The Board of Directors of McDonough District Hospital met on Monday, May 15, 2017 at 5:30 p.m. in the Board Room. The meeting was called to order by Kent Slater, Chairman, Board of Directors. The following Board members were present: Andy Baker, Crystal Bedwell, Chuck Butterfield, Dr. Richard Iverson, Rita Moore, Noel Oliver, Matt Reynolds, Kent Slater, Dr. K.T. Wright.

Also present: Kenny Boyd, President/CEO
Dr. Ed Card, President Medical Staff
Linda Dace, VP Finance
Wanda Foster, VP Nursing
Maggie Goettsche, Administrative Leader/Quality & Innovation
Sue Dexter, Administrative Leader/Human Resources
Chris Dace, MMG Chief Operating Officer
Harlan Baker, Chief Information Officer
Anna Bradt, Department Leader Public Relations/Marketing
Adrian MacGregor, Department Leader Outreach
Ronda Baker, Executive Secretary

Also present was Michelle Langhout, McDonough County Voice.

**Consent Agenda**

Kent Slater requested a motion to approve the Board meeting minutes and the executive session minutes from April 17, 2017.

A motion was made by Noel Oliver and seconded by Dr. K.T. Wright to approve the Board meeting minutes and the executive session minutes from April 17, 2017. Motion carried.

**Public Comment**

Scott Jones, a resident of McDonough County, discussed McDonough District Hospital (MDH) being a public institution constructed by the consent of McDonough County voters in the 50’s with tax dollars, MDH being controlled by the Board of Directors, the concern that McDonough County residents are going to pay the ambulance bill regardless whether it is through MDH doing a tax or through our fees, the issue of operational deficit if addressed through taxation all the money stays within the organization and the county, if privatized the money stays within the organization to a point but the profit will be taken out of the institution by the private company and probably out of the county, the huge distinction between levying a tax or the privatization, once the ambulance service is gone it is gone, private vendors not requiring stipend or subsidization at this point, not holding later Boards accountable for decisions of the current Board, that in the future this Board possibly coming to McDonough County residents asking them to subsidize or pay a stipend for a private corporation to guarantee profitability, his opinion of the possibility of McDonough County residents subsidizing private profit, his question of where will the privatization stop, MDH taking ownership of the lab in the 70’s and MDH coming to the understanding that privatization wasn't necessarily in the best interest of this facility, the understanding that health care has changed, that health care is complicated but not understanding the nuances associated with health care financing, things private corporations cannot do for the public, the relationship between MDH and citizens of McDonough County being based on trust, that once the trust is lost it will be difficult to get it back, his experience with school reorganization, the only other organization that brings the County together other than County Government is MDH which is...
part of that intimate fabric that holds us together as a community, living here all his life and seeing how the County is becoming more fractured, citizens needing to do everything they possibly can to keep McDonough County together, that 50 plus years ago the citizens of McDonough County voted and decided to build this institution to provide the best possible health care for the residents of McDonough County as that was their vision, the hope that we maintain that same vision, the request that MDH give the citizens of McDonough County a chance to have their thoughts and talents with you in a public forum to assist solving the funding issue(s), continuing MDH’s personal and long standing relationship with those who have created it, the citizens of McDonough County. Scott Jones mentioned that it would be appreciated, regardless of the outcome as it is imperative that you bring us into the conversation and if you don’t it threatens that trust that has been developed over the 50+ years. Scott Jones thanked the group for their time.

President/CEO’s Report/Senior Leadership Team
Kenny Boyd discussed the date in sight for Dr. Afriye Amerson’s Illinois license, the search for an additional OB/Gyn, the search for a full-time pediatrician or another pediatric nurse practitioner (NP), the potential recruitment of a current hospitalist, internal management of the hospitalist program, the annual business leaders/CEO roundtables scheduled in May, CEO Sessions for employees scheduled in May, the operational efficiencies goals in progress with assistance from Altius and Strategic Sourcing Results (SSR) and Air Evac’s goal to have the air base operational by June.

Harlan Baker discussed the work being done with Cerner to complete the transition for Dr. Idol Mitchell’s office, the move originally scheduled the week of June 5th, the delay to ensure we have all of our build information set appropriately, the work with Cerner on the speech recognition transition for the Dragon speech system, the kick-off call that occurred last week for this, anticipating an initial change with that next week, the roll out with the medical staff and Cerner on site next week to do a lab system optimization.

