**BOARD OF DIRECTORS**  
**SPECIAL BOARD MEETING MINUTES**

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<td>PRESENT AT MEETING:</td>
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| **Board Members:** Ken Cutler, M.D., President; Roger Kahn, Vice President; Larry Long, Secretary; John Mohun, Treasurer; Karen Sessler, M.D., Board Member  
**Staff:** Bob Schapper, CEO; Virginia Razo, PharmD, Chief Operating Officer; Joan Sevy-Majers, Interim CNO; Paige Thomason, Director, Marketing & Communications; Svietta Schopp; Linda Harman, Director Surgical Services; Jeanne McAuliffe, Executive Assistant  
**Others Present:** Bob Chase, M.D.; DeeDee Clark; Brad Thomas, M.D.; Steve Gross, Legal Council | | |
| 1. Call to Order | Dr. Cutler called the meeting to order at 6:00 p.m. | |
| 2. Roll Call | It was noted that all five Board members were present. | |
| 3. Clear the Agenda/Items Not On the Posted Agenda | The agenda was cleared. There were no changes to the agenda as posted. | |
| 4. Input -- Audience | Audience input was sought, but none was offered. | |
| 5. Employee Associations | None. | |
| 6. Presentations/Staff Reports (Discussion And/Or Action Possible) | • Dr. Cutler stated that the purpose of tonight’s meeting is to hear public comment, no action will be taken this evening;  
• Ms. Razo read the recommendation, which is attached to and incorporated as part of these minutes. | |
| Evidence Supporting Recommendation that the Board Enter into an Exclusive Contract for Anesthesia Services | | |
| 7. Public Hearing on Possible Closure (Exclusive Contract) of Anesthesia Department | Dr. Cutler opened the Public Hearing regarding the possible closure of the Anesthesia Department at Tahoe Forest Hospital District. | |
| A. Oral Comments | • Dr. Chase stated:  
✓ He is present to support the anesthesia department; | |
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<td>✓ They are a very qualified group of physicians with a great reputation in the community;</td>
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<td>✓ Anything that can be done to stabilize services and keep the physicians in the community would be great;</td>
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<td>• Dr. Cutler asked if there were any further comments;</td>
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<td>• Mr. Kahn stated:</td>
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<td>✓ There were five anesthesiologists now down to four, it was stated that four isn’t enough;</td>
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<td>✓ He asked if it is the intention to recruit a fifth anesthesiologist;</td>
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<td>• Dr. Thomas responded:</td>
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<td>✓ That is what they intend to do;</td>
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<td>✓ The remaining four anesthesiologists have stepped up to cover services, but they need a fifth anesthesiologist in order to provide coverage;</td>
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<td>✓ With an exclusive contract with the hospital, they feel they can recruit a very qualified physician;</td>
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<td>✓ In the meantime, the group would be responsible for recruiting locums for vacation coverage, etc.</td>
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<td>• Mr. Kahn asked about the economics and if there a likelihood that the anesthesiologists will come back to the hospital and say they can’t afford this and need more help;</td>
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<td>• Dr. Thomas responded:</td>
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<td>✓ The group is still in negotiations with the District;</td>
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<td>✓ He hopes and expects that they have come a long way in establishing MGMA benchmarks and will reach an agreement that works;</td>
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<td>✓ But at this time, he isn’t sure;</td>
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<td>• Mr. Mohun asked if there was any written input;</td>
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<td>• Ms. McAuliffe read the two e-mails that were received, one</td>
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from Dr. Kundu and one from Dr. Newman, copies of which is in the packet;

- Dr. Thomas continued:
  - The OR is one of the jewels of the hospital that helps support other business units;
  - It is a critical part of the hospital’s revenue stream;
  - He pointed out that anesthesia physicians provide more services than just surgeries in the OR;
  - They also assist with OB, Ophthalmology, ENT, Orthopedics at TFH, Truckee Surgery Center and IVCH;
  - A large part of their job is obstetrics, doing epidurals, c-sections, etc.
  - They are also involved in pain management and provide anesthesia services for radiology procedures such as CT Scans, MRIs and endoscopies;
  - They provide conscious and unconscious sedation for the ER;
  - Provide continuing education for the nurses in the OR;
  - Are involved in serving on medical committees and various leadership positions in the hospital;
  - They interact in many areas of the hospital;
  - In the 17 years he has been here, he is not aware of any lawsuits or any legal involving anesthesia;
  - The anesthesiologists have been feeling the pinch for years with the change in payor mix, etc.
  - Then they began to have problems getting locums to come because they don’t want to come up here;
  - When Dr. Silver left in April, it was time to do something;
  - Each of the anesthesiologists started providing services elsewhere for additional compensation;
  - When they went to Mr. Schapper, he told them that they
## AGENDA ITEM

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<td>needed to create a group before they could even talk to them;</td>
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<td>✓ The immediate benefit is to diffuse this current crisis and stabilize the existing department and to maintain the smooth continued flow of surgery and surgical services;</td>
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<td>✓ This will allow them to recruit another qualified physician to bring them up to appropriate staffing levels;</td>
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<td>✓ He cares about this hospital and the future of this hospital, he wants to know that when anesthesiologists retire, they will continue to have a happy, healthy anesthesiology department;</td>
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<td>✓ It is important to take this large step;</td>
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<td>✓ The District won’t have to deal with all the locums issues any longer, it’s expensive and a pain;</td>
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<td>- Mr. Kahn asked if the re will still be a need to use locums after a fifth physician is recruited;</td>
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<td>- Dr. Thomas responded:</td>
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<td>✓ Once a physician has been hired, it is anticipated that the need for locums will greatly diminish;</td>
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<td>✓ Currently, there are some holes in contracts;</td>
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<td>✓ The group would be required to accept the same contracts as the hospital;</td>
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<td>- Mr. Schapper stated:</td>
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<td>✓ The group will take all payors including Charity Care, which is a change from the current practice;</td>
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<td>✓ In general, he is excited about having a department that is more aligned with Administration in which they share a common interest;</td>
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<td>✓ He believes it will be better than it is currently;</td>
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<td>- Mr. Kahn asked Ms. Razo if there is a down-side in this;</td>
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| Ms. Razo stated:  
✓ She doesn’t see any downside;  
✓ Steps have been taken so that the locums that currently provide services at the hospital understand how this affects them;  
Mr. Schapper stated that this discussion began about 10 years ago when he arrived and asked why Anesthesia was not a closed department;  
Mr. Long stated that the conversation started long before that, but the anesthesiologists back then didn’t want any part of it;  
Dr. Thomas stated that the culture here tends to be an independent culture, so it is understandable that it went on as long as it has;  
Mr. Long asked about costs;  
Ms. Razo stated that this will be reviewed in closed session at next week’s meeting;  
Mr. Mohun asked if that will be at the Board meeting in January;  
Ms. Razo responded that it will be at the 12/18 Board Meeting;  
Dr. Cutler asked if there were additional comments. There were none;  
It was emphasized that the record will be kept open until 12/17, the day prior to the meeting of the Board, in which the decision will be made whether to close the Anesthesia Department, for the public to submit additional comments;  
The public hearing has been continued to 12/18 at 6 p.m.  
Mr. Gross suggested letting people who were sent individual notices know that they can still comment. |
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<td>B.  Written Comments</td>
<td>Two written comments were read by Ms. McAuliffe</td>
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<td>8.  Board Members Reports/Closing Remarks</td>
<td>There were no closing remarks.</td>
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<td>9.  Adjournment</td>
<td>The meeting adjourned at 6:45 p.m.</td>
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jlm