M. Gilbert

Newberg Community Hospital

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Newberg, Oregon 97132

September 25, 1979

Minutes

HOSPITAL COMMISSION

The regular monthly meeting of the Hospital Commission was held at 7:00 P. M. in the Conference Room at the Hospital. The meeting was called to order at 7:05 P. M. by Mr. Hurford, Chairman.

Members present: Mr. Hurford, Don Tarlow, Father Wilson, Andy Anderson, Joe Plews, Bill Dolan and Dr. Kern. Mr. Elsom, the administrator, was also present.

Members absent: Virginia Ostlund and Ernie Smith.

Guests present: Elvern Hall, Mayor; Agnes Haugen, Director of Nursing; John Hausner, Business Manager; Carol Gellerstedt, Registered Nurse at the Hospital.

The Chairman called for any additions or corrections to the minutes as mailed. There were none and the minutes were approved as submitted.

OLD BUSINESS:

Revision of Commission By-Laws regarding committee structures. It was moved by Mr. Tarlow that the proposed amendment to Article VI be adopted with the following alterations:

1. On page 2, paragraph B 2, line 1, the word "chief" should be deleted so that the phrase reads, "the committee shall evaluate the administrator annually in the following manner."

2. Page 6, section 6, Planning Committee, paragraph a. "Composition", 3rd line, add director of nursing service as an ex-officio member without vote so that the sentence reads, "the administrator, director of nursing and the representative from Western Oregon Health Systems Agency shall serve as an ex-officio member without vote".

3. On page 7, paragraph b4, 2nd line, typographical correction so that it reads "practice" instead of "prectice"

The motion was seconded by Mr. Plews. Discussion followed. Mr. Elsom pointed out that there were certain changes and additions to these proposed committee structures and purposes of the committees. First and foremost was the duty of the Executive Committee to evaluate the Administrator annually.

Second, that the Fund Development Committee include one member of the community experienced in Fund Raising Programs. Having been presented the proposed By-Laws Amendments, the Amendments will stand tabled until the next regular monthly meeting at which time they can be approved. The question was called for and the motion as stated by Mr. Tarlow was passed unanimously.

REPORT ON CERTIFICATE OF NEED

Mr. Elsom reported that the final vote at the Sub-Area Council of Western Oregon Health Systems Agency was 10 in favor and 2 against the proposed project submitted by the hospital. The next step in the process will occur Friday evening at 7:00 P. M. in Eugene where the Hospital will present its case before the Facilities Review Committee of the HSA Board. He stated that a 34 passenger Greyhound bus had been arranged for transportation for anyone who desires to attend the committee hearing. They are to depart from the Hospital at 5:00 P. M. People are encouraged to be here at 4:30. It is important that a strong showing of community support continue to follow the Certificate of Need through the application process. Copies of the Technical Staff Analysis were passed out to members of the Commission. Father Wilson suggested that copies of the written rebuttal also be made and forwarded to each of the Commission members. Mr. Elsom stated this would be done.

REPORT ON PROPERTY ACQUISITION

As part of the proposed project the hospital would acquire adjacent property in order to complete the construction project of the new patient wing area. The City Council has authorized the purchase of real property from the Capital Improvement Fund of the Hospital. It is now up to the administration and Commission to conduct the negotiations on the property. Mr. Elsom reported that the appraisal from Norman J. Wetzler, an independent appraiser used by the City in other land transactions, had been completed. The property was appraised in whole having a market value of $53,000.00. It was the recommendation of administration that the chairman of the Finance Committee and the Administrator be authorized to conduct conditional purchase negotiations with the adjoining property that may be required to accomplish the current remodeling plan. It was moved by Father Wilson that the recommendation be approved and adopted by the Commission. Seconded by Mr. Plews. Question was called for and the motion was passed unanimously.

