Committee: Board of Trustees – Special Meeting (Public Session)

Meeting Date: May 3, 2017

Minutes Prepared By: Mary Katherine King, SJMC Board of Trustees

Members Present:  Members Absent:  Others Present:
Michael Tennican, Chair  Jim Johnston
Barbara Herz, Vice-Chair (phone)  Amy Russian
Scott Gibson, Treasurer  John Kren
Liz Masek, Secretary (phone)  Paul Beaufre, CEO
Joe Albright  (phone)  Mary Katherine King
Cynthia Hogan  (phone)  Karen Connelly, CCO
Lety Liera, Advisor  Kylie Mohr, JH News & Guide
Dave Robertson, Advisor (phone)

Call to Order
The St. John’s Medical Center Board of Trustees met in a special session on May 3, 2017 in the St. John’s Medical Center Boardroom. Chair Michael Tennican called the meeting to order at 5:00 PM.

Statement / Purpose
Mr. Tennican announced that the purpose of this special meeting is to meet in executive session to discuss real estate matters and personnel matters in accordance with Wyoming Statute 16-4-405(a). It will be followed with public session for discussion and possible action on the following topics: Living Center SPET; Organizational Excellence initiative; and Affiliation Agreement.

Convene Executive Session
Scott Gibson moved to enter into Executive Session at 5:01 p.m. pursuant to Statute 16-4-405(a) to discuss personnel and real estate matters. Cynthia Hogan seconded and the motion passed unanimously.

Adjourn Executive Session
Bruce Hayse moved to adjourn Executive Session and return to public session at 5:55 p.m. Scott Gibson seconded and the motion passed unanimously.

Reconvene Public Session
After a brief break, public session reconvened at 6:02 PM.

Comments from the Chair
Mr. Tennican stated that a few items would be addressed at today’s meeting. He expressed gratitude to the number of individuals who participated in the successful campaign for the Living Center. He noted that with support of our elected officials, we were able to get on the ballot and thus able to gain support from the community. That support is evidenced in what we do at the Living Center; we receive superlative
ratings on the care we provide in spite of the aging facility. The Board looks forward to having a facility that matches its outstanding staff.

Mr. Tennican shared a brief history of this SPET initiative. In December 2016 Mr. Kren learned that the commissioners were considering opening up SPET for community needs beyond just housing and transportation. St. John’s had been looking at plans for a new living center for over a year, and Dr. Beaupre, seeing an opportunity to build on our architectural and analytical work, seized the opportunity and presented the idea of sharing the capital expenditures with the community.

Mr. Tennican stated that the Medical Center’s charter is to be a critical care facility and we cannot do anything to jeopardize that mission; therefore, the Board was concerned about taking on additional debt. It felt the Medical Center could handle the cost with a partnership with the community and a partnership with our Foundation. While some recommended we ask for a smaller amount to cover only the design studies, Dr. Beaupre addressed the drawbacks of this option and maintained that in order to engage an architect and review serious proposals, we needed to be fully funded. The funding request for St. John’s Living Center via SPET remained at $17 million.

Other key phases helped St. John’s receive a wide margin of ‘yes’ votes in the SPET election. Education to the community was critical. Dr. Beaupre, John Goettler, members of the Living Center and others attended multiple educational forums to educate our community on the importance of the Living Center. The Political Action Campaign (PAC), under the leadership of Ed Liebzeit, lobbied for voter approval. Both the hospital Board and Foundation Board were actively involved in educating the community.

The process was successful; the overwhelming support of the proposition was heartwarming. Mr. Tennican, speaking on behalf of the Board of Trustees, extended thanks to everyone who worked tirelessly on the Living Center SPET process.

**New Business**

**Sublette County affiliation**

Dr. Beaupre announced that Sublette County has reached out to St. John’s Medical Center with an interest in exploring the opportunity for us to enrich our current affiliation agreement, formalized in 2015. The affiliation from 2015 has already achieved many successes, including improved coordination of care for patients who require the services of both health systems. St. John’s and Sublette have historically had many patients in common due to the availability of primary care and urgent care services in Sublette and specialty medical care and advanced diagnostic and treatment equipment and technology at SJMC. Dr. Beaupre noted it is a great model for rural healthcare, consistent with one of our tenets – keeping outstanding care close to home – and it improves the sustainability of the organizations involved. By working with Sublette on shared initiatives in areas such as revenue cycle, quality management, physician and staff recruitment, IT, and many others, we can enhance the quality of care for our communities.

