

AGENDA
COMMUNITY HEALTH SERVICES BOARD MEETING
Cordova Library Conference Room
March 14, 2012 – 7:00 PM

CCMC'S core purpose is to deliver quality health care locally.
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President
David Allison
term expires 03/12

Vice-President
Kristin Carpenter
term expires 08/12

Secretary
Tim Joyce
term expires 08/14

Board Members
Elmer (E.J.) Cheshier
term expires 08/13
Nichole Hunt
term expires 08/12
Jim Kacsh
term expires 08/12
NVE Tribal Council - Vacant

Acting CEO
Stephen Sundby, PhD

- I. OPENING**
 - A. Call to Order
 - B. Roll Call – David Allison, Kristin Carpenter, EJ Cheshier, Nichole Hunt, Jim Kacsh, Timothy Joyce
 - C. Establishment of a Quorum
- II. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**
 - A. Guest Speaker
 - B. Audience Comments (limited to 3 minutes per speaker).
Speaker must give name and item on the agenda to which they are addressing.
- III. CONFLICT OF INTEREST**
- IV. APPROVAL OF AGENDA**
- V. APPROVAL OF CONSENT CALENDAR**
 - A. HSB Regular Meeting Minutes – 2/8/2012.....Page 1
- VI. REPORTS AND CORRESPONDENCE**
 - A. Administrator’s Report.....Page 6
 - B. Financial Statements.....Page 7
 - C. President’s Report
 - D. City Council Report
 - E. Providence Report

- VII. ACTION ITEMS**
 - A. Resolution 2012-01 Check Signers.....Page 12
 - B. City of Cordova Resolution 03-12-17.....Page 13
- VIII. DISCUSSION ITEMS**
 - A. Frequency of HSB Meetings
- IX. AUDIENCE PARTICIPATION (limited to 3 minutes per speaker)**
Members of the public are given the opportunity to comment on matters which are within the subject matter jurisdiction of the Board and are appropriate for discussion in an open session.
- X. BOARD MEMBERS COMMENTS**
- XI. EXECUTIVE SESSION***
- XII. ADJOURNMENT**

*Executive Session: Subjects that may be considered in executive session are: 1) Matters, immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity; 2) Subjects that tend to prejudice the reputation and character of any person, provided that person may require a public discussion; 3) Matters which by law, city charter, or ordinance are required to be confidential; 4) Matters involving consideration of government records that by law are not subject to public disclosure; 5) Direction to an attorney or labor negotiator regarding the handling of specific legal matters or labor negotiations.

Minutes
Community Health Services Board
Cordova Library Conference Room
February 8, 2012 – 12:00 PM

I. CALL TO ORDER AND ROLL CALL –

David Allison called the HSB meeting to order at 7:00 pm. **Board members present: David Allison, Kristin Carpenter, EJ Cheshier, Nichole Hunt** (joined telephonically at 7:25 pm), **Tim Joyce**, and **Jim Kacsh**. A quorum was established.

CCMC staff present: Stephen Sundby, PhD (Acting CEO).

II. COMMUNICATIONS BY AND PETITIONS FROM VISITORS – None

III. CONFLICT OF INTEREST – None

IV. APPROVAL OF AGENDA

M/Kasch, S/Joyce: Move to approve the agenda.

A vote was made on the motion: 5 yeas. - 0 nays. Motion passed.

V. APPROVAL OF CONSENT CALENDAR

M/Joyce, S/Kasch: Move to approve the consent calendar.

- a. Health Services Board meeting minutes from December 19, 2011

A vote was made on the motion: 5 yeas – 0 nays. Motion passed.

VI. REPORTS AND CORRESPONDENCE

A. Administrator's Report

Sundby provided an update on Providence's activities, including a compliance assessment conducted in December from which corrections are due as early as March 1, 2012. **Sundby** relayed that many of the components noted were being done already and

just needed to be formalized as policy or written procedure. **Sundby** provided information on the CEO interview process and noted that Providence is consulting on any new/renewal contracts or candidates for senior management positions.

Sundby provided copies of the annual financial audit to the Board members. **Sundby** also advised the Board that following discussions with CCMC's broker, the facility's liability insurance will cover damage to the roof related to the storm, but only damage that occurred as a result of the storm.

With respect to staffing, **Sundby** reported that the new AP/Payroll clerk is in training and the CFO candidate has pulled out. He further reported that Susan Humphrey-Barnett is also meeting with Angela Arnold to coordinate issues relating to Ilanka.