Kenny Boyd discussed the Centers for Medicare and Medicaid Services (CMS) Rural Hospital Demonstration Project, the application completed for this to see if we would qualify and be chosen for one of the nine spots that are open, this project’s focus, the estimated impact on the organization on an annual basis as far as enhanced reimbursement for our Medicare inpatients and this being a competitive process.

Kenny Boyd discussed Emergency Medical Services (EMS), conversations with Advanced Medical Transport (AMT), Lifeguard and Midwest Transport, the presentation from Lifeguard and Midwest Transport to the Senior Leadership Team (SLT) and Chief JR Hyde, Macomb Fire Department, the request for references, AMT to present to Senior Leadership Team and Chief Hyde, Macomb Fire Department, the review of pros/cons with each company, the review of references and information presented, the process of narrowing down an opportunity to bring to the Board of what we believe would be the best option, the Capital Campaign being slightly over $4.5 million, IDPH, Illinois Health & Hospital Association (IHA) and American Hospital Association (AHA) advocacy efforts, the AHA annual meeting last week in Washington, D.C., the House passing the American Health Care Act (AHCA), conversations with Senator Duckworth and Senator Durbin on the impact of the AHCA as it currently is written, the Illinois budget and the 340b drug program.

Finance Committee Report
Dr. Richard Iverson reviewed highlights of the May 12 Finance Committee meeting to include the reasons for the delay on the MDH fiscal year 18 budget, the decision to hold a special Finance Committee meeting, the Accountable Care Organization (ACO) requirement to have an educational piece, the State of Illinois owing MDH approximately $23.3 million and the award Sue Dexter received for our workers compensation experience here.
A motion was made by Dr. Richard Iverson and seconded by Andy Baker to approve the May 12, 2017 Finance Committee minutes. Motion carried.

Medical Staff Report
Dr. Ed Card reviewed the medical staff applications for Board approval, Consulting Staff: Ziad Issa, MD Prairie Cardiovascular, Brian Miller, MD – Prairie Cardiovascular and James Mullin, MD – Prairie Cardiovascular, Contract Staff: Alejandro Pulido, MD – EPSS and Rose Haisler, DO – EPSS. These applications have been approved by the Credentials Committee and Medical Executive Committee.

A motion was made by Dr. Richard Iverson and seconded by Noel Oliver that Consulting Staff: Ziad Issa, MD Prairie Cardiovascular, Brian Miller, MD – Prairie Cardiovascular and James Mullin, MD – Prairie Cardiovascular, Contract Staff: Alejandro Pulido, MD – EPSS and Rose Haisler, DO – EPSS be placed on the provisional staff with privileges as requested. Motion carried.

Dr. Card reviewed medical staff bylaws 9.3.1, adding section (g) The Medical Director of the Hospitalist Program will be a voting member of the Medical Executive Committee and will be serving as an at-large Physician Member. Dr. Card discussed the reason for the Medical Director of the Hospitalist Program to have a voice in decision making on the medical staff level.

A motion was made by Dr. Richard Iverson and seconded by Rita Moore to approve medical staff bylaws 9.3.1, adding section (g) The Medical Director of the Hospitalist Program will be a voting member of the Medical Executive Committee and will be serving as an at-large Physician Member. Motion carried.

Dr. Card discussed Rules and Regulations section of the Medical Staff Bylaws and the change to be made: 3. Nurse Practitioners (c) Privileges (iii) Writes orders for treatment conferring with the employing/sponsoring physician as necessary. The hospitalist and nurse practitioner orders being done jointly were discussed.

A motion was made by Dr. Richard Iverson and seconded by Dr. K.T. Wright to approve the change made to Rules and Regulations section of the Medical Staff Bylaws, 3. Nurse Practitioner (c) Privileges (iii) Writes orders for treatment conferring with the employing /sponsoring physician as necessary. Motion carried.

Quality Focus
Maggie Goettsche discussed the Fiscal Year 2018 Department Goal Planning. Defining what we are doing, holding people accountable, the accountability agreement, transparency of this information to the front line staff, feedback received on the employee engagement surveys and this department goal planning helping disseminate the goals of the strategic plan to employees was discussed.

