

<p>Community Medical Center 2827 Fort Missoula Road Missoula, MT 59804</p>	<p>Board of Directors Meeting September 25, 2014 Meeting Record</p>	<p>Recorder: Caroline Deak, Executive Assistant</p>
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**PRESENT:** Scott Stearns; Tanya Ask; Mark Garnaas, MD; Scott Hacker; Bill Johnston; Barry Kenfield, CMC Foundation President; Jay Lowder, MD; Jan Parks; Suzanne Peterson; Robert Phillips; Timothy Richards, MD; Mike Stewart, MD; John VanStrydonck

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

**NOT PRESENT:** Frank D'Angelo

**GUEST(S):** Devin Huntley, VP Operations; Gary Chumrau (Garlington, Lohn & Robinson); Carsten Beith (Cain Brothers) and Daniel Koob, Cain Brothers (via telephone); Ramona Holt, Mike Combo, and Shannon Lukes, CMCF Board members

TOPIC	DISCUSSION	FOLLOW-UP	RESPONSIBLE PERSON
<p><u>Call to Order</u></p>	<p>Mr. Scott Stearns, Chair, called the CMC Board of Directors meeting to order at 12:00pm.</p>		
<p><u>Agenda</u></p>	<p>The agenda stood as presented. All referenced materials are filed with the permanent record.</p>		
<p><u>Consent Agenda</u></p>	<p>A <b>MOTION</b> was made, seconded, and carried to approve the August 28, 2014 CMC Board of Directors meeting record, August 28 CMC Audit and Finance meeting record, and July 23, 2014 Board Quality and Patient Safety Committee meeting record.</p>		
<p><u>Quality and Patient Safety</u></p>	<p>Mr. Stearns presented the FY2014 Partnering for Patients Harm Reduction Quarterly report. Dr. David Lechner reviewed the 2014 National Patient Safety goals scorecard and CMC's plan of improvement.</p> <p>Mr. Huntley provided the FY2014 safety report. He recommended this report go to the CMC Board Quality and Patient Safety Committee, and he requested becoming a committee member. Mr. Stearns invited him to be a member of the committee.</p>		
<p><u>Medical Staff Report</u></p>	<p>Dr. Timothy Richards presented the medical staff recommendations.</p> <p>A <b>MOTION</b> was made, seconded, and carried to approve: eleven initial applicants, four resignations, one change in privileges, and thirteen reappointments; Article 5 of the credentials policy; addition of chiropractor to the Allied Health Policy; privileging criteria which states the credentials committee will no longer give extensions to obtain minimum volumes for reappointment; WellCare privileges for chiropractors; family medicine obstetric temporary privileges to included limited ultrasound; internal medicine special request for DEXA interpretation; threshold eligibility deferral for [REDACTED] and acceptance of [REDACTED] as Ambulatory Committee Chair, as recommended by the CMC Medical Executive Committee.</p>		

Committee Reports  
Audit and Finance

Mr. VanStrydonck provided an overview of the financial reports. New West is behind in payments, and we're looking to have this resolved over the next 120 days. Payments received after the sale are to stay with CMC.

A **SECONDED MOTION** was made, seconded, and carried for the board to direct management to get board approval before entering into contracts for tail insurance for D&O liability and medical malpractice liability.

The employee bonus was discussed. To date, the audit has not been completed. Mr. Van Strydonck read to the board the closing statement of the letter from Robert Schiele, CPA with Clifton Larson Allen, which states "We are currently working with management to conclude on various open items in the audit, but it is our opinion these remaining items will not materially impact the excess of revenues over expenses, and correspondingly will not require a material change to the recorded gain sharing liability of [REDACTED]"

A **MOTION** was made, seconded, and carried for the board authorizing management to pay year end gain share bonus for the Fiscal year 2014. The total of the bonuses paid may not exceed [REDACTED] dollars.

Mr. Carlson stated bonus eligibility requires an employee to attend a minimum of two Town Hall sessions per year. Town Halls are held quarterly, with 10+ opportunities per quarter to attend. Town Halls are also presented to the employees at off campus office locations. Mr. Carlson asked the board if they wished to modify this requirement.

A **MOTION** was made, seconded, and carried to honor the requirement of employees attending a minimum of two Town Hall meetings per year, to be eligible for a bonus.

Planning

Mr. Hacker stated the planning committee did not meet.

Governance

Mr. Johnston stated the committee did not meet. He notified the board of ending terms for four board members: Frank D'Angelo, Scott Hacker, Jan Parks and John VanStrydonck. He said all have agreed to continue their seat on the board.

A **SECONDED MOTION** was made, seconded, and carried to reappoint Frank D'Angelo, Scott Hacker, Jan Parks and John VanStrydonck to another term as a member of the CMC Board of Directors.

[REDACTED] Report

Mr. Kenfield presented the [REDACTED]. He stated a partner would be needed to sustain [REDACTED] and the [REDACTED] was working through due diligence of the [REDACTED]. [REDACTED] would serve in an administrative capacity. [REDACTED] would recognize a sister board [REDACTED] that would direct how funds are to be distributed.

<p><u>Partnering Update</u></p> <p>[REDACTED]</p>	<p>Ms. Lukes stated donors are concerned about future funds being invested in Missoula. Mr. Combo stated a [REDACTED] donation may be pending this decision.</p> <p>Mr. Beith stated the APA has been signed, with the definitive agreement having two outstanding items: third party evaluation of radiation oncology, and the development of a comprehensive physician recruitment plan. It has been determined that improved CMC performance in the second half of fiscal year 2014 may justify an increase to the purchase price. Cain Brothers is working with RegionalCare to negotiate a higher price, consistent with fair market value. This should be complete within two weeks. A change in price should not impact the close date of December 31, 2014.</p> <p>Mr. Chumrau stated a Notice of Sale has been posted by the MT Attorney General's office (AG). He provided a copy of a new AG request for information and documents pertaining to the sale, dated September 23.</p> <p>Mr. Carlson stated RegionalCare and Billings Clinic have engaged a consultant/lobbyist for a possible public campaign. Mr. Carlson suggested instead a more "grass roots" effort. The board agreed with Mr. Carlson, and asked that he communicate this to RegionalCare and Billings Clinic. Mr. Carlson will also be meeting with Missoula service groups to provide information to the community. Board members are invited to attend.</p> <p>Mr. Hacker and Mr. Phillips presented the [REDACTED] proposal, which has been designed to incorporate the [REDACTED] and [REDACTED] worked with board members to prepare the proposal. [REDACTED] would be broad enough to cover [REDACTED] initiatives too. Administration would be done through the [REDACTED]</p> <p>Mr. Carlson suggested a discussion with the AG prior to a vote on the foundation.</p>		
<p><u>Executive Session</u></p>	<p>Based on a call from Chair Scott Stearns and with the approval of the Board, the Board retired into Executive Session. Following discussion of two foundation proposals, a <b>MOTION</b> was made, seconded and approved by a majority vote: "To authorize the Task Force to advise [REDACTED] that the [REDACTED] is Community Medical Center's preferred alternative, and that the Task Force should work with [REDACTED] to prepare and present a more detailed proposal with documentation for review by the full Board at its October meeting; any such proposal is subject to Board approval."</p>		
<p><u>Adjournment</u></p>	<p>Mr. Stearns adjourned the meeting at 1:38 pm.</p>		

August 28, 2014 Board of Directors/Members Meeting Record

Approved by Scott Stearns, Chair

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SIGNATURE