Carpenter requested a presentation from the auditors to the Board, specifically addressing the deficiency that was highlighted in the auditor's letter to the Board. She requested that the presentation be scheduled for the next regular meeting.

B. President's Report

Allison reported that the Sound Alternatives Advisory Board will meet the next three months to ensure they have sufficient meetings during the year. He requested that Board members interested in attending on HSB's behalf let him know. **Allison** also offered comments on the Providence transition and specific topics the City Council must consider, especially with respect to the Sound Alternative grants and the grant requirements. **Allison** noted that Sound Alternatives' financials are good, and that their funds rolled into the CCMC general fund. **Carpenter** commented that she was surprised that fact was never revealed in CCMC's audit. **Allison** responded that the action is not illegal, it is just not a sound management practice, and added that a recommendation was made to the Advisory Board to renew formal tracking of nearly \$700K in reserves. **Sundby** clarified how the funds are currently tracked and spent, in particular the grant funds and their respective requirements.

D. City Council

Allison reported that the City Attorney is looking at aspects of the City Code requiring Council appoint themselves as the Health Services Board and this Board serves in an Advisory capacity. **Kasch** requested confirmation that no changes to the Charter are necessary. **Allison** responded that charges are unnecessary because Council has the

authority to appoint the Health Services Board and by appointing themselves, a Health Services Board would still exist. **Allison** added that Providence is taking over March 1st, and Council will see the final product from the CEO interviews. There may be an interim fix due to the short notice between the interviews and the contract effective date.

Allison reported that the next step is to look one to one and a half years down the line and consider the establishment of a public corporation. A public corporation would remove the politics out of the operational management and the City's financial liability for the hospital. This would require a Charter change. **Kasch** noted that the role of the Advisory Board would then be less business and more regarding the role of healthcare in the community.

VII. ACTION ITEMS

A. Credentialing of Kimberly Snyder, Nurse Practitioner.

M/Joyce, S/Cheshier: Move to approve the credentialing of Kimberly Snyder as Licensed Nurse Practitioner for CCMC with all the privileges she indicated she is capable of performing.

A vote was made on the motion: 6 yeas. - 0 nays. Motion passed.

B. Conflict of Interest Policy ADM302.

Allison advised the Board that the following three documents were developed in response to Providence's compliance assessment and are based on sample policies provided by Providence's staff to the CCMC Compliance Officer. Hunt asked for clarification of her position on the Board given the parameters of the Conflict of Interest policy. Allison responded that the policy required her to disclose her relationship with the hospital and that the inability to participate in various activities would be evaluated on a case-by-case basis.

M/Joyce, S/Kasch: Move to amend sections 2b and 3 to address concerns regarding employees and contractors.

A vote was made on the motion: 6 yeas. - 0 nays. Motion passed.

M/Joyce, S/Kasch: Move to approve the Conflict of Interest policy as amended.

A vote was made on the motion: 6 yeas. - 0 nays. Motion passed.

C. Confidentiality Policy ADM303.

M/Kasch, S/Joyce: Move to approve the Confidentiality policy.

A vote was made on the motion: 6 yeas. - 0 nays. Motion passed.

D. Conflict of Interest and Confidentiality Disclosure Form.

M/Kasch, S/Joyce: Move to approve the Conflict of Interest and Confidentiality Disclosure Form.

A vote was made on the motion: 6 yeas. - 0 nays. Motion passed.

VIII. DISCUSSION ITEMS

A. Coding Concepts Report

Allison noted that Hunt has a Conflict of Interest as a Board member on this report and requested that Nichole provide a summary for this meeting. Allison asked Hunt if the current contract goes through the end of the year to which Hunt responded that the contract had not yet been signed, so Coding Concepts has not been back to Cordova for the fourth or first quarters. Hunt qualified that the report is old information and may not reflect the current situation. Allison noted that the Board doesn't want to get too involved until the new management is in place. Sundby added that he put in a request with Providence to have Coding Concepts visit and reported that they are reviewing the contract.

Joyce requested that Hunt identify anything that might be a highlight ongoing beyond the date of the report or anything they need to know prior to the management change. Hunt responded that they risk analysis section includes specific items that may assist Providence.

