NEWBERG COMMUNITY HOSPITAL

MINUTES
HOSPITAL COMMISSION MEETING

June 26, 1979

MEMBERS PRESENT:

Bob Hurford, Chairman

Andy Anderson
Bill Dolan
Elvern Hall
Stanley Kern
Terry Mahr
Joe Plews
Ernie Smith
Don Tarlow
Nick Thoennes
Don Wilson

GUESTS PRESENT:

Janie Bates
Karen Ferguson
Myrland Gilbert
Carol Gellerstedt
Agnes Haugen
Byron Philips
Milt Robins

The meeting was called to order at 6:05 p.m. by Chairman Bob Hurford. The minutes of the last regular and special meetings were approved as distributed.

FINANCIAL REPORT. Mr. Thoennes reported that through the month of May, the Hospital was in a negative financial position of $71,500. Applying contributions received to this figure showed a net loss of $1,500. Contributions were not part of the fund campaign, and not reserved for the building program. The $107,000 paid to consultants for the building program could be figured as an additional expense. Bob Hurford questioned whether in fact the hospital could expend such an item rather than capitalize it as part of the building project. This will be explored, and a report made later. The financial report was approved as given.

PLANNING COMMITTEE. Father Wilson reported that the planning committee had met for the first time. St. Vincent staff gave a presentation on the alternatives and the details of the Certificate of Need application draft. The draft was then distributed the next day to the members of the committee. The next meeting of the committee will be July 3rd, at which time it is hoped that a recommendation on an alternative of the application will be made for the hospital commission to take action on. In the meantime, members of the committee and St. Vincent staff will be meeting with SHPDA and WOHSA on Thursday, June 28th. The meeting will provide feedback from the state agencies, with comments on the draft application. A special board meeting may be called in early July to act on the draft application. Father Wilson reported that it is intended that the application be submitted no later than mid-July. Minutes of the July 3rd meeting will be distributed to the board soon. (Attachment I)

Terry Mahr presented a resolution that formally establishes the planning committee and gives its duties and authority. (Attachment II) Bob Hurford commented that the resolution should include terms of office for commission members on the planning committee to coincide with the terms of office on the commission, i.e., December 31st. Don Tarlow commented that the unexcused absence phrase was not necessary in the resolution. After further discussion, Joe Plews moved that the resolution be adopted as amended in the meeting. Don Tarlow seconded; the motion passed unanimously.

PERSONNEL COMMITTEE. Andy Anderson presented a report of the personnel committee with a recommendation that the hospital commission adopt a formal salary step-system effective July 1, 1979. (Attachment III) This system was developed in consultation with Bryon Phillips, Director of Personnel at St. Vincent. It was recognized that the step system would include cost of living increase and certain benefits adjustments. The net effect on the wage and salary budget would be an increase of 7.25% for the year beginning July 1. Such a system would replace the payment for tenure that currently exists. The new system would be equitable for all employees given their skills, length of time on the job, and existing salary. Don Tarlow questioned the flexibility of the step system. Byron explained that it was assumed that the administrator could make merit adjustments for extraordinary performance in any job classification. Written guidelines will be prepared to address this.

Agnes Haugen commented that the system is very fair to the nursing staff, but that there was some discontent expressed from particular individuals who may be receiving a very small percentage increase. Janie Bates and Carol Gellerstedt handed out a letter to the commission, which was then read, that explained the dissatisfaction of the nurses with the actual levels of salaries and certain benefits. (Attachment IV) Miss Bates commented that the step system itself is excellent, but that the level of salary and covered benefits is the main point of discontent, particularly in comparison with other hospitals. Bryon Phillips noted that this was recognized, and that the overall salary levels for the hospital would be relatively lower than surrounding hospitals, but that starting salaries were competitive in most job classifications. Mr. Hurford commented that the mandate from the city was to stay within a 7% guideline, and that the existing system has already exceeded it by .25%. Considerable discussion followed about the hospital's ability to raise salaries within the step system. Funds will simply not be available for such an adjustment. Mr. Thoennes commented that patient volume is low relative to other hospitals, and due to the unacceptable level of occupancy, there is not enough revenue to provide additional salary increases at this time. Mr. Anderson commented that the system and the levels of salaries in the system are providing some catch-up. It is recognized that we have been behind other hospitals in salary levels for a long time, but revenue has not existed for us to keep up with, or stay ahead of them. Mr. Phillips commented that HEW guidelines on limits of price increases in hospitals will have a big impact on hospitals' abilities to raise salaries in the future.

