

**LAWRENCE MEMORIAL HOSPITAL
BOARD OF TRUSTEE MEETING MINUTES
June 19, 2013**

Present:	Allen Belot	Gene Meyer	Sherri Vaughn, MD
	Mike Wildgen	Karen Shumate	Andy Ramirez
	Jane Blocher	Joe Pedley	Charles Yockey, MD
	Chuck Heath	Sheryle D'Amico	Janice Early
	Lee Reussner, M.D.	Dana Hale	
	Gina Pacumbaba-Watson	Kathy Clausing-Willis	
	Joe Flannery	Carolyn Bowmer	
	Cindy Yulich	Jane Maskus	

Others present: Mick Allen, State Chairman, ESGR; Alan Barrett, Awards Program Manager, ESGR; Audrey Bishop, Associate Vice President, Physician Division; Diane Boeger, Area 5 Chairman, ESGR; Chuck Bredahl, Program Support Manager, ESGR; Jan Breithaupt, Community Relations Specialist; Linda Gall, Dir., Care Coordination; Joan Harvey, Dir., Emergency Services; Drew Jarrett, Intern, Community Relations; Todd Koch, Dir., Facilities; Chad Lawhorn, *The Lawrence Journal World*; George Pogge, Area 5 Volunteer; ESGR; Pat O'Toole, GreenPlay, LLC; Dr. Toni Reynolds, Trauma Program Dir., Susan Thomas, Dir., Compliance; Kenna Young, Trauma Coordinator; Michelle Dreiling, Admin.

Call to Order

The meeting was called to order at 8:57 a.m. by Chairperson Allen Belot.

Approval of Agenda

The Agenda was presented for review.

MOTION: made by Dr. Lee Reussner,
and seconded by Chuck Heath to approve
the agenda as presented. Motion carried.

Recognition

Members of the Kansas Committee for Employer Support of the Guard and Reserve presented Linda Gall, Director of Care Coordination Services at LMH, with the Patriot Award. Ms. Gall was nominated by Kathryn Jorgensen, a care coordinator in her department, for her support in the form of flexible schedules and time off related to deployment.

On behalf of Lawrence Memorial Hospital and the Board of Trustees, Mr. Allen Belot, Chairman, signed a statement of support for the Guard and Reserve.

Consent Agenda

- a) Board of Trustee Minutes, May 15, 2013
- b) Planning Committee Report
- c) Human Resource Committee of the Board Report

MOTION: made by Chuck Heath, seconded
by Dr. Lee Reussner to approve the Consent
Agenda as presented. Motion carried.

Finance Committee

- a) Finance Committee Minutes, June 17, 2013
- b) Financials, May, 2013

MOTION: made by Joe Flannery, seconded
by Gina Pacumbaba-Watson to approve the
June 17, 2013 Finance Committee meeting
minutes and the May, 2013 Financials.
Motion carried.

- c) Approval of Financing Proposal – Chuck Heath brought forth a financing resolution from the Finance Committee of the Board.

AUTHORIZING RESOLUTION OF THE BOARD OF TRUSTEES OF LAWRENCE MEMORIAL HOSPITAL

WHEREAS, the BOARD OF TRUSTEES OF THE LAWRENCE MEMORIAL HOSPITAL, an instrumentality of the City of Lawrence, Kansas (the “Institution”), has requested that the City of Lawrence, Kansas (the “City”) issue its Hospital Revenue Bonds, Series 2013 (The Lawrence Memorial Hospital) (the “Bonds”), in a principal amount not exceeding \$6,685,000 for the purpose of providing funds to (i) finance, refinance and reimburse the costs of certain equipment and facilities to support hospital operations, and (ii) pay certain costs of issuance of the Bonds; and

WHEREAS, the Board of Trustees of the Institution (the “Board”) finds and determines that the issuance and sale of the Bonds and the application of the proceeds of the Bonds on behalf of the Institution for the foregoing purposes are necessary and desirable and in the best interest of the Institution; and