Hunt reviewed her written report. Following that, Carpenter asked how Coding Concepts and Sundby are planning on addressing the items given that Providence is taking over in March. Carpenter further asked if there is a plan to contract with Coding

Concepts. Sundby replied that Providence will be making the decision but will not be signing any contracts until March 1st. He added that Providence has seen and thoroughly reviewed all of the reports that Coding Concepts has provided to date. Carpenter clarified that the hospital probably can not get Coding Concepts to Cordova to address these items if the contract is awaiting Providence's action. Allison noted that Providence will likely want an update as soon as they are onboard.

IX. AUDIENCE PARTICIPATION – None

X. BOARD MEMBER COMMENTS

Allison thanked staff for supporting the National Guard and the efforts during “snowcapalypse”.

XI. EXECUTIVE SESSION – None

XIII. ADJOURNMENT

M/Joyce, S/Kasch: Move to adjourn the meeting. **Allison** declared the meeting adjourned at 9:50 pm.

Transcribed by: Laura Cloward

Reviewed by: HSB Secretary, Tim Joyce

CORDOVA COMMUNITY MEDICAL CENTER



P.O. Box 160 • 602 Chase Ave. • Cordova, Alaska 99574-0160
Phone: (907) 424-8000 • Fax: (907) 424-8116

To: Health Services Board
From: Stephen Sundby, Ph.D., CCMC Acting Administrator
RE: Administrator Report
Date: December 14, 2011

1. CCMC is participating in the Cordova Health Fair. Sound Alternatives will have a display table and the CCMC laboratory will provide services.
2. Staffing:
 - a. Positions we are advertising to fill:
 - i. CFO – 1
 - ii. Physicians - 1
 - iii. Physicians Assistant/Mid-Level Practitioner - 2
 - iv. Nurses - 5
 - v. Licensed Occupational Therapist – 1
 - vi. Licensed Clinical Social Worker - 1
 - b. Positions filled:
 - i. We have hired 2 Medical Laboratory Technicians.
 - c. Currently interviewing:
 - i. We had an initial telephone interview with a CFO applicant and the candidate had a follow-up interview with the new Providence/CCMC CEO. It was determined to not offer the position.
3. Stephen Sundby is continuing to meet on Fridays at 9:00 AM with Angela Arnold and Penney Benson (NVE) to coordinate and collaborate where opportunities arise.

**Cordova Community
Medical Center
Balance Sheet
January 31, 2012**

	Current Year 1/31/2012	Last Year 1/31/2011	Increase (Decrease)
Assets			
Cash	163,146	579,605	(416,459)
Receivables			
Accounts Receivable	1,098,287	1,491,129	(392,842)
Allowance for Uncollectible	(262,346)	(853,321)	
Net Accounts Receivable	835,941	637,808	198,133
Other	233,641	84,112	149,529
Grant Programs & City Transfers	(14,675)	(61,812)	47,137
Supplies Inventory	132,970	137,518	(4,548)
Prepaid Expenses	36,735	75,697	(38,962)
Other Assets			
Major Moveable	10,758,945	10,636,671	122,274
Accum Depreciation	(8,534,713)	(8,277,167)	(257,546)
Total Assets	3,611,990	3,812,433	(200,443)
	=====	=====	=====
	=	=	=
Liabilities and Net Assets			
Accounts Payable	865,547	496,458	369,089
Accrued Payroll & Related Liab	373,975	436,734	(62,759)
Other Liabilities	35,700	59,584	(23,884)
Total Current Liabilities	1,275,222	992,776	282,446
Net Pension Obligation	0	0	0
Obligations under Capital Lease	0	0	0
Total Liabilities	1,275,222	992,776	282,446
Net Assets	2,336,768	2,819,657	(482,889)
Total Liabilities & Net Assets	3,611,990	3,812,433	(200,443)
	=====	=====	=====

Cordova Community Medical Center
Income Statement (Fiscal Year 2012 - 7/1/11 through 6/30/12)