Old Business
Noel Oliver discussed it appearing to him that Kenny Boyd will present his selection for the EMS in the near future, his opinion that there will be no community involvement, no Board vote, no Board input, his attendance at the McDonough County Board meeting where Kenny Boyd made the EMS presentation, evaluating an option of maintaining the EMS ourselves, the $200,000 cost per year for EMS, if this was the first year it cost this much and what has changed, Kenny Boyd presenting at the County Board meeting and the mention of a stipend to do this service, the presentation at the County Board meeting that this service does not fit within our core mission statement, reading of the MDH mission statement, MDH core values and MDH vision statement, some services not being mentioned in
this as it is vague, believing EMS is included in those core statements, the $200,000 cost for EMS and not accepting this as a reason to discontinue a service that we have been providing for forty years, the belief that we can find $200,000, opposing this all the way as it doesn’t make sense to him to discontinue a service like this for those two reasons, the one vote he gets on this, this group not knowing the answer yet, his fear that it is already decided, that he has been told five yes votes are assured so he doesn’t need to bother with all of this and this is upsetting, leaving the county board meeting with the feeling that this is going to be done for our next fiscal year budget, this appearing to be rushed and hoping the answer has not been made yet. Rita Moore mentioned that she agrees with Noel Oliver’s statement that EMS is part of the core.

Kenny Boyd discussed the presentation for the Board being his recommendation for a solution to the EMS piece, presenting the Board feedback from the SLT and Chief Hyde, the reference pieces as well as having the selected group present to the Board allowing for questions from the Board to representatives of the group and then calling for a vote by the Board of Directors, presenting some of this information to the McDonough County Board, the County Board making it clear they don’t want anything to do with it, this not being a decision on his part, the County subsidizing the EMS being an option and they have declined to do that, this not automatically going to privatization of EMS, one of our paramedics who is involved in a group is looking at the possibility of forming McDonough County EMS Association which is being evaluated, keeping the EMS system as it is not being completely off the table, MDH providing the same level or better EMS at reduced impact on the organization, the review of cost control pieces, decisions in cost control not being exciting to make, looking at the long-term of the organization, providing a service that is not the norm to be provided by a healthcare entity, looking across the state of Illinois if it was profitable, normal and beneficial to an organization to do we wouldn’t be only one of two doing it, evaluating where do you get the approximately $200,000 in negative cash flow, where do you take that from, the impact on the organization, taking that out of direct patient care and putting it into subsidizing a service, partnering with somebody who does this well as a proven partner in providing high quality service and taking care of our resident’s needs, this being a question that we don’t have all of the information yet to answer, after having the information, references and after talking to all of our potential partners that will be the driving factor behind what would be recommended to the Board, options of keeping EMS as it is, recommending a company, recommending a tax referendum, the tax referendum not at the top of the list as we don’t believe anybody thinks spending more money and tax more is a good idea, providing the same quality service to residents with no financial impact on them versus continuing to tax and not finding a way to do it more efficiently.

Rita Moore discussed contracting out our food services, contracting out linen services, the level of service provided currently, reviewing the budget, taking on another service with radiology, the mobile unit being reviewed, other companies doing this and if they would be better at it, if it would be a core service, getting rid of one service and bringing on another service. Kenny Boyd discussed radiology services being a core service to the organization, companies that are starting to come in our area to provide that service, by not subsidizing one service doesn’t mean we don’t do another one, patient satisfaction scores for dietary and environmental services being the highest they have ever been with reduced operating costs, the transition of the services in the beginning being difficult but now being a positive impact, the service quality from our patient feedback comments/ratings of service liking the service better now than they did before, these companies performing these services for a living and doing it better than we could, providing direct patient care being what we do, the possibility of adding a service line, companies coming here from out of town going to our nursing homes providing mobile radiology services and impacting our volumes, a review of a business plan that says we can invest an amount and get a return on investment providing that service, the service being direct patient care with existing staff with the addition of equipment and will that pay off, the preliminary budget piece still being a fluid document, EMS not being a hospital industry service, the challenges with operating an
EMS, most emergency department (ED) directors managing just an ED not ED and EMS, the biggest change being when we began having difficulties doing non-emergent transfers due to staffing issues, items to review in executive session that go along with this, the 911 service supplemented by the non-emergent transfer pieces, the challenge we have with non-emergent transfers and having somebody else doing that, the larger pool of resources the private companies have to make sure the transfers get covered, their ability to supplement the 911 service with the non-emergency transport services, the time Human Resources spends in looking for and recruiting EMT’s and paramedics, the review of EMS that took place in 2015, having transfer problems and staffing issues not long after this, the need to purchase an ambulance next year, the cost for this ambulance not currently being in the budget, the EMS companies we are working with working under the directive of no stipend available from MDH and or the county.