The possibility of reviewing salaries at some point during the fiscal year was discussed. Joe Plews proposed a definite time be designated for salary review, and Miss Bates added that employees want to discuss differences on salary and benefits with administration on a regular basis. After further discussion, Father Wilson moved to establish a review of salaries and benefits in November and report to the board at the regular November meeting regarding salary adjustments if needed during the year. This would be handled by the Administrator.

Such a timetable would coincide with a presentation to the December City Council meeting for a supplemental budget if necessary. Motion was seconded by Ernie Smith. The purpose of this action would be to create a January 1 salary adjustment if money is available at that time. Motion was passed unanimously.

Don Tarlow moved to adopt the recommendation of the personnel committee which establishes the step system effective July 1. Mr. Anderson seconded the motion. Dr. Kern requested that written guidelines be developed and presented to the board as soon as possible after the system is implemented. Such guidelines will be presented to the board at the regular July meeting. Mr. Thoennes added that the guidelines will be part of the general improvement in the personnel policies and procedures manual and that further policies and procedures would be developed over the next several months to improve the personnel system. After further discussion the motion was passed unanimously. Mayor Hall noted that the city looks at raises and salaries in January and February, and asked that the hospital coordinate their salary increases for the next fiscal year with the city's schedule.

FINANCE COMMITTEE. Joe Plews reported that a meeting had taken place with St. Vincent staff on the conversion of the accounting system effective July 1. Minutes of the meeting were distributed. (Attachment V) Most of the changes in the system are taking place this weekend and will be on line by July 1. A new financial report was distributed. This report will be a regular report to the board by the administrator, and will show variances on the budget and actual comparisons with previous years. Statistics and financial figures will be used. The conversion allows for a vast improvement in the patient billing system and the aging of accounts. In short, administration will be better able to manage the hospital with this system, and the board will relate better to operations.

Mr. Hurford questioned whether the hospital is able to charge interest on outstanding accounts after a certain time. He asked the board for a policy on the matter since none existed. Mr. Thoennes stated that some hospitals do charge interest and that it was legal. Such policy should be set in the near future.

JOINT CONFERENCE COMMITTEE REPORT. Dr. Kern distributed the minutes of the Joint Conference Committee meeting. (Attachment VI) Physician recruitment was noted as a high priority for the hospital. Certain members of the medical staff and Mr. Thoennes met with Don Dixon, who is a consultant in medical staff recruitment, last week. There was no expense to the hospital for this meeting. Methods of recruitment were discussed and presented to the commission. The committee recommended $2,500 be allocated from the hospital to cover front-end costs on the recruitment project. Dr. Kern moved to adopt this recommendation. Father Wilson seconded. Motion passed unanimously.

E. R. PHYSICIAN COVERAGE. Dr. Kern reported that medical staff is requesting that additional physician coverage be provided in the Emergency Room. Estimates on cost and revenues with expanded coverage were distributed. (Attachment VII) An adjustment was made on the estimate due to the cost of the radiologist

salary. Mr. Thoennes warned that the assumptions on profit and loss were based on limited information. The benefit of additional coverage was well recognized by members of the commission. Mr. Thoennes noted that with the expense of providing the coverage, the hospital would expect to bill all patients presenting in the emergency room, and that all patients would be seen by a physician when a physician was on duty. Don Tarlow pointed out the value of public relations by expanding coverage.

Bill Dolan asked if nurse practitioners had been considered. Agnes Haugen mentioned that this might be practical in a few years, but that not enough programs exist now to provide an adequate supply of such people here in the area. A stipend for on-call phsyicians was discussed. Originally this had been included in the calculations at $100 per day for any physician covering as a primary on-call or secondary on-call physician. The board agreed that this should be dropped from consideration given the cost of the additional physicians. Don Tarlow moved to adopt the proposal and that it be implemented as soon as possible. Father Wilson seconded the motion. Mr. Tarlow added that it is critically important to have regular reports back to the board regarding the financial aspects of the ER coverage. The motion passed with one abstention. Mr. Dolan explained that he abstained due to the lack of information on the calculations. Mr. Thoennes added that contracting agencies have been suggested in the past as a means for immediate coverage of off-hours, but that the medical staff was not in favor of such a plan. Mr. Plews added that committment by physicians from such groups would be less than if we hired our own physicians.