Dr. Beaupre noted that he is seeking approval from the Board for St. John’s to explore a management process; he noted that legal counsel will be involved and public input will be included in the process. He asked the Board to propose a resolution for SJMC to move forward with this opportunity.

Scott Gibson made a motion that the Board adopt the **Resolution Approving the Exploration of Management Services Agreement**, which authorizes St. John’s Medical Center’s administration to move forward with negotiating the terms of a Management Services Agreement with Sublette County Rural
Health Care District, and directing that the Agreement’s final terms and conditions be brought back to the Board of Trustees for approval. Bruce Hayse seconded the motion. Motion passed unanimously.

**Studer Group partnership**

Dr. Beaupre stated that as St. John’s develops its strategic plan, we are supporting the concept of Outstanding Care, Close to Home. The pillars that support that are: 1) **Strategic Alignment**: collaborating and networking with partners such as Huntsman, EIRMC, U of U, physicians, etc. 2) **Innovation**: allowing SJMC to stay current with innovating technologies, and 3) **Operational Excellence**: continuing to challenge ourselves to continue to grow and improve in service and satisfaction measures, and efficiencies – all which would help SJMC make progress toward a Malcolm Baldrige award.

Studer Group’s mission is to make healthcare a better place for employees to work, physicians to practice medicine, and patients to receive care. Studer, started by Quint Studer, is the most qualified organization to help St. John’s develop a program to ensure we move toward continuous quality improvements. He stated that this is a great company to partner with as we set our sights on possibly achieving a Malcolm Baldrige award in the future. Dr. Beaupre asked the Board for a 3-year commitment with Studer at $96k per year.

Mr. Gibson asked Dr. Beaupre to comment on the Studer Group’s track record of taking hospitals like St. John’s that are already high-achieving 4 star hospitals, and bringing them to the next level.

Dr. Beaupre expressed that St. John’s is capable of achieving a Baldrige. Studer has helped several hospitals achieve that award, and most of those hospitals were already outstanding. St. John’s will commit to this partnership because the outcomes that come with the process are invaluable and bring sustained change and improvement in patient experience, quality and other areas. Studer helps SJMC create a vision that will work for us, and it gives a roadmap towards excellence that we will follow. Regardless of the outcome, the investment is in the journey; we will be a better organization by taking the process. Data shows that the return on investment is far greater than the cost of the partnership with Studer. Dr. Beaupre stated that SJMC is on the precipice of being able to make this investment and make significant returns on our investment.

John Kren commented on Studer’s focus, including customer satisfaction, patient experience, focus on our staff to help us further reduce turnover and their role in improving the patient experience, the quality piece on which we will be measured for reimbursement which helps with the financial metrics.

Cynthia Hogan stated that the HR Committee has been discussing operational excellence, and employee engagement, retention and development, including leadership training. St. John’s has made great strides in recent years on quality and we are focused on further commitment to this effort from leadership and the Board. A partnership with Studer will be the first commitment by our leadership team and the Board of Trustees; it signifies the Board’s support of the staff and physicians to continue the quality journey. This journey will involve continuous process improve and operational excellence in order to deliver outstanding care close to home. Studer brings excellence in leadership development. Strong leadership practices will drive employee and physician satisfaction and engagement, and that results in less turnover. Their use of proven best practices will enhance critical outcomes which leads to greater patient satisfaction. Studer will help us create the St. John’s Way; our goal is to take a great rural hospital and put it on the map to be nationally recognized for quality.
Cynthia Hogan asked the Board to consider adopting the Studer proposal; she emphasized that the Board is supportive of it financially and operationally.

Dr. Hayse inquired when the contract with Studer would commence. Dr. Beaupre responded that the contract will have a financial impact next fiscal year, beginning July 1, 2017. The contract is for three consecutive years at a cost of $96,000 per year.

Mr. Tennican asked for a motion.

Cynthia Hogan made a motion that the Board of Trustees adopt the three-year Studer contract and fully support it both financially and operationally. Mike Tennican seconded the motion. Motion passed unanimously.

Additional Comments
Paul Beaupre thanked the voters of Teton County for showing their support of our seniors by creating a better quality of living for our seniors in the Living Center.

Bruce Hayse thanked Dr. Beaupre for his vision and confidence in the hospital.

Adjourn the Special Meeting
A motion was made by Scott Gibson and seconded by Mike Tennican to adjourn the special meeting. The motion passed unanimously. The special meeting adjourned at 6:30 p.m.

Respectfully submitted,

Mary Katherine King