

MINUTES OF THE BOARD OF COUNTY COMMISSIONERS SPECIAL MEETING HELD
NOVEMBER 30, 1981

Time: 10:00 a.m. in the Commissioner's Room of the San Juan County Courthouse.
Members Present: Chairman Calvin Black and Commissioner Robert Low.
Commissioner Kenneth Bailey was excused as he was traveling home after the holiday and he joined the meeting at 3:00 p.m.

Because all the members of the commission were not present the reading of the minutes of the previous week was deferred until the next regular commission meeting.

HEALTH CARE SERVICES BOARD MEETING REPORT:

Commissioner Low reported that the first meeting of the new Governing Board of the San Juan County Health Care Services was held November 24, 1981. Cleal Bradford was elected Chairman of the Governing Board and under his direction three standing committees were organized and appropriate assignments made in the areas of budget preparation, health care services, and facilities analysis. The Board also met at the hospital on November 27th to work on the 1982 budget and to discuss insurance coverage with Mr. John Fogg of Central Utah Insurance Company.

EMERGENCY SERVICES DIRECTOR TITLE CHANGED TO EMERGENCY MANAGEMENT DIRECTOR:

Upon the motion of Commissioner Low and the second of Commissioner Black, it was unanimously voted to adopt a resolution to change the title of the County Emergency Services Director to Emergency Management Director to more accurately reflect the comprehensive approach to all hazards that the emergency program offers.

The Emergency Management Director, Al Haskins, complemented Peggy Jorgenson on the capable manner in which she filled in for him during his recent absence.

4-H BANQUET INVITATION:

The County Agent, Jim Stevens, extended an invitation for the commissioners to attend the annual 4-H Banquet to be held December 1, 1981 at the Blanding Library and also the Junior Livestock Banquet to be held December 2, 1981 at the Vocational School in Blanding.

FIRE WARDEN REPORT:

Mr. John Baker reported that a fire last week burned 10 acres in a wash at Cedar Point and soil erosion may become a problem this winter.

CHAIRMAN BLACK TO ATTEND MEETINGS THIS WEEK:

Chairman Black reported that, weather permitting, he will attend a meeting regarding Block Grants in Salt Lake City on December 1, 1981 and on December 2, 1981 he will be meeting to finalize the proposals on the Collector and "B" Road fund allocations.

1982 BUDGET PREPARATIONS:

Chairman Black and Commissioner Low reviewed budget recommendations from the various department heads. They also discussed the revenue sheets and fund balances with Deputy Clerk, William Francom. It was agreed by the commission that Revenue Sharing funds will be budgeted for 1982 for equipment and medical facilities.

The County Attorney, Bruce Halliday, advised the Commission on the options for funding a county tax refund of 3.1 mills for over charges in 1979. He also clarified the ordinance relating the purposes for Reserved Funds and Retained Earnings.

LIBRARY BOARD MEMBER APPROVED:

Commissioner Bailey reported that he would like to appoint Mrs. Mickie Palmer to serve on the Library Board and made a motion to that effect. The motion was seconded by Commissioner Low and it carried unanimously. Mrs. Palmer will be notified by mail of this appointment should she choose to accept it.

COMMISSION REPORT ON THE SAN JUAN HOSPITAL:

Commissioner Low made a motion that the following report be made a part of the minutes. The report was made in response to the request of concerned citizens for the Commission to direct a complete and impartial investigation as to the hospital. The motion was seconded by Commissioner Bailey and it carried unanimously.

COMMISSION REPORT ON THE SAN JUAN HOSPITAL

Many questions have been raised regarding the contract between Intermountain Health Care (IHC) and San Juan County and other issues. Most of these questions were raised since the notice of termination of Mr. Arlow Freestone as the Hospital Administrator.

The following is a report of the findings of the Commission pursuant to the request of concerned citizens for a complete and impartial investigation:

San Juan County entered into an agreement with IHC to manage the health care facilities and services of the County after more than a year of study and concern of the declining utilization of the hospital for over 15 years, increasing deficits in the hospital and especially the nursing home, increasing compliance regulations and standards required by federal and state governments, and people having to go elsewhere for services that had been provided in our own hospital in prior years.

