

**WRANGELL MEDICAL CENTER
BOARD OF DIRECTORS' MEETING
January 19, 2005**

PRESENT:

Roll Call showed those board members present were: Brian Merritt, Vice President; Larry Clarke, President; Lynne Campbell, Secretary; Betty Keegan, Member. Also present were Janet Bunes, DNS, Acting Administrator; Olinda White, Controller and Karen Wright, Administrative Assistant.

CALL TO ORDER:

President Larry Clarke called the meeting to order at 5:15 p.m.

APPROVAL OF AGENDA:

Brian Merritt moved to approve the agenda with the addition of Review of Agreements with WCS under New Business. Motion was seconded and passed.

APPROVAL OF MINUTES:

Regular Board Meeting of December 22, 2004 — Brian Merritt moved to approve the minutes as presented. Motion was seconded and passed.

CONFLICTS OF INTEREST: None was expressed.

CORRESPONDENCE: Discussion of the American Governance periodical.

ADMINISTRATOR'S REPORT:

Janet Bunes reported she had given the PA, Marty Kimble temporary privileges, pending completion of his application to the medical staff.

Airlift N.W. has called for letters regarding the hardship of Medicare placing a cap on payment for medevacs according to mileage. The mileage limit is not feasible for Southeast Alaska.

MEDICAL STAFF REPORT:

Dr. McCandless is this year's Chief of Staff, therefore he has the Medical Staff Report which was a report on the addition of Marty Kimble.

PERSONS TO BE HEARD:

Laura Johnson spoke in support of our reopening Stikine Clinic and hire our own physicians, as she did not feel that the present situation was working well and that the patient care was suffering as a result.

President Clarke thanked her for her comments, but added he would like to see these concerns in writing.

OLD BUSINESS:

Denali Grant — Karen Wright reported that it is currently on hold..

WCS Board Meeting — Lynne Campbell asked when the meetings were held. Butch Schmidt, President of WCS Board of Directors stated it was the third Wednesday of the month. After expressing dismay by Mrs. Campbell that she would like to attend, but that was WMC's board meeting night. Mr. Schmidt stated that it would be changed to Thursday.

NEW BUSINESS:

Financial Reports — Financial reports for the month of December were reviewed. Olinda White also presented a quarterly summary of financial status by department.

Cash Flow Statement — Cash flow is still alright.

There was discussion of overtime and need for an RN. Betty Keegan reported on a senate bill pending for education loans and forgiveness provision for RNs.

Board Statistics — Statistics were reviewed for the month of December.

Agreement with WCS — Larry Clarke read two drafts of communication to Wrangell Community Services for board approval prior to sending.

January 19, 2005

Mr. Mark Walker, Pres. & CEO
Mr. Wallace Schmidt, Pres. Board of Directors
Wrangell Community Services
P. O. Box 1615
Wrangell, Alaska 99929

Gentlemen:

Please provide us a copy of your 330 Application and Grant. As the principal health entity in Wrangell and as both your landlord and employer we wish to review these documents in order to continue providing quality health care to the community.

Dr. McCandless presented a *Resolution of the medical staff* (undated) to our board on December 22, 2004, requesting this board initiate a planning process to

(1) develop a long-range strategic plan for the hospital (and all other health services in Wrangell), and (2) develop a plan for rebuilding and effectively utilizing our health care facilities, to include the clinic remodel project. It seems very likely that there are requirements in the 330 papers, which might help us to adequately address the resolution.

During the presentation of the resolution Mr. Mark Walker, the director of Wrangell Community Services, stated that WCS needed some type of ownership of the clinic (space), . . . that without it, and if certain elements were not in place, "it's a no-go". This statement has prompted us to examine that type of possibility and, although it's possible, it seems highly unlikely that this board would recommend that the City of Wrangell sell a part of its hospital to WCS.

Last November, Mr. Walker also proposed that the hospital either lease additional space on the premises to WCS at no charge or that, failing to have enough space on the premises, the City of Wrangell build additional space and then lease that space to WCS at no charge, prompting us to secure advice from our lawyer on the subject, who on December 1st, advised us that neither of these propositions is legal and would violate both the Stark Law and the Anti-Kickback Statute.

We are most interested in Mr. Walker's indications that the clinic needs more space in which to operate. This alone is justification for this board to review the 330 papers. Management of the hospital property is one of the main responsibilities of this board and we assure you that we take our obligation as your landlord as a serious and ongoing concern.

Thank you for your prompt consideration of this request.

Sincerely,

Laurence B. Clarke
President, Board of Directors

Copy: Robert Prunella, City Manager
Brian Gilbert, Hospital Administrator

LBC:kaw

January 19, 2005

Mr. Mark Walker, Pres. & CEO
Mr. Wallace Schmidt, Pres. Board of Directors
Wrangell Community Services
P. O. Box 1615
Wrangell, Alaska 99929

Gentlemen:

This is to alert you that we are reviewing both the On Call/Emergency Agreement and the Medical Office Lease Agreement for the clinic space. Please let us know your intentions and any possible changes you might require in these for the next fiscal year.

We also draw your attention to the inadequate signage now located inside the clinic. Please comply with paragraph 6.4 Signs which says “. . .*The signs inside the clinic shall also indicate the clinic is not operated by Wrangell Medical Center and that the physicians and providers treating patients at the clinic are employed by Wrangell Community Services, an independent entity that is not affiliated with Wrangell Medical Center.*

Sincerely,

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Laurence B. Clarke
President, Board of Directors

Copy: Brian Gilbert, Hospital Administrator

LBC:kaw

Lynne Campbell moved to send the correspondence as written. Motion was seconded and passed.

COMMENTS FROM THE BOARD:

There were none.

The meeting was adjourned at 6:02 p.m.

K.A. Wright, Recorder