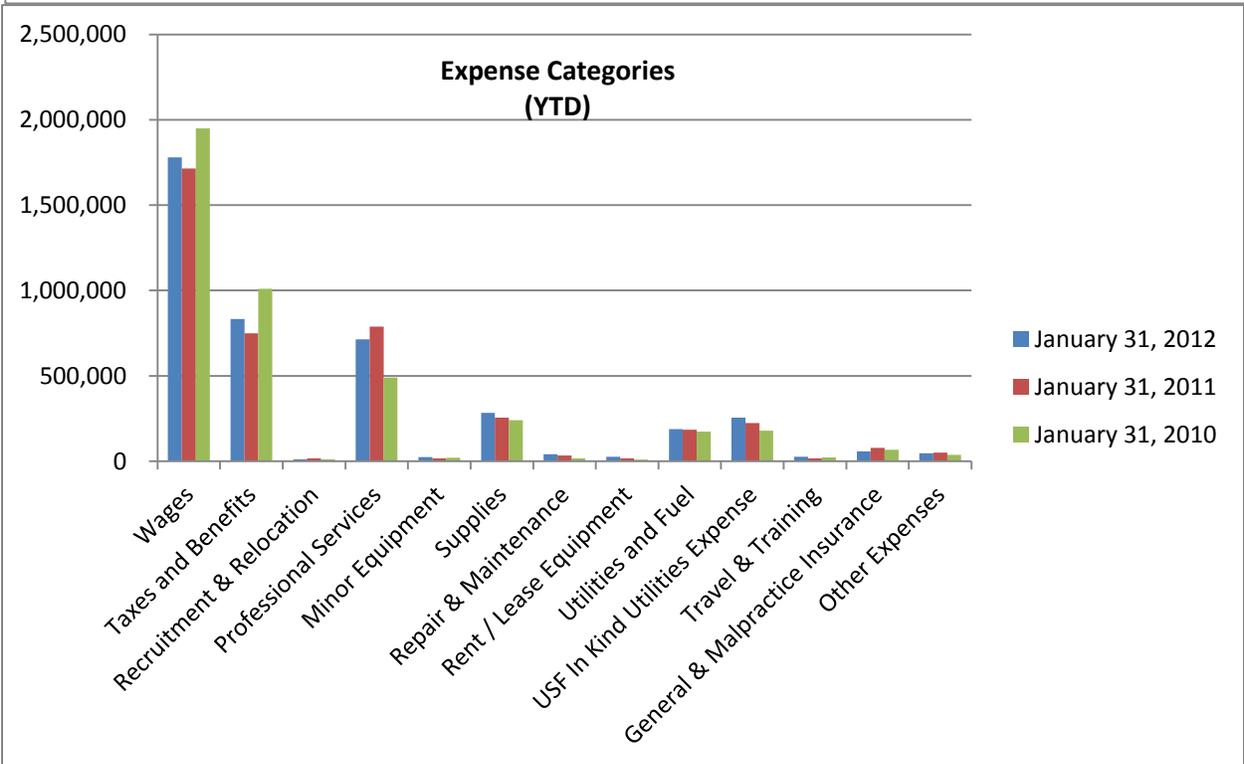
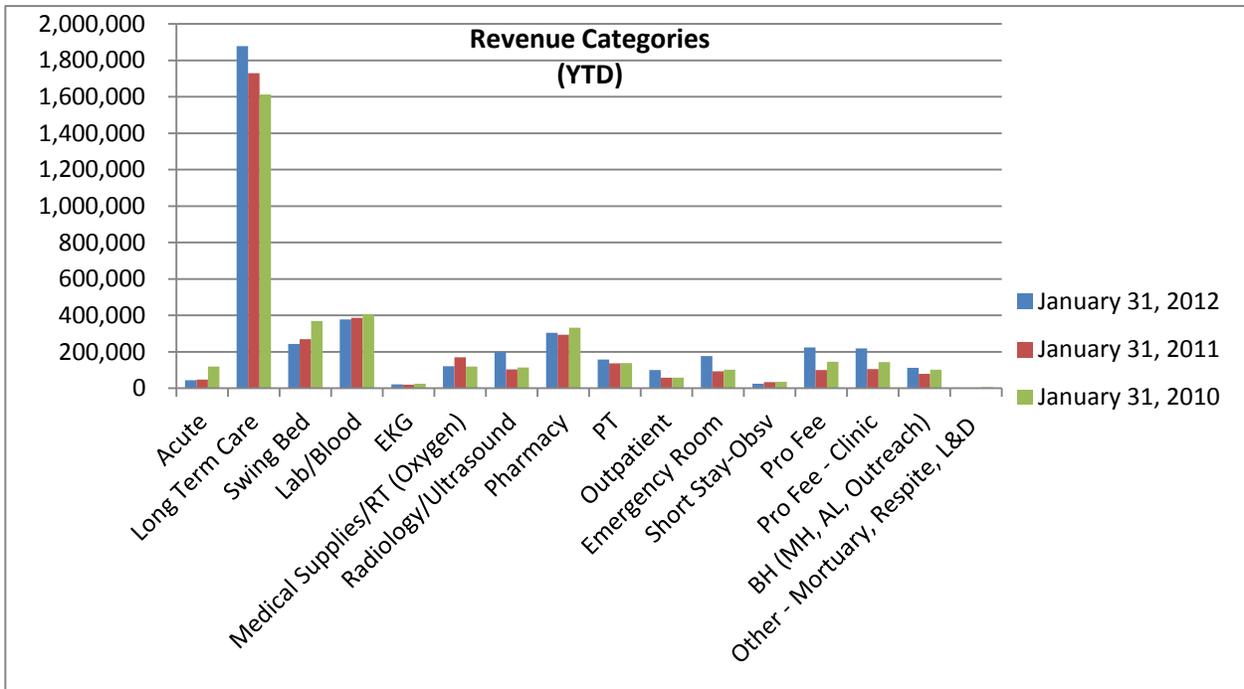
	<i>Actual 2011 July</i>	<i>Actual 2011 August</i>	<i>Actual 2011 September</i>	<i>Actual 2011 October</i>	<i>Actual 2011 November</i>	<i>Actual 2011 December</i>	<i>Actual 2012 January</i>	<i>Actual YTD Total</i>
Revenue								
Inpatient Revenue	16,559	40,713	72,644	104,023	51,569	20,219	80,703	386,429
Long Term Care Revenue	289,163	294,374	279,913	290,747	285,377	319,954	274,789	2,034,318
Outpatient Revenue	243,109	220,799	264,080	188,205	178,400	142,108	197,663	1,434,363
Primary Care	47,468	77,481	50,761	48,193	56,622	33,406	39,654	353,585
Gross Patient Revenue	596,300	633,367	667,398	631,168	571,968	515,686	592,808	4,208,695
Total Dedications	138,619	74,352	191,006	191,468	155,343	171,062	126,011	1,047,862
Net Service Revenue	457,680	559,015	476,392	439,699	416,625	344,624	466,797	3,160,833
Other Operating Revenue	155,394	135,895	142,398	130,379	145,913	152,624	140,819	1,003,421