The problems we faced were recognized by the hospital and nursing home administrators, the hospital board, all of the doctors, and the county commissioners serving at the time.

A study was made and a report and recommendations were made for the improvement of health care services under the direction of Commissioner Edward S. Boyle. Proposals were made by three health care management companies. Advanced Health Systems offered total management including all operating costs and capital outlay for the hospital, nursing home, ambulances and any other facilities. If this agreement were ever terminated, the County would have to reimburse only capital outlay less depreciation. Hospital Affiliates offered fewer services and no assumption of either operating costs or capital outlay. Their fee was somewhat variable depending on the services desired and was the lowest cost. The offer by IHC was for complete management. The County would be responsible for any capital outlay and would have the approval responsibility of such through the Board and the County Commission. The Medical Board had policy making authority and IHC had administration and management authority. All employees became employees of IHC rather than the County. Depreciation was funded as an expense for the first time to build a reserve for capital expenditures. For these services (itemized later in this report), IHC was paid seven percent of the gross revenue. The majority of the people involved in making the decision (Hospital Board, County Commissioners, Doctors, and Hospital and Nursing Home Administrators) favored this plan.

TERMINATION OF MR. FREESTONE

IHC had the authority to hire, terminate, and transfer employees.

IHC believed there was cause to terminate Mr. Freestone.

IHC provided opportunity for Mr. Freestone to appeal.

IHC offered to assist Mr. Freestone in securing other employment in a position commensurate with his skills and desires.

Mr. Freestone chose to make the matter public.

IHC and Mr. Freestone subsequently made a settlement by which Mr. Freestone was paid a lump sum for his accrued vacation, and sick leave benefits in the amount of \$19,038.25. He also received and accepted six months severance pay including payment of his medical insurance. IHC will assist him in efforts to find new employment and will allow him to continue his medical insurance with them if he is unable to secure other insurance, provided that he would pay the premiums.

Members of the Hospital Board and County Commissioners were advised by IHC of the possible reassignment or termination of Mr. Freestone.

CAR FURNISHED BY IHC

IHC furnishes a car for their administrator (Mr. Wayne Ross in this case) as part of their compensation plan. They also allow private use of such car and allocate by formula pursuant to Corporate policy a charge for such use.

RENTAL FOR COUNTY HOUSING

Mr. Ross was allowed to use the house owned by San Juan County until he got his own home built. It was reported it needed a new roof and the County was to furnish the material and Mr. Ross was to provide the installation in lieu of rent.

DRUGS

The charge was made that drugs owned by the County were taken from the drug room and destroyed without authority and at a cost to the County.

We are advised that the use of outdated or undated drugs is not allowed and they should not be in the drug room. All such drugs were removed in accordance with this criteria. We are further advised that the majority of these drugs have not been destroyed and are available for return if a refund or replacement is possible.

FALSIFICATION OF RECORDS

A record or "log book" is kept of any surgical procedure. The physician, assistant anesthetist, etc, are listed as well as the registered nurse "in the area." We are informed that this "log" is traditionally filled in by a staff person listing the people and other pertinent data, and is not a "signature" situation. Some nurses, however, objected to their names being listed even though they were on duty at the time, so their names were subsequently lined through. We are advised no law was broken and no falsification occurred.

COLLECTION OF DELINQUENT ACCOUNTS

During the period of time the County operated the hospital, delinquent accounts were turned over to a collection agency. The County paid the agency 40% of the amount collected as a fee. The collection agency used by IHC under their management, (which is owned by IHC) cost the County 25%. Even considering the 7% gross fee, this is still a savings of 8% from our previous operation. Depending on actual costs, rebates are made yearly. Last year's costs were about 20%.