Kenny Boyd discussed clarifying his statement regarding core services as he was not referring to the core value statement but referring to core services which are services that health care organizations provide, looking at direct patient care pieces and what is an industry norm for an organization to provide, the review of services we subsidize to see where the funds are coming from or can it be provided by somebody else, the reasons why we discontinued Transitional Care Unit (TCU) and moved to swing beds which provides the same level of service, rules and regulations that automatically increase the cost of operating the entity, EMS being necessary as far as a community service, is it normal for the organization to offer historically the answer being yes, the reasons for changing the way we operate and services we provide, chaplain services that were provided in the past and costs associated with it, how the admitting process has changed, how some surgery procedures have changed, history not always pointing to the future, a review of finding a way to provide the same level of care at a reduced cost to the organization and having the same or better outcomes, the changing health care environment, Medicare reimbursement basically staying flat, investing in people, plant and equipment, putting $200,000 into an EMS that a partner could possibly do saving us $200,000 a year to invest into people, plant and equipment, the $200,000 over a five year period helping pay for the majority of a CT scanner which is going to have to be replaced in the next five years and is imperative in taking care of patients, making up the $200,000 and having to find the $1,000,000 that you lost to do something else, balancing the finite resources where it doesn't make sense, that in the long-term if we don’t evaluate this we are not performing our duties, that there will be additional conversation on this as we get information to present, the evaluation process and the plan to have a decision by the end of June.

Dr. Richard Iverson discussed the two fold role the Board has, which was mentioned in a past meeting, to ensure that we are delivering the appropriate services in appropriate fashion and are we financially going to be able to continue to exist in the future, this conversation being necessary to evaluate both pieces, paying Kenny to have a vision to map out what we would do and the Board’s job of saying if they agree with his proposal. Dr. Iverson thanked Noel Oliver for his input.

Dr. K.T. Wright mentioned the conversations he has had with the McDonough County Board Chairman in which he indicated the County Board has little interest in a tax referendum to support EMS and Dr. Wright suggesting that if they want MDH to continue to offer the service then MDH would need subsidized. Kent Slater mentioned what Scott Jones suggested tonight was there could be a referendum to decide the question as to whether or not the tax payers would like to support this with tax rather than it be simply a County Board or a County Board Chairman statement that there could be a referendum. Kent Slater mentioned that the Board will not be voting on this tonight as it is not on the agenda and there will be a point down the road when we do get presented with some options.
New Business

At 6:39 p.m. Crystal Bedwell made a motion and seconded by Andy Baker to move into executive session for the purposes of open Meetings Act Exception 17 (5 ILCS §120/2(c)(17)). The recruitment, credentialing, discipline or formal peer review of physicians or other health care professionals for a hospital, or other institution providing medical care, that is operated by the public body, executive session for the purposes of open meetings act exception: 5 ILCS 120/2(c)(1) the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity and executive session for the purposes of open meetings act exception: 2(c)(21) semi-annual review of minutes. A roll call vote was taken.

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Motion carried.

At 6:52 p.m. the group returned to regular session with the nine Board members present along with Kenny Boyd and Ronda Baker.

A motion was made by Dr. K.T. Wright and seconded by Noel Oliver to not release any executive session minutes at this time but to approve destruction of the audiotape for November 17, 2014. Motion carried.

Discussion
Kenny Boyd reminded the group of the Finance Committee meeting scheduled for May 25, 7 a.m. The CEO Roundtable sessions were discussed.

At 6:55 p.m. a motion was made by Dr. Richard Iverson and seconded by Crystal Bedwell that the meeting adjourn.

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Dr. Richard Iverson
Secretary/Treasurer of the Board