REPORT OF COMMITTEES

A. Finance Committee: Don Tarlow noted that copies of the previous Finance Committee had been attached to the agenda. He reported that the Finance Committee has a regularly scheduled meeting on the third Wednesday of each month. Copies of the preliminary balance sheet and operations summary for the month of July were attached. At this point, Mr. Tarlow introduced Mr. Hausner, the new Business Manager, to the rest of the Commission members present. Mr. Hausner reported on some of the mechanisms that are now available to administration and the Finance Committee in assessing the current status of the accounts receivable. Mr. Hausner reiterated the fact that it might be at least two more months before some significant turn around in cash flow and reduction of days revenue in accounts receivable is obtained.

B. Report of the Fund Development Committee: Mr. Elsom reported that Mr. Caffal had asked to be present at the Commission meeting this evening and make a report, however, he was not in attendance. The Fund Development Committee report was deferred.

At this point, Dr. Kern was called from the meeting for an emergency call.

C. Report of the Joint Conference Committee: Mr. Plews reported that the Joint Conference Committee had met this same morning as the meeting tonight. The JCC had reviewed numerous proposed resolutions put forth by the Medical Staff. Mr. Plews reiterated the fact that these resolutions were a result of the contract negotiations with St. Vincent and it was felt that these particular items of concern to the Medical Staff were not appropriate to be entered into the management contract but could be simply policies of the Commission. The original concerns were stated in a letter for Dr. Silver, Chairman of the Medical Staff, to Mr. Hurford, Chairman of the Commission. Terry Mahr, the City Attorney, then drafted the resolutions as they were submitted to the JCC. Mr. Hurford had referred the resolutions and concerns of the original letter of Dr. Silvers to the JCC for resolution.

JCC Resolution #1, which is attached, concerned the relationship between the physical therapist, Mr. Roger Giles; the hospital radiologist, Dr. L. W. Inman, a private corporation. Mr. Plews read the recommended resolution. Mr. Anderson stated that in effect the Hospital Commission was establishing a policy with respect to specific individuals which he did not feel was appropriate. Mr. Plews commented that the resolution was a result of the fact that considerable effort and work had been performed by these two individuals to establish their respective departments in the past. In the future, a new Commission might not remember the work and effort of these two particular individuals in the Hospital. It was observed that this resolution was not an automatic contract renewal, only that we offer Mr. Giles and the corporation of Dr. Inman, a fee for service arrangement in which the percentage of fees may vary in the negotiations. Considerable discussion by differing members of the Commission resulted in the exact wording that the resolution should take. Father Wilson moved to adopt the recommended resolution of the JCC. The motion died for lack of a second.

Mr. Plews read resolution #2 from the Joint Conference Committee, attached. Father Wilson moved for adoption of the resolution. It was seconded by Mr. Anderson. Discussion followed. Mr. Elsom stated that it was established within the Medical Staff By-Laws that the Medical Staff Pharmacy and Therapeutics Committee must approve any additions, deletions or substitutions to the drug list in use throughout the Hospital. He felt that paragraph 1 of the resolution was already well established within the Medical Staff By-Laws itself. Mr. Anderson stated that it could be a problem in the future that if there were, for example, 14 doctors on the staff and 14 different brands of penicillin might be stocked by the Pharmacy, which was ridiculous. A member of the Commission asked why this resolution was necessary in the first place. One of the Commission members repeated that several of the physicians had heard that St. Vincent Hospital had purchased a "low quality" tetracycline on a generic basis in an effort to reduce costs. Mr. Elsom pointed out that again the Medical Staff Pharmacy and Therapeutics Committee has the authority to add and delete drugs from the hospital formulary or drug list. He stated that differing government regulations and Federal and State laws are currently under review in this area of generic use of drugs and any of their requirements would certainly override any particular hospital resolution. He also stated that Medicare has a policy, which has not been enforced, that the Hospital must adhere to the most prudent buyer concept which is to purchase drugs in the most economical fashion available to the hospital.