WHEREAS, the Board finds and determines that the redemption of the City’s Hospital Revenue Bonds Series 2003 (The Lawrence Memorial Hospital) (the “Series 2003 Bonds”) and the termination of the Debt Service Reserve Forward Delivery Agreement (the “2003 Forward Delivery Agreement”) dated as of October 31, 2003 relating to the Series 2003 Bonds are necessary and desirable and in the best interest of the Institution; and

WHEREAS, in order to accomplish the foregoing, it is necessary and desirable that the Board approve the transaction described in these resolutions and the execution and delivery of the financing documents and certain other matters in connection with the transaction, as herein provided; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF LAWRENCE MEMORIAL HOSPITAL, AS FOLLOWS:

Section 1. Approval of Issuance of Bonds. The Board approves the issuance and sale of the Bonds by the City and authorizes the Institution to apply the proceeds of the Bonds for the purposes described in the recitals hereof. The Bonds shall be issued under the Indenture of Trust dated as of June 1, 1994, as supplemented by the First Supplemental Indenture dated as of July 1, 1997, the Second Supplemental Indenture dated as of September 1, 1999, the Third Supplemental Indenture dated as of October 1, 2003, the Fourth Supplemental Indenture dated as of November 1, 2003, the Fifth Supplemental Indenture dated as of July 1, 2006, the Sixth Supplemental Indenture dated as of March 1, 2011, the Seventh Supplemental Indenture dated as of June 1, 2012 and the Eighth Supplemental Indenture dated as of July 1, 2013 (collectively, the “Indenture”), each between the City and UMB Bank & Trust, N.A., as corporate trustee (the “Bond Trustee”), in a principal amount not to exceed \$6,685,000, shall be payable in principal amounts prior to and with a final maturity in a year not later than the year 2018, and shall bear interest at an average interest rate not exceeding 2.0% per annum. The Bonds shall be sold by the City to BMO Harris Bank, as purchaser. The final terms and conditions of the Bonds as to principal amount, purchase price, interest rates, repayment schedule, security, and otherwise shall be set forth in the Indenture and other financing documents described herein and subject to approval by officers of the Institution executing the financing documents on behalf of the Institution.

Section 2. Authorization of Officers To Approve Terms. Subject to the conditions of this resolution, the Chairperson, the Vice-Chairperson, the President & Chief Executive Officer and/or the Chief Financial Officer of the Institution are authorized (a) subject to the limitations contained herein, to approve the issuance of the Bonds by the City for the purposes described above, in such principal amount and with such maturities, interest rates, redemption terms and other provisions as may be determined by such officers; (b) to enter into agreements with the City which will provide for the application of the proceeds of the Bonds on behalf of the Institution and lease payments by the Institution sufficient to pay the principal of and interest on the Bonds as the same become due and payable; and (c) take or cause to be taken such other action as may be required to implement the aforesaid, or as may be appropriate in pursuance thereof; provided that all of the foregoing shall be within the lawful powers of the Institution.

Section 3. Authorization and Approval of Financing Documents. The Board hereby authorizes the Chairperson, the Vice-Chairperson, the President & Chief Executive Officer and/or the Chief Financial Officer of the Institution to approve the form of the following proposed documents relating to the financing described below (the “Financing Documents”), the execution of said documents by such one or more officers shall constitute conclusive evidence of their approval and the Institution’s approval thereof:

- (a) Eighth Supplemental Lease Agreement dated as of July 1, 2013 (the "Eighth Supplemental Lease"), between the Institution and the City, under which the City will apply the proceeds from the sale of the Bonds on behalf of the Institution for the purposes herein described in consideration of lease payments which will be sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds and setting forth the covenants and agreements of the Institution in connection therewith;
- (b) Seventh Amended and Restated Guaranty Agreement between the Institution and the Bond Trustee, pursuant to which the Institution guarantees the payment of its obligations under the supplemental lease agreements for other outstanding series of bonds and under the Eighth Supplemental Lease;
- (c) Tax Compliance Agreement among the Institution, the City and the Bond Trustee, entered into in order to set forth certain representations, facts, expectations, terms and conditions relating to the use and investment of the proceeds of the Bonds, to establish and maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes, and to provide guidance for complying with the arbitrage rebate provisions of Code § 148(f); and
- (d) Purchase Contract among the City, the Institution and the original purchaser of the Bonds, pursuant to which the City agrees to sell the Bonds to the original purchaser upon the terms and conditions as set forth in the Purchase Contract.