HOSPITAL CHARGES

Rates for services at the hospital have been increased since IHC management started. While we all wish costs to be as low as possible, it is in the best interests of the people of San Juan County for our rates to be comparable to similar facilities elsewhere. The reasons are as follows:

1. About 80% to 90% of hospital charges are paid by "third parties," such as insurance companies, federal, state, and local government programs. The amount of payments to our hospital and nursing home are based on combinations of factors including our rates and costs. The premiums and taxes we pay are only partially, and in a very minor way related to what we charge for our facilities. In other words, if our rates are lower, the payments we get from insurance companies and from government are lower; then we tax ourselves to make up the difference.
2. Our operating costs have increased under IHC from County operations primarily due to inflation and for the first time we have expensed depreciation. They have also increased to the extent of the payment to IHC, reduced by any savings brought about by services provided by IHC.

DECLINING USE OF HOSPITAL

One of the major reasons the County contracted with IHC was concern over the declining utilization of the hospital. There are many factors which have, and are contributing to this problem which has been occurring for the past 15 years or so. We believe we were beginning to address some of these problems.

BOILER

Earlier this year it was discovered that the high pressure boiler in the hospital was inoperable due to an accumulation of rust, scale, and dirt over a period of years. This was at least partially due to poor or no service and inadequate inspection by local maintenance, state and insurance company inspectors.

The solution was to get another boiler in operation as quickly as possible as the very operation of the hospital is dependent on this boiler. One option was to have the old boiler repaired. This would require getting another boiler in while the old one was out of service. If the old boiler would not pass the pressure tests after renovation, (and it was an old boiler), we would then be required to buy the boiler we had been renting for \$3,000.00 per month. In consideration of all the problems and options it was the decision of the County Commission that the ultimate cost would be less to buy and install the new boiler, thereby saving costs, time and uncertainty. The boiler we purchased had been previously rented for three months, but was immediately available at a discount.

SERVICES PROVIDED BY IHC FOR THEIR 7% FEE

1. Laboratory services and improvements.
2. Equipment and supply purchasing and cost control.
3. Management, planning, and engineering.
4. Personnel training and evaluation.
5. Maintenance training, policies and procedures.
6. Quality assurance and risk management.
7. Budgeting.
8. Administrative consultation and reporting.

Information received indicates if the same services we were receiving from IHC had been contracted independently from consultants, the cost would have been about \$140,000.00.

QUALITY OF HEALTH CARE

IHC has reduced the number of personnel on shift at both the hospital and the nursing home. We have found that this does reduce the time personnel have at times to be "friendly and caring." At peak times of demand it also puts additional pressure on personnel and patients may have to wait a little longer for some services. We are convinced that the "quality of health care" as strictly defined has been improved under IHC due to training programs, new equipment, and management improvements, etc.

CONCLUSION

It is our conclusion that the need for expertise, management techniques, and ability provided by IHC was needed and such help, however it is decided to be provided in the future, is still needed.

We believe there is a need for improved health and emergency care services and facilities in Blanding as well as other areas of the County.

We believe there is a need to attract additional physicians to the County. We suggest that it might be time to consider a County wide policy to build and own doctors offices and clinics, to rent them to

doctors providing a fair rate of return to the taxpayers as a means of helping to be able to attract new physicians. This decision has not been made by IHC, the Medical Board, or the Commissioners, but we believe it is an issue on which there ought to be dialogue, discussion and debate.

It is our conclusion that IHC is a reputable, responsible, and capable organization that has been in the business of successfully operating hospitals and health care facilities from the largest to the smallest for many years.

It is, however, the determination of IHC, concurred in by the County Commission, that because of the divisions that have, and are occurring, it would be impossible for them to operate our health care facilities and help us plan for the future in a manner that would be in the best interests of the people of San Juan County. They have graciously agreed to assist in the transition of these operations back to the County and to provide any assistance we might request in the future.

We are deeply concerned at this time, because of the divisions, uncertainty, concern, and frustrations of many people, and especially employees at the hospital, that we will be able to keep or recruit personnel sufficient to operate under full compliance. We appeal to the public and especially to the hospital personnel to join with us and help through this difficult period.

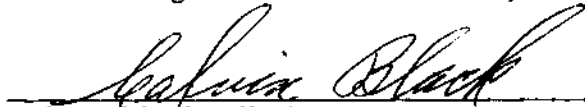
The County Commission wishes to reaffirm our commitment and to maintain and improve health care services and facilities throughout the County to serve the people in all parts of the County.