Paragraph two of the resolution was also discussed at some length. It establishes a policy that the Commission shall mainly rely upon the Medical Staff to give it advice and suggestions concerning the quality medical care within the hospital. Mr. Elsom pointed out that this was already written into the By-Laws of the Hospital, the original Hospital Ordinance, the Medical Staff By-Laws and is a requirement of the Joint Commission. The Commission has no other legitimate source of information. After additional discussion, the question was called for, and the recommendation to adopt the resolution by the Commission was passed unanimously.

Mr. Plews then read the third recommended resolution from the JCC, attached. Mr. Plews moved the resolution be adopted. It was seconded by Mr. Dolan. Discussion ensued. Father Wilson pointed out that he advised the JCC this morning that such a resolution was an attempt to maintain the protestant appearance of the hospital even though it was owned and operated by the City of Newberg and could not, even if it desired, reflect, espouse, or promote any religious philosophy. Mr. Hurford pointed out that the adoption of this resolution could be interpreted not to allow even Christmas trees within the hospital or Easter lilies on Easter. Mr. Tarlow pointed out that indeed the Hospital must be a non sectarian institution by the fact that it is a public hospital, not privately owned. At this point there was considerable discussion about whether with the passage of this resolution, the hospital could even provide a chapel in the new building project. Mr. Elsom pointed out that there was not a chapel in the new building project but a room set aside to be a quiet room for meditation and conference. Some members of the Commission felt that certain religious objects, such as a crucifix, a cross or a star of David could not be placed upon the walls of the "quiet room" with the passage of the proposed resolution. At this point Mr. Dolan moved to amend the resolution to add the word "specific" in the first line of the resolution so that the resolution now reads: "The Newberg Community Hospital is a nonsectarian institution and the administration of the hospital will not reflect, espouse or promote any specific religious philosophy". It was seconded by Mr. Plews. The question on the amendment was called for. The amendment to the resolution passed unanimously. Again more discussion ensued regarding the intent on the resolution. It was pointed out that the resolution was specifically worded to be aimed at the administration of the hospital so that the administration would not reflect, espouse or promote any specific religious philosophy. Mr. Hurford stated that it was indeed not aimed at the administrator but was aimed at the Commission because the Commission was administration of the Hospital. Mr. Elsom disagreed. There was some discussion as to the role of the Board of Commissioners at this point from other members. The question was called for. Voting in favor was Mr. Plews. Those opposed were: Father Wilson, Mr. Dolan, Mr. Anderson and Mr. Tarlow.

Mr. Plews then moved that the chair appoint a committee to review all of the resolutions and/or policies and bring them back to the next meeting. Seconded by Mr. Anderson. There was considerable discussion. It was noted by Mr. Plews that we were quibbling over phraseology in the resolutions. Mr. Tarlow pointed out that these were in fact only resolutions and that the next Board meeting, even though they were policy at this point in time, could be rescinded and a new policy put in place so that it didn't make any difference if the Board passed them or not. Mr. Plews reiterated the fact that the Commission had made a commitment to the Medical Staff to adopt these particular area of concern as policy of the Commission. The question was called for. There were no persons voting Aye. Persons voting Nay were: Mr. Plews, Father Wilson, Mr. Anderson and Mr. Tarlow. There was more discussion. It was stated by Mr. Tarlow that there was a few minutes more work by the Commission at this point in time these resolutions could be cleared up once and forever. Mr. Tarlow moved that the previous resolution (JCC #3) read as follows: "The Newberg Community Hospital is a non sectarian institution and the administration of the Hospital will not reflect, espouse or promote any specific religious philosophy to the exclusion of any other. The hospital is a community owned hospital and is open to persons of all beliefs in need of medical attention". The motion was seconded by Mr. Plews. There was no discussion and the question was called for. The resolution passed unanimously.