Section 4. Execution of Financing Documents. Chairperson, the Vice-Chairperson, the President & Chief Executive Officer and/or the Chief Financial Officer of the Institution shall be and each such person is authorized, empowered and directed to execute, enter into, deliver and, where necessary, record the Financing Documents, for and in the name and on behalf of the Institution and, where necessary, the secretary or any assistant secretary of the Institution is hereby authorized and directed to attest said documents and affix the corporate seal thereto, if any, and said documents shall be substantially in the respective forms now before the Board and hereby approved, with such changes therein as shall be approved by the officers of the Institution executing the same, and the execution of such documents by such officers of the Institution shall constitute conclusive evidence of such officers' approval and the Institution's approval of any departures therein from the respective forms now before the Board.

Section 5. Approval of Eighth Supplemental Indenture. Chairperson, the Vice-Chairperson, the President & Chief Executive Officer and/or the Chief Financial Officer of the Institution shall be and each such person is authorized, empowered and directed to approve the final form of the Eighth Supplemental Indenture dated as of July 1, 2013 (the "Eighth Supplemental Indenture") and to approve the execution and delivery of the Eighth Supplemental Indenture by the City and the Bond Trustee. Execution and delivery of the Eighth Supplemental Lease by the Institution shall be deemed final approval of the form, execution and delivery of the Eighth Supplemental Indenture.

Section 6. Redemption of Series 2003 Bonds. All actions heretofore taken by the officers, employees and agents of the Institution for the purposes of redeeming the Series 2003 Bonds and terminating the 2003 Forward Delivery Agreement in connection therewith, are hereby approved, confirmed and ratified as acts and deeds of the Board. The officers of the Institution are authorized and directed to take such further action and to execute and deliver such other documents (including without limitation any termination agreements, certificates and instruments and to pay all such fees, taxes and expenses as may in their discretion be necessary or desirable in order to redeem the Series 2003 Bonds and terminate the 2003 Forward Delivery Agreement; and all of the acts of the officers of the Institution which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects ratified, confirmed and approved.

Section 7. Delegation of Authority. The delegation of authority to the Chairperson, the Vice-Chairperson, the President & Chief Executive Officer and/or the Chief Financial Officer of the Institution made by these resolutions shall enable the Chairperson, the Vice-Chairperson, the President & Chief Executive Officer and/or the Chief Financial Officer of the Institution to approve the issuance of the Bonds for the purposes set forth above and to approve any one or more of the documents described in these resolutions, all as may, in the discretion of the Chairperson, the Vice-Chairperson, the President & Chief Executive Officer and/or the Chief Financial Officer of the Institution, be deemed necessary or desirable by the Chairperson, the Vice-Chairperson, the President & Chief Executive Officer and/or the Chief Financial Officer of the Institution.

Section 8. Further Authority. In connection with the issuance of the Bonds, and thereafter during the time the Bonds remain outstanding, the officers of the Institution are authorized and directed to take such further action and to execute and deliver such other documents (including without limitation any guaranty agreement, purchase contract, supplemental agreement or continuing disclosure agreement), certificates and instruments and to pay all such fees, taxes and expenses as may in their discretion be necessary or desirable in order to carry out and comply with the intent of these resolutions and the terms and provisions of the Financing Documents; and all of the acts of the officers of the

Institution which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects ratified, confirmed and approved.

Section 9. Repeal of Conflicting Resolutions. All prior resolutions of the Board or any parts thereof in conflict with any or all of the foregoing resolutions are hereby repealed to the extent of such conflict.

