Community Medical Center 2827 Fort Missoula Road Missoula, MT 59804	Board of Directors August 22, 2013 Meeting Record	Recorder: Caroline Deak, Executive Assistant

PRESENT: Scott Stearns, Chair; Tanya Ask; Frank D'Angelo; Scott Hacker; Bill Johnston; Barry Kenfield, CMC Foundation President; Jan Parks; Suzanne Peterson; Mike Stewart, MD; Robert Phillips

EX OFFICIO: Steve Carlson, President/CEO; David Lechner, MD, CPG President and Chief Medical Officer

NOT PRESENT: Mark Garnaas, MD; Jay Lowder, MD; John VanStrydonck

GUEST(S): Jim Moloney, Cain Brothers

TOPIC	DISCUSSION	FOLLOW-UP	RESPONSIBLE PERSON
Call to Order	Mr. Scott Stearns, Chair, called the meeting to order at 12:04pm.		
Agenda	The Agenda stood as presented. All referenced materials are filed with the permanent record.		
Consent Agenda	A MOTION was made, seconded, and carried to approve the July 18, 2013 Board of Directors, July 9, 2013 Audit and Finance Committee, and the July 25, 2013 Audit and Finance Committee meeting records.		
Quality and Patient Safety	No meeting in August.		
Medical Staff Report	Dr. Gomersall gave the medical staff report of behalf of Dr. Lowder and the list of nine reappointments was reviewed. Dr. was reviewed by the surgery committee with no significant findings, and is recommended for reappointment. A **MOTION** was made, seconded, and carried to approve the motion to reappoint medical staff members as recommended. The Medical Executive Committee reported they are working on behavioral issues with Dr. who has accepted all recommendations and will be subject to re-evaluation in one year. Mr. Carlson discussed the hospital's responsibility to provide emergency department coverage, commensurate with our capabilities. Medical staff is working on this, relative to neurology coverage. A recommendation will be presented at the next board meeting.		
Committee Reports *Audit and Finance*	Ms. Ask presented the finance report in Mr. Van Strydonck's absence. Results of the 401k audit for FY2012 and the 403b audit, both unqualified, were presented. The 401k audit report noted one point of weakness in our internal workings and control. This was attributed to us having limited pension related, financial expertise on staff. The financial statements contained no adjustments.		

	A **MOTION** was made, seconded, and carried to approve the 401k audit report. A **MOTION** was made, seconded, and carried to approve the 403b audit report. Preparation is being done for the 2013 audit which begins next week. The recently completed 2010 cost report was received, with CMS requesting a refund. Final resolution could take up to a year.		
Planning	Mr. Hacker gave a presentation on the FY 2014 strategy map. The strategy map for FY 2014 is attached for reference. Mr. Jim Moloney from Cain Brothers gave a presentation on the partnering process. He provided information on the Cain Brothers company and the associates who'll be working with CMC. A timeline, objectives, overview of potential partners, and key issues was presented.		
Foundation	Mr. Kenfield stated Jeri Fisher and Bob Phillips have been added to CMC Foundation Board of Trustees. A board vote is requested. A **MOTION** was made, seconded, and carried to approve the addition of Jeri Fisher and Bob Phillips to the Community Medical Center Foundation Board of Trustees.		
Governance Committee	No meeting in August.		
President's Report	Mr. Carlson stated CPG visits are behind budget. Surgical activity in July was below budget, but comparable to one year ago.		
Adjournment	Mr. Stearns adjourned the meeting at 1:37pm.		

August 22, 2013 Board of Directors Meeting Record

Approved by Scott Stearns, Chair

SIGNATURE

8/28/13

Physician advisory group

CMC Partnership Strategy

- Why is CMC considering a partner?
- What is the process CMC will follow?
- When can we expect decisions to be made?

- Partnering is not a "done deal". Any alternative would be measured against the status quo.

Why is CMC considering a Partner?