Mr. Plews read JCC resolution #4, attached, which addresses the physician recruitment program. After the reading of the resolution, Mr. Tarlow pointed out that this was indeed the way the physician recruitment program was being accomplished and the Commission certainly would want the input of the physicians regarding any new physicians entering the community. He also noted that paragraph 1 of the resolution states that the JCC shall establish a recruitment program. Paragraph 2 states that the JCC shall have the responsibility of implementing the recruitment program. Paragraph 3 states that the Commission wants the JCC to begin establishing a recruitment program. Mr. Tarlow stated that paragraph 3 was completely redundant and not necessary to the resolution. Mr. Anderson observed that this is in fact what is already occurring. Considerable discussion involved the word "implementing" the recruitment in paragraph 2 of the attached resolution. It was felt that the JCC would not implement anything, but merely establish the policy and allow other individuals or paid staff to implement the physician recruiting program. Mr. Plews moved that the resolution be adopted without paragraph 3 being included. The motion was seconded by Mr. Dolan. Question was called for and the motion passed unanimously.

Mr. Hurford asked Mr. Plews to read resolution #5, which is attached, concerning the hiring of physician employees. Mr. Plews moved that the resolution be adopted. It was seconded by Father Wilson. Discussion began. Mr. Tarlow stated he remembered this resolution very well. Paragraph 1 seemed fine to him. He saw some problem with paragraph 2. Mr. Elsom noted that the hospital certainly could not hire any physician whose credentials had not been approved by the Medical Staff in the first place. This merely adds another step to the credentialing process by referring the completed application to the JCC prior to submission to the Board for final approval. Mr. Hurford pointed out that the Commission had final approval, in any event, for the granting privileges and admission to the Medical Staff. Mr. Tarlow moved to amend paragraph 2 of the resolution to read as follows: "The Commission shall not hire a physician employee which does not receive a favorable recommendation from the JCC when, in the opinion of the Commission, the JCC has good and sufficient reason for not approving the physician employee applicant". The amendment was seconded by Mr. Plews. The question was called for. The amendment to the resolution passed unanimously. Further discussion ensued regarding the proposed resolution. Mr. Anderson pointed out that the hospital was not hiring physician employees but merely engaging, at least attempting to engage, private independent contractors for medical services. Question was called for on the amended resolution. The motion to adopt the amended resolution passed unanimously.

At this point Mr. Hurford inquired whether the Commission would like to reconsider #1, concerning the fee for service arrangements with Mr. Giles and Dr. Inman. Board generally replied that they would. Mr. Anderson moved that the following resolution be adopted: "In the event of renewal of the contract with Roger Giles as Physical Therapist, such contract shall provide for remuneration on a fee for service basis". "In the event of renewal of the contract with L. W. Inman, M. D., P. C., as Radiologist, such contract shall provide for remuneration on a fee for service basis. Motion was seconded by Mr. Dolan. The question was called for and the motion passed unanimously.

At this point Mr. Plews stated there was one more matter discussed at the JCC requiring action of the Commission involving the equipment necessary to maintain respiratory distressed infants within the hospital and the Board approved capital purchase of a Baby Byrd respirator at approximately $4500. Mr. Plews reported that at present the existing policy, in the event of a premature infant in respiratory distress, was to call upon the services of the University of Oregon neonatal unit which would then be assembled and travel to the Hospital to transport the infant back to the U of O medical school. It was pointed out that this was standard practice at this hospital, at Meridian Park, St. Vincent and others in the area. It was the opinion of the Medical Staff Respiratory Therapy Committee that the purchase of a Baby Byrd respirator was not justified at this hospital when this particular service was available. The committee felt that there was a question as to whether sufficient equipment was available within the hospital to maintain these respiratory distressed infants until the arrival of the specialized team from the U of O. Mr. Elsom stated that he would investigate and determine if the equipment was available and if not he would authorize the purchase of the nessary infant resuscitation equipment to maintain the infants until the arrival of the specialized team. Such equipment would probably be in the neighborhood of $300.00 but not exceed $500.00. Mr. Hurford stated that the administrator needed Commission approval to purchase any piece of equipment. Mr. Elsom stated that certainly policy must be established because administration could not operate under such a rigid structure. Mr. Tarlow pointed out that it was tying the hands of administration completely to allow such policy. This particular matter will be referred to the Finance Committee regarding the authority of administration to purchase small capital items.