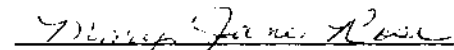
The County hospital is the "CENTERPIECE" of all health care services. It must be upgraded in the services offered and be more fully utilized. Without this, any other efforts have little meaning. Let us all unite in the goal of improved health care in supporting our medical board, doctors, and other health care personnel toward this end.

We appreciate the interest of the people of the County in these and other matters.

THE SAN JUAN COUNTY COMMISSION,
Chairman Calvin Black
Commissioner Kenneth Bailey
Commissioner Robert Low

There being no further business, the meeting was adjourned.


Calvin Black, Chairman


Mary Jane Rose, Deputy Clerk

MINUTES OF THE BOARD OF COUNTY COMMISSIONERS MEETING HELD
DECEMBER 7, 1981

Time: 10:00 a.m. in the Commissioner's Room of the San Juan County Courthouse.

Members Present: Chairman Calvin Black, Commissioner Kenneth R. Bailey, Commissioner Robert Low.

Minutes of the regular Commission Meeting held November 23, 1981 were read and approved with the stipulated correction upon the motion of Commissioner Low and the second of Commissioner Bailey and it carried unanimously.

Minutes of the Special Meeting held November 30, 1981, were read and approved upon the motion of Commissioner Low and the second of Commissioner Bailey and it carried unanimously.

INSURANCE COVERAGE FOR MEDICAL FACILITIES DISCUSSED:

Mr. John Fogg, of Central Utah Insurance Company, met with the Commission to discuss insurance coverage for the county's medical facilities. Mr. Fogg felt there would not be any problems in adding insurance coverage for the hospital, hospital garage and warehouse, nursing home, the clinic in Blanding, and two county owned homes in Monticello for hospital use and two vehicles to the county's current policy. He recommended a \$1,000,000 umbrella policy for the county and a \$500,000 small endorsement.

DARROLL YOUNG MEETS WITH THE COMMISSION REGARDING THE HOSPITAL BOILER:

The boiler room at the hospital has not been completed to house the new boiler and the recent exposure to cold and snow has caused some hot water shortages at the hospital. Mr. Darroll Young suggested that the new boiler could be moved and sheltered in the hospital basement if a 6' x 8' tunnel 20' long were dug on the north side of the hospital with a ramp leading down into the basement. Mr. Young felt troubled about the purchasing of the new boiler and the removal of the old boiler from the hospital. He asked the Commission to give the cost figures for the new boiler as he felt it should have only cost \$14,500 to purchase a boiler with everything bid for. Chairman Black reported that the cost figures are available in the Clerk's office and he asked Mr. Young to bring a signed statement from someone in the boiler business confirming his price estimation on the boiler. The Commission expressed their appreciation for Mr. Young's concern about the boiler and while his plan to house the boiler in the basement was feasible, they have already let a contract to build a boiler room.

C. HARDY REDD VISITS THE COMMISSION:

Mr. C. Hardy Redd came to express his appreciation to the commissioners for their work and efforts in completing the report on the hospital.

JIM PARASKEVA REPORTS ON WATER QUALITY MANAGEMENT:

Mr. Jim Paraskeva of the Southeast Association of Governments presented the September 1981, 208 Water Quality Management Plan for Recapture Creek and Montezuma Creek subbasins. The purpose of this plan is to comply with the Federal Water Pollution Control Act of Public Law 92-500. The principal area of concern deals with the erosion of rangelands and farmlands. The first priority may be treating the rangelands themselves by concentrating on the pinion/juniper lands and providing a denser vegetation ground cover to keep a tight hold on the soils.

COUNTY ROAD SUPERINTENDENT HIRED:

Commissioner Bailey reported that six individuals had applied for the position of San Juan County Road Superintendent. Because one application had not been turned in until half an hour before the Commission meeting, he was only able to interview five of the applicants, but he reviewed all the applications and resumés. Based on the applicants' experience, qualifications and results of the interviews, Commissioner