Total Net Operating Revenue	613,074	694,910	618,790	570,078	562,538	497,248	607,616	4,164,254
Expenses from Operations								
Salaries & Wages	241,588	278,426	250,152	281,815	236,189	257,424	234,627	1,780,221
Employee Benefits	146,146	139,670	108,116	99,160	105,822	118,781	114,434	832,129
Professional Fees	68,873	127,922	69,255	82,084	104,579	135,149	137,344	725,206
Supplies	34,231	39,067	41,476	49,769	44,084	52,625	45,624	306,877
Purchased Services	48,530	80,339	61,532	70,160	67,147	62,207	119,707	509,621
Depreciation	21,893	21,893	21,893	21,893	26,230	23,403	23,403	160,609
Interest and Amortization	-	-	-	-	-	-	-	0
Taxes and Licenses	-	-	-	-	-	-	-	0
Other Expenses	14,291	41,185	7,426	24,136	(10,263)	17,587	35,201	129,563
Total Expenses from Ops.	575,553	728,502	559,850	629,017	573,788	667,176	710,339	4,444,225
Excess of Rev over Exp from Ops	37,522	(33,592)	58,940	(58,939)	(11,250)	(169,928)	(102,723)	(279,971)
Non-Operating Gain (Losses)	-	-	-	-	-	-	-	-
Excess of Rev over Exp	37,522	(33,592)	58,940	(58,939)	(11,250)	(169,928)	(102,723)	(279,971)