Mr. Plews also reported that the Respiratory Therapy Committee recommended that the capital purchase of the Baby Byrd infant respirator for approximately $4500 be deleted from the approved capital budget list. Mr. Plews moved that the item be removed from the approved list. Seconded by Father Wilson and passed unanimously.

Mr. Plews also reported that the Respiratory Therapy Committee recommended that an adult respirator which is in critical need in the ICU be obtained for the hospital. A new Bennett MA-1 model respirator costs about $8000. A completely refurbished unit is available from St. Vincent Hospital on a lease basis and an additional charge per patient day of use. Mr. Elsom stated that this was part of a program to update the respiratory services. The respirator, life saving piece of equipment, is needed in the ICU of Newberg Hospital. Motion was made by Mr. Dolan that the Hospital lease the Bennett MA-1 from St. Vincent Hospital. Seconded by Mr. Plews and the motion passed unanimously.

At this point Mr. Elsom passed out to members of the Commission as a matter of information, an internal procedure for initiating, justifying, evaluating and prioritizing capital asset requests within the hospital. These internal procedures will be reviewed by the Finance and Budget Committee of the Hospital.

At this point Dr. Kern rejoined the Commission meeting in progress.

D. The Medical Staff Executive Committee and the Medical Staff: Mr. Elsom read the recommendation that was adopted by both the ER committee, the Medical Staff Executive Committee and the entire Medical Staff. The recommendation reads as follows: "The Emergency Room nurse will automatically offer the patient a choice between the attending physician and the Emergency Room Physician. When the ER physician is elected as the patient's choice, the attending physician will not be called". Mr. Plews moved that the Medical Staff recommendation be approved. Seconded by Father Wilson. Discussion began. Mr. Hurford inquired as to the reason for this recommendation from the Medical Staff. Dr. Kern pointed out that in the original motion to engage ER physicians, the Commission, by adopting the proposal as submitted, had stated that all patients entering the ER would be required to be seen and charged by the ER physician. The Medical Staff feels that this is not appropriate action by the hospital staff. Mr. Hurford inquired as to what the practice presently was. Mr. Elsom explained that presently the ER nurse of the admitting desk tells the patient whether or not the ER physician is on the premises. The patient is told that he/she can be seen by the ER physician or have his/her local family physician called and asked to attend. Mr. Hurford then inquired as to what the responses have been. Mr. Elsom stated, that in all but very few cases, the patients were electing to be seen by the ER physician. He asked Mrs. Haugen to substantiate that fact and also Mrs. Gellerstedt who was present and works in the ER. Both the DNS and the ER nurse stated that almost all patients were electing to be seen by the ER physician. Dr. Kern stated that it was a concern of the Medical Staff that the Hospital not encourage a primary care practice in the ER which was the basis of this recommendation. He also stated that patients presenting to the ER were doing so for a variety of reasons but some of them were seeking the prompt attention here that could not be obtained in physician offices of their choice. The question was called for and the motion passed unanimously.

OTHER BUSINESS:

A. Springbrook Survey: Mr. Elsom reported that a survey was conducted in the Springbrook sub-division of Newberg on Saturday, September 15th. Results of this survey were passed out to members of the Commission. The survey was taken to substantiate the intuitive feeling of the hospital staff that more physicians are needed in Newberg, that people living in the primary service area of Newberg Community Hospital believe more doctors are needed in Newberg, a large percentage of them do not have local doctors, and that even though people use physicians in areas where they work or used to live before moving into the community, they also indicate a desire to use or have physicians available locally. The survey results substantiate all of the above inferences made by the hospital in constructing its Certificate of Need.

