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In the Matter of PMC CITIZEN PANEL MEETING)

May 14, 2007

4:00 p.m.

Commissioners Ghan and Hadley participated in a meeting of the PMC Citizens Panel. Commissioner Ghan opened the meeting at 4:00 p.m. Panel members present: JuDee Adkins, Grady Staley, Nancy Renn, Mark Buckalew, Michael Callaghan, Dorsey Hill, Tom Dial, Lela Liggins, Mayor England, Lewis Andrews, Angela Mendez, and Stephen Weeg as well as numerous interested parties. Cindy Hepworth was present taking minutes.

Commissioner Ghan welcomed the group and reviewed the draft panel meeting schedule including stake holders and experts panel discussion stating time frame issues will be discussed.

Zachary Parris, Bannock County Attorney stated the panel is a board representing the citizens of Bannock County and that they have a daunting task in front of them. Their duty is to the owners of the hospital, Bannock County citizens who own the hospital. He said we must remember the ongoing construction of the hospital and community development for Bannock County. He asked the panel to keep an open mind and hear the facts as they are presented and make a decision based on this process which is an open public process.

Parris provided from the Office of the Attorney General the Idaho Ethics in Government Manual reviewing the Bribery and Corrupt Influence Act. He explained the panel can't accept gifts nor use this public position for personal gain reminding they could be prosecuted for these types of things. Section 59-701 deals with Policy and Purpose relating to the Ethics in Government Act which are in place to protect the integrity of government throughout the State of Idaho. A panel member should be able to make an impartial and informed decision. Parris asked the board if they had any questions regarding conflict of interest or a perceived conflict of interest which might need to be dealt with. Andrews said impartiality and the reporting of the press sometimes conflict with what actually happens. Parris said these rules don't really pertain to that but more to the board. Staley asked if having a relative work at the hospital would be considered a conflict. Parris said not if the member thinks they can make a fair decision. Dr. Call asked if the panel would be required to sign any type of written conflict of interest document. Parris said any panel member who may have a conflict of interest or a perceived conflict of interest should let the Commissioners know so that it could be brought forth and dealt with. Parris said he would address this issue. Parris reviewed ex-parte communications which would need to be addressed but should not preclude a member from being able to make a impartial decision.

Parris said the task is a duty to the citizens of Bannock County. He suggested the panel figure out and list their objectives. He provided a list of 6 example objectives and asked what it is that this community wants. Parris said a very important thing no matter what option is chosen is the contract and how it is written and does it include everything we want. Parris felt it is hard to look objectively at the options without knowing the objectives.

Dorsey said the hospital has presented 5 areas that the hospital wanted to develop which should have been based on community needs. Parris reminded the Commissioners may or may not choose to follow the recommendation of the Panel just as they may or may not choose to follow the recommendation of the Hospital Board.

Parris said we want the public to be informed and give feedback to the panel and said all meetings are subject to open meeting laws. The ultimate goal of the process is when the final decision is made it is done with integrity with the information received. Dorsey said that if her decision were towards a private for profit model, Capella may not be the answer so we may need to look at more presentations of this type. Parris said no specific proposal has been placed before the County. Dr. Call stated an RFP might need to be sent out with regard to any option that might need to be considered. Zack reminded we have some time restrictions that need to be considered with any decision made. Zack said it is ultimately the Commissioners decision and they must keep in mind construction issues with the current hospital. Andrews asked what our time limits are. Ghan said the process is being slowed down right now and we have a little more time than the middle of June before we really impact the ongoing construction. Andrews said we could rush an RFP with required limited time frames and see who would respond. Kelly Hirning said there are other entities that have expressed interest and are waiting to see what form of governance model we pick.

Weeg suggested we move forward as a panel and determine what we think is important. Every day we delay raises the stakes for everyone. Dr. Call clarified mixing governance with administration. The ownership is the county and the governance is the board and the administration is Pat Hermansen and others. Folks are frustrated with the administration which is different than the governance model. The administration can be changed. Ghan said we need to focus on the model, not the administration and who that is.