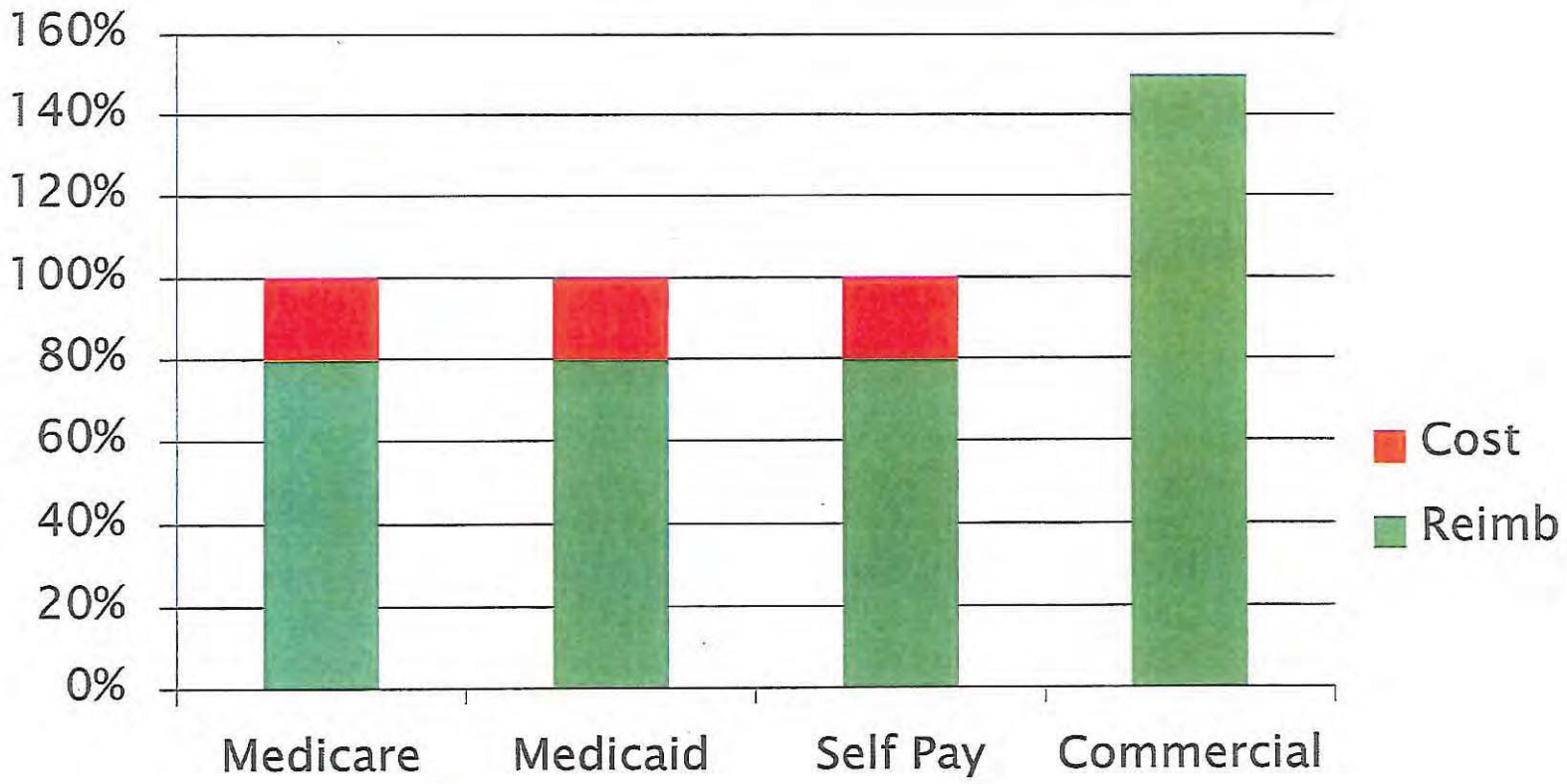
Need for cost management - today

Position CMC for growth

Position for the ACA

Respond to increased competition

Community Payer Mix



Why is CMC considering a partner?

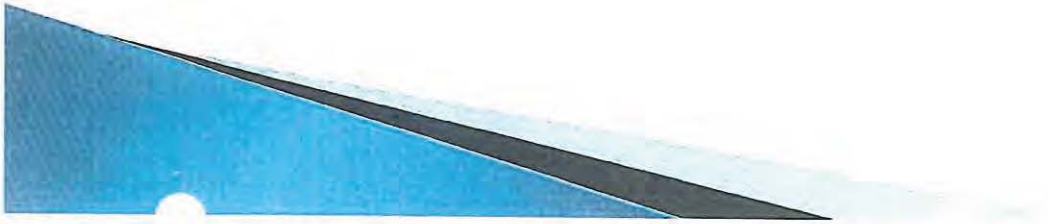
- Goals
  - Ensure high quality care while improving CMC's cost position
  - Expand CMC's medical staff
  - Ensure CMC's LT stability in light of the ACA
  - Ensure meaningful physician input in CMC's future
  - Enhance and expand services at CMC

What is the process CMC will follow?

- Engaged Cain Brothers as the consultant
- Partner characteristics
  - Regional presence
  - Hospital – physician partnership
  - Demonstrated competencies in
    - Embracing clinical best practice
    - Lowering healthcare costs
    - Population management

Physician Steering Committee

- Size: 6 member group
- Composition
  - Specialist vs. Primary Care
  - Independent vs. CPG
- Role: Committee of the board or representatives of the medical staff?



When can we expect decisions to be made?

- Completed
  - Preparing CMC information
- Current
  - Request for proposals from potential partners
- Fall
  - Analyze proposals vs. status quo
  - Narrow alternatives
  - Due diligence
- Year-end
  - Decision - partner or status quo
- Early 2014
  - Potential closing