DIETARY EQUIPMENT. Dr. Kern mentioned that the joint conference committee had recommended the purchase of dietary equipment that would improve patient feeding and employee cafeteria food access. Mr. Thoennes gave supportive information and the description and cost of the equipment. Approximately $12,000 would be needed for such trays, carts and miscellaneous items. This equipment would be adaptable to the new building program; it would not need modification at that time. Dr. Kern moved that this equipment be considered a high priority item for future purchase. Motion was seconded by Joe Plews. Motion passed unanimously.

FUND DRIVE. Mr. Robins gave a report on the current fund drive activities. Approximatley $400,000 has been received in pledges to date, and some of the major businesses in the area have not yet responded because they are waiting for a ruling on the Certificate of Need application. Mr. Robins read Chuck Caffal's letter to the commission requesting that the commission consider plans for future fund raising activities in addition to the current fund drive. (Attachment VIII) Mr. Hurford stated that a committee would be appointed by the new chairman to work on this project.

MANAGEMENT CONTRACT. Terry Mahr reviewed the status of the management contract. The contract has been accepted by the Sisters of Providence and will be acted upon by resolution at the Monday, July 2nd, City Council meeting.

RESOLUTION FOR MRS. ROCHA. (Attachment IX) Terry Mahr read a resolution recognizing Mrs. Rocha's years of service. The resolution would be attached to a letter to Mrs. Rocha from the chairman of the commission. That letter was read by Mr. Hurford. Mr. Anderson moved to accept the resolution. Dr. Kerns seconded. Motion passed unanimously.

MEDICAL STAFF RESOLUTION PROCEDURE. Terry Mahr read a resolution that established a procedure for adopting policy that is recommended by the medical staff. (Attachment X) Don Tarlow moved to adopt the resolution. Ernie Smith seconded the motion. The motion passed unanimously.

MATERIALS MANAGEMENT DIRECTOR. Mr. Thoennes announced that Betty Lovell will be hired as Director of Materials Management effective July 1, 1979. Betty is a former resident of Newberg and was the leading candidate among four that were interviewed at the hospital. She is currently assistant to the purchasing manager at St. Vincent. A waiver for hiring Betty, because of the terms of the management contract with St. Vincent was discussed. Mr. Thoennes will check into this.

COMMISSION ELECTIONS. Before nominations were opened at this annual meeting, Terry Mahr noted that all ballots cast shall be noted by those voting. Bob Hurford stated that Joe Plews, Don Wilson and Bob Hurford had been previously nominated for the position of chairman. He asked for further nominations. Don Tarlow moved that nominations be closed, seconded by Ernie Smith. Passed unanimously. Those voting for Joe Plews were Dr. Kern, Bill Dolan and Don Tarlow. Those voting for Bob Hurford were Father Wilson, Bob Hurford, Joe Plews, Andy Anderson and Ernie Smith. There were no votes for Father Wilson. Bob Hurford will be next year's chairman by majority vote.

As new chairman, Bob Hurford opened nominations for vice chairman. Don Tarlow had been previously nominated. Bill Dolan nominated Joe Plews. Dr. Kern moved that the nominations be closed. It was seconded and passed. Those voting for Don Tarlow were Joe Plews and Father Wilson. Those voting for Joe Plews were Bill Dolan, Don Tarlow, Ernie Smith, Andy Anderson, Dr. Kern, and Bob Hurford. Joe Plews will be the new vice chairman by majority vote. Bob Hurford stated that the position of secretary to the board had been eliminated by amendment at the last meeting, and that the administrator will be the person repsonsible for taking minutes and performing the secretary's function for the board.

OTHER BUSINESS. Don Tarlow moved that the starting time of future board meetings be moved to 7 p.m. rather than 6 p.m. on the 4th Tuesday of each month. The motion was seconded by Father Wilson and passed unanimously. Bob Hurford noted that the committees of the board would be restructured and reported on at the next regular meeting.

There being no further businees, the meeting was adjourned at 9:50 p.m.

Respectfully submitted,

Nick Thoennes

Nick Thoennes
Acting Executive Director