Section 10. Effective Date. These resolutions shall take effect and be in full force immediately after their adoption by the Board.

APPROVED: Motion made by the Finance
Committee to adopt the financing proposal
was seconded by Mike Wildgen. Motion carried.

Medical Executive Committee Recommendations

Dr. Charles Yockey reviewed the recommendations from the Medical Executive Committee for Board approval:

Medical Staff – New Appointments:

Michael Sanders, MD – (Active Admitting; Radiology) Initial appointment period to extend from 6/19/13 to 7/1/14.

Ajay Tejwani, MD – (Active Admitting; Radiology/Radiation Oncology) Initial appointment period to extend from 6/19/13 to 7/1/14.

Emily Riggs, MD – (Active Admitting; OB/GYN) Initial appointment period to extend from 6/19/13 to 7/1/14.

Justin Labart, DDS, MD – (Active Admitting, Surgery/Oral & Maxillofacial) Initial appointment period to extend from 6/19/13 to 7/1/14.

Hiten Soni, MD – (Active Non-Admitting; Internal Medicine/Psychiatry) Initial appointment period to extend from 6/19/13 to 7/1/14.

Peter Morris, MD – (Active Admitting; Emergency Medicine) Initial appointment period to extend from 6/19/13 to 1/1/15.

Paul Kolkman, MD – (Active Admitting; Surgery/General) Initial appointment period to extend from 6/19/13 to 7/1/14.

Luis Salazar, MD – (Active Non-Admitting; Family Practice) Initial appointment period to extend from 6/19/13 to 1/1/15.

Christina Salazar, MD – (Active Admitting; Internal Medicine/Cardiovascular) Initial appointment period to extend from 6/19/13 to 7/1/14.

Elizabeth Guastello, MD – (Active Admitting; Internal Medicine/Cardiovascular) Initial appointment period to extend from 6/19/13 to 7/1/14.

Allied Health Professional – New Appointments:

Jody Mitchell, APRN – (LMH Employee; sponsor: Dr. Fevurly) Initial credentialed period to extend from 6/19/13 to 7/1/14.

Alyson Algrim, CRNA – (Allied Health Professional; sponsors: Lawrence Anaesthesia) Initial appointment period to extend from 6/19/13 to 1/1/15.

Nicole Pyke, RN – (Allied Health Professional; sponsors: DaVita Dialysis/Dr. Duvvur) Initial appointment period to extend from 6/19/13 to 7/1/14

Casey Uyttewaal, Lithotripsy Tech. – (Allied Health Professional; sponsors: Health Tronics/Dr. Heeb) Initial appointment period to extend from 6/19/13 to 7/1/14.

Melissa Kramer, PA – (Allied Health Professional; sponsors: LMH Hospitalists) Initial appointment period to extend from 6/19/13 to 7/1/14.

Reappointments:

Medical Staff, Allied Health Professional Staff and Advanced Practice LMH Employee reappointments/recredentialing.

Conclusion of Provisional through Focused Evaluation:

Erin Meyer, PA – Initial.

Privilege and/or Status Changes and Resignations:

M. Scott Hickman, MD – (Active Admitting; Surgery/Ophthalmology) Addition of femtosecond laser assisted cataract surgery.

Trang Ho, MD – (Active Admitting; Internal Medicine/Hospitalist) Resignation effective 7/31/13

Stephanie Keller, CRNA – (AHP; Sponsors: Lawrence Anaesthesia) Resignation effective 4/30/13

MOTION: made by Cindy Yulich, seconded
by Chuck Heath to approve the Medical Executive
Credentials Recommendations as presented.
Motion carried.