B. Tour: Mr. Elsom reported that the Directors of George Fox College had toured the hospital that afternoon. Dr. LaShana was present along with eight other directors of the College. They were interested in the existing conditions and the proposed project. Dr. LaShana stated that the College was certainly in support of the Hospital's building program and the close proximity to the Hospital was the primary reason the George Fox College had not established an infirmary for care of its students.

C. ER Physician Contracts: Mr. Elsom stated that just prior to the meeting he had received the contract for ER physicians after review by the City Attorney and that these would be discussed at an Executive Committee meeting to be scheduled at a later date.

D. Personnel: Mr. Elsom reported that he would be present at a hearing in Salem Wednesday of this week regarding the unfair labor charges filed by the Hospital in response to the organization effort of the nurses who are seeking to have a representative election held. The Hospital had conducted a seminar for Department Heads put on by West Coast Industrial Relations. The subject of the seminar was discipline and discharge. Mr. Elsom asked Mrs. Haugen to report on the nature of the seminar. Mrs. Haugen reported that the seminar was very well received by all of the supervisors. They stated they wanted to have more of them. This was the type of activity they have been requesting for two years and that alot of good information was received and action can be taken appropriately to modify employees behavior instead of costing the Hospital time, effort, and money in discharging unsatisfactory employees.

E. Prepayment of Expenses: Mr. Elsom stated that he would like to obtain credit cards for use by employees traveling to seminars in order to defray their out of pocket costs and/or issuing checks before and after the authorized seminar attendance. Father Wilson moved that credit cards be obtained for use of travel, room, meals and other necessary and authorized expenses. Seconded by Mr. Plews. Discussion: Mr. Elsom stated that definite controls would be established and copies of purchase slips be submitted to the accounting office for necessary verification. Mr. Hurford stated that the use of credit cards by employees might cause more problems than it would solve. Question was called for and the motion passed unanimously.

E. Physician Recruitment: Mr. Elsom reported that two cardiologists had visited the Hospital the previous week and were interested in obtaining prilileges on the staff in a consulting role. The two cardiologists were invited to tour the hospital by Dr. Peto. Both physicians are active staff members of St. Vincent Hospital.

Mr. Hurford polled members of the audience at this point to see if they had anything to bring up to the Board meeting. Mrs. Haugen reported she did not, Mrs. Gellerstedt reported she did not, the Mayor reported he did not. Mr. Hausner advised the Board at this point that certain old accounts who are over 180 days without a payment who have received three statements by the middle of next week will get a letter from the Hospital with certain options outlined in which they would elect a course of action for collection for this particular debt.

At this point there was again considerable discussion concerning the phraseology of the letter. Mr. Hausner brought copies of the letter to the Commission and showed them the proposed mailing. It was felt by Mr. Hurford and other members of the Commission that the wording was not strong enough. It was felt by other members of the Board that due to the past accounting deficiencies of the hospital and the management of receivables in the past such a letter was too strong. It was generally agreed that the Commission's philosophy, at least initially, should be low key and to give these particular accounts a chance to offer an explanation to the Hospital as to why they had not paid their bill. Mr. Elsom reminded the Commission that these were accounts that will have received at least three statements, that there has been no activity on these accounts since the day of discharge from hospital services and what we are attempting to do was collect as much money as possible before turning these accounts over to a collection agency. It was the general concensus of the Commission that a low key approach be taken in this first mailing and then collection action be initiated. Administration pointed out that there is no existing credit and collection policy within which administration can operate. It was suggested that this policy be developed by the Finance Committee at its next meeting.

At this point, there being no further business, the Board of Commissioners meeting was adjourned at 10:40 P. M. this date.

Respectfully submitted,

Donald S. Elsom
Administrator

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