



# BOARD OF DIRECTORS SPECIAL MEETING

January 10, 2008  
Minutes

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Dr. Burrow called the meeting to order at 4:31 p.m.

## 1. Public Comment

- There was no public comment.

## 2. PricewaterhouseCoopers Contract

Susan Whetstone summarized to the board the necessity of this amendment to the original PWC contract:

- The first phase in the amount of \$490,00 was awarded in October, 2007 and provided preliminary assessment for developing an Action Plan of performance improvement opportunities. This work was presented at the Board retreat on November 30.
- The proposal for phase two is for a 30-day engagement which will result in a detailed work plan for implementing the identified performance improvements for JDH and identify additional performance improvement opportunities for the remaining areas of the Health Center.
- Also proposed are five Optional Implementation Items. Key among these is assistance in revenue cycle improvement. Management does not have sufficient data on these items at this time to determine if the ROI is worth their implementation, but will better able to make such determination as phase 2 is completed. Management is requesting the authority to enter into these optional items as it deems them worthwhile.

Board discussion focused on the following:

The at-risk terms which provides PWC a percentage of the savings received for certain named items. This was determined to be usual practice and appropriate to our situation.

Questions on how the performance improvements would be identified and whether productivity increases are simply theoretical or practical (i.e. can they actually be realized). These details will be discussed when the PWC report on phase 2 is presented to the Board.

General consensus that we need to undertake as thorough an effort as possible to address our current financial situation, but with the recognition that our structural problems (JDH's small size, low reimbursement rates, extra costs as a State institution, etc.) cannot be corrected by this PWC effort.

- The Board of Directors unanimously approved the following resolution:

**That the Board of Directors approve an amendment to the contract with PricewaterhouseCoopers to increase the contract amount for the Action Plan from \$490,000 to \$955,000 to cover the 30 day Action Plan – Phase 2; add Revenue Cycle Implementation Assistance in the amount of \$195,000; and authorize the following expenditures in connection with Optional Implementation Items conditioned upon written notification to the Board prior to implementation of these items:**

<b>Labor Management-Staffing Targets and Expense Control Program</b>	<b>\$140,000</b>
<b>Managed Care Contract Assistance (2 contracts at \$27,500 ea.)</b>	<b>55,000</b>
<b>Charge Capture Fixed Fee</b>	<b>85,000 plus “At Risk” arrangement (30% of first \$1 million; 25% of second \$1 million and 20% over \$2 million)</b>
<b>Managed Care Implementation assistant</b>	<b>25,000 – 90,000</b>

There being no further business, the meeting was adjourned at 4:55 p.m..

Respectfully submitted,

Peter J. Deckers, M.D.

**Attendees:** M. Bertolini, G. Burrow, M. Cicchetti, S. Cloud, J. Droney, D. Friend, R. Galvin, J. Goldberg, J. Haberland, B. Hehir, M. Hogan, L. Jacobs, R. Samuels, W. Shepperd, and A. Slaughter. All Board Members participated by phone.

**Guests:** D. Chin (PWC), F. Pennel (PWC), and A. Edwards (PWC)