CEO Comments:

- Gene Meyer noted that a letter in support of the Medicare Audit Improvement Act of 2013 that was sent by LMH to our legislators is included in the meeting material. The legislation will “take steps to improve [the] Recovery Audit Contractors and other national audit programs by providing limits for medical record requests, improve auditor performance and transparency and assure due process appeal rights for denied claims.”
- Mr. Meyer reported that our follow-up visit from the Joint Commission went well.
- Mr. Meyer and Joe Pedley, VP, CFO recently met with a Moody’s analyst in Chicago. This is done routinely approximately every 18 months.
- Twelve people were honored last night at an oncology reception. These cancer survivors volunteered to have their story and picture shared in our updated Hall of Hope outside the LMH Oncology Center.
- Planning for the third and fourth floors is ongoing and will be fully evaluated prior to the 2014 budget process.
- Dr. Bonnie Cramer has begun working in the Baldwin City Clinic.
- We will be working to update our Master Facility Plan in the near future.
- There will be no Board of Trustee meeting in July.

Health Care Reform Readiness

- Insurance Exchange Meeting – The recent meeting held at LMH for members of our medical staff and their office managers to hear from a local expert about the exchanges was very well attended. Open enrollment for the exchanges will begin in October but offerings will be very limited the first year. We have been working on a public education campaign to encourage patients to choose a plan that includes LMH.

Old Business

- a) **Physician Recruitment Activity** – Dr. Sherri Vaughn, VP Medical Affairs, shared with the Board that an OB/GYN is interested in working at LMH half time. We will have an introductory meeting in July with an endocrinologist who will be finished with his training in 2014. We have also been talking with another oncologist and will interview a GI candidate in the fall. The Board thanked Dr. Vaughn for her extra efforts and dedication to LMH recruitment.
- b) **Wellness Report** – Karen Shumate, Chief Operating Officer, introduced Pat O’Toole, Principal with GreenPlay, LLC, who presented an executive summary of findings based on the April kick-off strategy meeting, the May focus groups and the written staff surveys. The conclusions suggest that LMH act as the clearing house for local wellness programs. The report concluded there was no consensus with regard to the location of an LMH Wellness Center and also indicated that the 7,000 square feet allotted by the City at the Lawrence Recreation Center is not a large enough space to accommodate LMH’s needs with regard to wellness services.

New Business

- a) **Exemption from Concealed Carry Law** – A discussion was held regarding the Board of Trustees’ authority to exempt Lawrence Memorial Hospital properties from the requirements of House Bill 2052 (Kansas Concealed Carry Law) and a draft of a letter to the Kansas Attorney General advising his office of the exemption was reviewed.

MOTION: made by Cindy Yulich to exempt all Lawrence Memorial Hospital properties from the requirements of House Bill 2052 and to authorize Allen Belot, Chairman, to sign, as a representative of the Board of Trustees, a notice to the Kansas Attorney General exempting all properties of Lawrence Memorial Hospital from the new concealed carry law was seconded by Gina Pacumbaba-Watson. Motion carried.

- b) **Trauma Level 4 Education** – Dr. Toni Reynolds, Trauma Medical Director, and Kenna Young, Trauma Coordinator, updated the Trustees on the progress toward our Trauma Level 4 designation. The goal is to submit our application to KDHE in the fourth quarter, 2013.
- c) **Community Benefit Report** – Janice Early, Director of Community Relations, presented a summary of programs and activities provided by Lawrence Memorial Hospital in the 2012 calendar year that addressed community needs. Services were provided to more than 50,000 people in Douglas County with a net benefit to the community of nearly \$8.7 million. This sum excludes the unpaid cost of Medicare and Bad Debt.

Executive Session

MOTION: made by Chuck Heath seconded by Mike Wildgen that the Board of Trustees recess to Executive Session for consultation with the hospital attorney which would be deemed privileged in the attorney-client relationship, to include the CEO, COO, CFO, VP Physician Division, VP Medical Affairs and Chief of Staff. The open meeting is to resume in this room at 10:10 a.m. Motion carried.

MOTION: made and seconded to extend the Executive Session to 10:20. Motion carried.

Thereafter, the open meeting resumed.

Adjournment

There being no further business, the meeting adjourned.

Respectfully submitted,
Jane Blocher, Secretary