be reappointed to the Board of Commissioners for a full three year term. At this point Mr. Wilson asked Mrs. Ostlund to chair the meeting. Mr. Wilson moved that the Board recommends to the Mayor that Mr. Dolan, Mr. Smith and Mrs. Ostlund be reappointed to the Board of Commissioners. Seconded by Mr. Anderson and passed unanimously.

Mrs. Ostlund returned the chairmanship back to Mr. Wilson. The Personnel Committee recommends to Mr. Hurford that Virginia Ostlund be appointed to the Joint Conference Committee.

NEW BUSINESS:

Hospital Logo:

Mr. Elsom pointed out the entries in the Hospital Logo contest that had been developed so far by hospital staff members. It was the general agreement of the Board that five members should not make such a decision and that a recommendation on the Hospital Logo would be postponed until the next meeting.

Respiratory Therapy:

Mr. Elsom reported that Mr. Bill Crites, certified respiratory therapist, had been hired to develop a respiratory therapy program for Newberg Hospital. It is anticipated that the addition of Mr. Crites will be able to add a new dimension to the services provided by Newberg Community Hospital concerning chronic pulmonary patients as well as providing the technical staff for caring for patients who previously required transfer to other facilities.

Anesthesia Policy:

Mr. Elsom explained that there was a requirement that the Board adopt a policy concerning flammable anesthetics used in the hospital. Such a policy would have implications for the type of construction and the additional OR required and also be appropriate for adoption with respect to fire codes at the present time. It was recommended by administration that no flammable or explosive anesthetic agents be included in any approved list of anesthetics for use in this institution. Mr. Anderson moved that no flammable or explosive agents be used for anesthesia in this institution. Seconded by Mrs. Ostlund and passed unanimously.

Oregon Hospital Association:

Mr. Elsom announced that he had been asked to be the representative of the Oregon Hospital Association on the Joint Practice Committee of the Oregon Medical Association and the Oregon Nurses Association.

Medical Staff:

Mr. Elsom reported that there was no longer a requirement to conduct concurrent review with respect to professional standards review organizations or PSRO after the first of January. The Federal Government had ceased funding for this requirement. We would continue to conduct admission reviews, length of stay reviews, in full accordance with the requirements of the Joint Commission with respect to utilization review, however these reviews would be retrospective in nature and be based primarily upon medical audit study and study of statistical reports available through the professional activity study. It was also reported that there had been very very few exceptions to concurrent review in our hospital in the past three years. The hospital had obtained a delegated status from PSRO and had been properly conducting reviews in accordance with their procedures in the past.

The Utilization Plan related to concurrent review is modified to reflect retrospective review for Title XVIII, XIX, and V patients, with the exception of those patients transferred to a Nursing Facility. All other actions of the UR Plan are unchanged. It was also reported that there were no abnormal lengths of stay or inappropriated admissions during the month of November.

There being no further business, the meeting was adjourned by Mr. Wilson at 10:50 P. M.

Respectfully submitted,

Donald S. Elsom
Administrator
DSE:jp