Cordova Community Medical Center

Three Year Comparative Profit & Loss Statements

	<i>Current to Last Year Comparison</i>	<i>FY 2011 YTD January 31, 2012</i>	<i>FY 2010 YTD January 31, 2011</i>	<i>FY 2009 YTD January 31, 2010</i>
<u>Revenue</u>				
Acute	-7.29%	44,200	47,675	120,000
Long Term Care	8.53%	1,878,011	1,730,440	1,612,390
Swing Bed	-9.73%	243,133	269,354	369,219
Lab/Blood	-2.13%	378,453	386,683	407,569
EKG	12.45%	22,315	19,844	24,928
Medical Supplies/RT (Oxygen)	-29.14%	120,551	170,133	118,743
Radiology/Ultrasound	92.01%	199,975	104,150	114,546
Pharmacy	3.44%	304,902	294,762	332,733
PT	15.62%	157,646	136,349	138,405
Outpatient	71.60%	100,350	58,478	58,998
Emergency Room	91.75%	177,750	92,700	102,259
Short Stay-Obsv	-25.24%	25,012	33,455	36,192
Pro Fee	122.97%	223,561	100,267	145,190
Pro Fee - Clinic	107.05%	219,826	106,170	143,179
BH (MH, AL, Outreach)	40.64%	112,269	79,826	102,178
Other - Mortuary, Respite, L&D		740	802	5,375
Gross Patient Services Revenue	15.91%	<u>4,208,695</u>	<u>3,631,088</u>	<u>3,831,903</u>
Contractual Adj, Charity, Bad Debt	208.47%	(1,047,862)	(339,701)	(705,007)
Net Patient Services Revenue	-3.97%	<u>3,160,833</u>	<u>3,291,387</u>	<u>3,126,895</u>
Interest Income		3	110	-
City Contributions				
City Funding	0.00%	233,332	233,334	233,333
City In-Kind Contributions Utilities	0.00%	7,134	7,134	7,135

In Kind Revenue - Non City	18.66%	255,724	215,516	381,728
Grant and Waiver Funding	3.41%	437,879	423,454	550,932
Non-Operating Revenue	3.32%	69,350	67,122	59,652
Total Non-Operating Revenue	5.99%	<u>1,003,421</u>	<u>946,669</u>	<u>1,232,779</u>
Total Revenue	-1.74%	<u>4,164,254</u>	<u>4,238,057</u>	<u>4,359,675</u>
<u>Expenses</u>				
Wages	3.79%	1,780,221	1,715,135	1,949,335
Taxes and Benefits	11.22%	832,128	748,170	1,008,979
Recruitment & Relocation	-34.90%	10,853	16,671	11,352
Professional Services	-9.36%	714,353	788,154	490,199
Minor Equipment	54.40%	24,681	15,985	19,366
Supplies	10.39%	282,196	255,633	240,659
Repair & Maintenance	25.46%	40,654	32,403	16,939
Rent / Lease Equipment	52.55%	25,886	16,968	7,947
Utilities and Fuel	1.66%	187,718	184,662	172,979
USF In Kind Utilities Expense	14.58%	255,364	222,862	178,108
Travel & Training	56.90%	25,717	16,390	22,705
General & Malpractice Insurance	-27.40%	56,874	78,336	66,141
Other Expenses	-5.84%	46,972	49,887	36,269
Total Expenses	3.44%	<u>4,283,616</u>	<u>4,141,256</u>	<u>4,220,978</u>
Income/(Loss) before depreciation	-223.31%	<u>(119,362)</u>	<u>96,801</u>	<u>138,697</u>
Depreciation Expense	8.63%	160,609	147,843	148,292
Net Income/(Loss)	<u>448.5%</u>	<u>(279,971)</u>	<u>(51,042)</u>	<u>(9,596)</u>



Community Health Services Board

Resolution 2012-01

A RESOLUTION OF THE CORDOVA COMMUNITY HEALTH SERVICES BOARD OF THE CORDOVA COMMUNITY MEDICAL CENTER DESIGNATING THE REPRESENTATIVES AUTHORIZED FOR SIGNING CHECKS, NON-CHECK PAYROLL TAX PAYMENTS, AND CASH TRANSFERS FOR CORDOVA COMMUNITY MEDICAL CENTER.

WHEREAS, the Cordova Community Medical Center checking accounts for the general fund, payroll fund, grant fund and nursing home patient trust accounts, require two (2) signatures; and

WHEREAS, CCMC investment accounts, funded depreciation accounts, and malpractice trust accounts require the Administrator and one (1) Board Officer's original signatures; and

THEREFORE, BE IT RESOLVED THAT,

1. All checks issued require two signatures; that checks exceeding \$5,000.00 for expenditures other than non-operational monthly expenses, i.e. payroll taxes, insurance, PERS contributions, etc, require at least one (1) Health Services Board Officer's signature, and that non-check payroll tax payments and cash transfers from the general checking account to the payroll checking account require only one (1) signature.