Dorsey Hill said people are excited to think of the possibility of economic development with improved services and asked what is an adequate level of service? Hirning said the cardiac center is the top rated cardiac center in the State of Idaho. Call said the Medical Board Quality Committee defines quality of care in the hospital which is a very formal process the hospital goes through to define quality standards. Call said the medical staff measures itself by very high standards. Dorsey said the cardiac and cancer centers are performing at a high level but the ED is performing at a very low level but that is driven by the current situation of hospital construction. Dr. Callaghan asked how the panel is going to make recommendations as to how fast to provide this service. Weeg said we all want a hospital with quality services and high standards that is financially solvent and works with other entities. We all agree we need a new hospital. So we need to determine what governance option would be best. What degree of local control do we want and what does that mean? For profit and or not for profit and what each brings with them. One option does not require a vote of the people, the others do require a vote of the people. Which do the people want? Who has the financing? Nancy Renn said it is not the decision of the panel as to how the hospital is run. What they need to do is decide the governance of the hospital which will then be run by the hospital.

Gerald Homstadt suggested the panel 1) Define a scope, how much and what services do we want. 2) Which governance model provides that breadth of services. And 3) which

would have the best economic impact to the community of the governance models being discussed. He suggested the panel try to come up with a short list of parameters by which you could compare and contrast the governance models. He reminded those three issues are not independent and that if you want quality it is going to cost. World class services are going to cost. Pat Hermansen said PMC would be happy give an overview of where the hospital is currently at, and how it came to be at this point. Staley said that the community comments he is getting is to keep the hospital under local control and felt most of the board already has an opinion and asked for a show of hand for the 501 (c) (3) option. Dial, Buckalew, Staley and Adkins raised their hands. Renn said what she hears is that people want to maintain local control, county responsibility, and are not interested in having an outside body come in to provide health care. Ghan reminded that is the present form we have. The 501(c) (3) is a break with the county and that county control. The structure of the 501(c)(3) could mitigate that a little bit but that is the conundrum. The 501(c)(3) possible structure was discussed. Community control was discussed. Russ Wight said a 501(c)(3) is not owned by any private individual. The community still owns the 501 (c)(3). The way it would change is the County Commissioners would not have the complete control over the members of the board, they could only appoint themselves and other city representatives for example would also be on that board. Dial said we don't seem to be moving forward and these issues could be looked at once the panel chooses a model. He said the panel needs to look at the models and all of this will come out, pick the model that will work best for the community. Craft reminded with Capella the tie to the county is the strongest with their model as the county would continue to own the asset and regulate the board. Dorsey said there are many things that can go wrong with the 501(c)(3), we could lose control, we could lose the asset if it is not structured properly. However Capella could sell or lease the hospital to get their money back however they have money to operate up front. Staley said he brought up his thought as to the community input he has received as to local control. Dorsey said if any option is not structured correctly we could really have a problem. Dial said that is what the attorneys are for with recommendations by the panel as soon as a model is chosen. Ghan suggested we look at the objectives to see if there is anything that was missed. Those could help drive a concept as to where we want to go.

Ghan reviewed the experts for a panel discussion which may be moved to June 7th. He has spoken with Niel Moss with the Idaho Health Facilities Authority, Jim Wiehl, Niel Piland, Dr Carla Wiggins, and Dr. Robert Critendon. He has not yet contacted Steve Calrin who was formerly with blue cross. Ghan said he has been in touch with the League of Womens Voters and the Chamber of Commerce who would be interested in facilitating this forum on community access. Dr. Call said too many people on the expert panel may cause time limit issues. Mayor England said we could possibly work out something at the City of Chubbuck if the City of Pocatello was not available. Dr. Call felt it would be good for the panel to hear what the hospital has done and where it is now. Panel members felt this was a good idea. Homstad suggested a secret ballot of the panel regarding option choices might accelerate the whole process. Timelines were discussed. The meeting adjourned at 6:20 p.m.

