

Community Medical Center 2827 Fort Missoula Road Missoula, MT 59804	Board of Directors Meeting August 28, 2014 Meeting Record	Recorder: Caroline Deak, Executive Assistant
---	---	---

PRESENT: Scott Stearns; Tanya Ask; Frank D'Angelo; Mark Garnaas, MD; Scott Hacker; Bill Johnston; Barry Kenfield, CMC Foundation President; Jay Lowder, MD; Jan Parks; Suzanne Peterson; Robert Phillips; Timothy Richards, MD; John VanStrydonck

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

NOT PRESENT: Mike Stewart, MD

GUEST(S): Stan Moser, EVP; Gary Chumrau (Garlington, Lohn & Robinson); Carsten Beith (Cain Brothers) via telephone; Geoff Cockrell, (McGuire Woods) via telephone

TOPIC	DISCUSSION	FOLLOW-UP	RESPONSIBLE PERSON
<u>Call to Order</u>	Mr. Scott Stearns, Chair, called the CMC Board of Directors meeting to order at 12:02pm.		
<u>Agenda</u>	The agenda stood as presented. All referenced materials are filed with the permanent record.		
<u>Consent Agenda</u>	A MOTION was made, seconded, and carried to approve the July 24, 2014 CMC Board of Directors meeting record, and July 24, 2014 CMC Audit and Finance meeting record.		
<u>Quality and Patient Safety</u>	Mr. Stearns stated the CMC Board Quality and Patient Safety Committee did not meet in August.		
<u>Medical Staff Report</u>	Dr. Timothy Richards presented the medical staff recommendations. A MOTION was made, seconded, and carried to approve the one change in status, three resignations, and sixteen reappointments as recommended by the CMC Medical Executive Committee.		
<u>Committee Reports</u> <u>Audit and Finance</u>	Mr. VanStrydonck provided an overview of the financial reports. Auditors have been on site this week. The due diligence work has assisted with this review.		
<u>Planning</u>	Mr. Hacker stated the planning committee did not meet in August.		
<u>Governance Committee</u>	Mr. Johnston stated the committee did not meet in August.		
<u>Foundation Report</u>	Mr. Kenfield stated there was no report.		

President's Report

Mr. Carlson stated a sale price of [REDACTED] for one acre of land to build a new MOB on the CMC campus has been presented to [REDACTED] RegionalCare is in support of this proposal.

MHAL is proposing a rate increase of [REDACTED]. This is the first increase proposed in the last 5+ years. The proposed rate increase was endorsed by the board.

[REDACTED]

Big Sky Surgery Center (BSSC) has agreed to allow RegionalCare and Billings Clinic to assume CMC's position in BSSC, as part of CMC's sale. Big Sky Surgery Center also waived its right to buy out CMC at the time of the sale. [REDACTED]

[REDACTED] This is only binding if the deal goes through. Mr. Carlson to accept on behalf of the board of directors.

Mr. Carlson reviewed the FY2014 and FY2015 Leadership Bonus matrices.

A **MOTION** was made, seconded, and carried to accept the FY2014, and FY2015 bonus as outlined in the matrices.

Partnering Update

Mr. Beith and Mr. Cockrell joined the discussion to discuss the Asset Purchase Agreement (APA). The option of CMC retaining a 2% position in CMC and the joint venture was discussed.

A **MOTION** was made, seconded, and carried to not exercise the right to retain a 2% position. The motion was supported by a majority of the board's voting members.

A **MOTION** was made, seconded, and carried to authorize board leadership to accept the Asset Purchase Agreement and add Garlington, Lohn & Robinson PLLP address to provision within Agreement, subject to review of ramifications of 6.12.

Mr. Carlson stated he met with the Montana Assistant Attorney General and staff this week. The attorney general's review process is predicted to take 90-120 days to complete. Two options for the disposition of sale proceeds were reviewed with the attorney general's staff. Both options were recognized by the attorney general's staff as viable recipients of the funds.

Board of Directors

August 28, 2014

Page 3 of 3

	Foundation presentations have been deferred to September meeting. Representatives from UM and CMC Foundation will be here to give presentations, with a goal of making a definitive decision on how to handle fund proceeds within 60 days.		
<u>Adjournment</u>	Mr. Stearns adjourned the meeting at 1:38 pm.		

August 28, 2014 Board of Directors/Members Meeting Record

Approved by Scott Stearns, Chair

SIGNATURE