2. The Health Services Board authorizes the following individuals to act as check signers on the above-mentioned accounts:

Vice President	Kristin Carpenter
Secretary	Tim Joyce
Member	Elmer (EJ) Cheshier
Administrator	Theresa Carte
Sound Alternatives Director	Stephen Sundby
Providence Administration	Susan Humphrey Barnett

PASSED and approved this 14th day of March 2012.

Board Signature: _____ Date: _____



City of Cordova
602 Railroad Ave.
P.O. Box 1210
Cordova, Alaska 99574
Phone: (907) 424-6200
Fax: (907) 424-6000
Email: citymanager@cityofcordova.net
Web: www.cityofcordova.net

CITY OF CORDOVA

Office of City Manager

March 9, 2012

Memo to HSB / City Council
Re: Providence Contract Amendment

Providence has selected Dr. Theresa Carte as CCMC Administrator, and Council has approved that selection. Providence officially took over management of CCMC on March 1, 2012, an amendment to our contract with them was passed by Council to allow the current Interim Administrator (Stephen Sundby) to remain in place until such time that a new administrator was selected. Dr. Carte's start date is confirmed as April 8, 2012, and a resolution removing the CCMC Administrator position from PERS is necessary. The City has also completed a termination study as required by Alaska Statute, and a copy is attached. The resolution and PERS amendment forms are also attached. Only the Resolution needs signatures from HSB President, Mayor and Clerk. The other documents are for reference only, and will be executed by the City Manager and sent to PERS.

Thank you,

Mark Lynch
City Manager

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Division of Retirement and Benefits
PO Box 110203 Juneau, AK 99811-0203
Phone: (907) 465-4460
Fax: (907) 465-3086

PARTICIPATION AGREEMENT AMENDMENT NO. 2

The Public Employees' Retirement System (PERS) Participation Agreement entered into between the State of Alaska (hereafter referred to as the State) and the Cordova Community Medical Center (previously known as the Cordova Community Hospital) ("CCMC"), effective July 1, 1975, as previously made effective with respect to CCMC on a separate basis from the City of Cordova on July 1, 1993, and approved by the State on June 30, 1993 is hereby amended effective April 8, 2012, by adding a final subparagraph to read as follows:

Effective April 8, 2012, the Cordova Community Medical Center job position entitled Hospital Administrator shall be removed from the Public Employee's Retirement System.

Authorized Representative Signature

Authorized Representative Name (please type/print)

Authorized Representative's Title

Approved:

Administrator

Date

**CITY OF CORDOVA, ALASKA
RESOLUTION 03-12-17**

**A RESOLUTION OF THE CORDOVA CITY COUNCIL AUTHORIZING THE CITY MANAGER TO SIGN AN
AMENDMENT TO THE AGREEMENT WITH THE STATE OF ALASKA CONCERNING PARTICIPATION OF
HOSPITAL EMPLOYEES IN THE PUBLIC EMPLOYEES RETIREMENT SYSTEM OF ALASKA**

WHEREAS, the Cordova Community Medical Center has been a member of the Public Employees Retirement System (PERS) since July 1, 1975, entering its most recent participation agreement under the name of the Cordova Community Hospital on July 1, 1993; and

WHEREAS, Alaska Statute 39.35.615 authorizes a covered employer to add or remove positions from inclusion in PERS by adoption of a resolution by the governing body.

NOW, THEREFORE, BE IT RESOLVED by the Cordova City Council that in consideration of the above facts, it is resolved by the City of Cordova, Alaska that:

Section 1. Pursuant to AS 39.35.615 the Cordova Community Medical Center (CCMC) shall remove the position of the Hospital Administrator from participation in the Public Employees Retirement System of Alaska, effective April 8, 2012, when the new permanent hospital administrator employed by Providence Health & Services Alaska assumes administrative duties over CCMC.

Section 2. The City Manager is authorized to take all steps reasonable and necessary to effectuate the intent of this resolution, including without limitation, amending the Cordova Community Medical Center's Participation Agreement with PERS to remove the position of Hospital Administrator and implementing such amendment.

PASSED, APPROVED AND ADOPTED THIS 15th DAY OF MARCH, 2012.

James Kallander, Mayor

ATTEST:

Susan Bourgeois, City Clerk

Approved: Cordova Community Medical Center
Health Services Board

BY: _____; David Allison

ITS: Cordova Health Services Board President

DATE: _____