

**MINUTES**  
**SPRINGERVILLE & EAGAR JOINT COUNCIL MEETING**  
**White Mountain Regional Medical Center**  
**December 3, 2009**  
**6:00 P.M.**

Springerville Council Present: Mary Nedrow, Mayor  
Eric Baca  
Bill Lucas  
Phelps Wilkins

Eagar Council Present: Kim Holaway, Mayor  
Steve Erhart  
Byron Smith  
Melissa Webb  
James Nelson, Jr.

Springerville Staff Present: Steve West, Town Manager  
Valentina Cordova, Town Clerk

Eagar Staff Present: Bill Greenwood Town Manager  
Eva Wilson, Town Clerk

Public Present: Michael Zimmerman, CEO White Mountain Regional  
Medical Center

Mayor Mary Nedrow called the meeting to order and welcomed everyone stating tonight's meeting is to present information on how the hospital is doing, where it's going, and to answer any questions and introduced Michael Zimmerman WMRMC's CEO.

Mr. Zimmerman introduced himself giving a summary of his background as a specialist in distressed hospitals. He gave a Power Point presentation showing the current and past status of the hospital and the net losses it had incurred. He reported that in 1995 when Samaritan pulled out of their management agreement the hospital decreased its staff to fifteen employees. For the 13 years from 1995 to 2007 the hospital had a net loss average of \$178,000 annually and in 2008 the hospital made a profit of \$338,000.

They also have a project net profit for 2009 but said they don't have anything writing presenting factors for their net profit, one of which was increased inpatients census. He presented averages for the past two years.

He stated that the average cash reserves for a hospital should be 100 days of cash in the bank and said they are using the cash reserves to build this cash reserve. They are reinvesting back into the hospital and also putting 2/3rds of the profit into savings. They are investing in programs for the hospital which are not tourist dependent. The goal is that by mid 2011 they will have the 100 days in cash. Mr. Zimmerman said they had been transferring 2 patients a day to other hospitals. With the growth and new programs developed they will be able to keep 75% of the patients they had historically transferred out. He said the hospital has about 250 employees on

the payroll. 210 are full time and about 3/4 of the total payroll live in either Springerville or St. Johns. He presented chart of growth, patient revenue saying it's heading in the right direction. He listed new programs the hospital is now offering as of December 1<sup>st</sup>..

Full time orthopedic surgeon.  
Swing beds- rehab component.  
Staff full time 24 hours a day with physicians

In 2010 they secured financing for a major renovation and presented preliminary drawings. They plan on reopening the intensive telestroke program general surgery, orthopedic and cardiology they can keep the unit reasonable full with two to three patients a day. They are working on strategic partnership for residential substance abuse facility which would support their in patient program and public day care.

They plan to get licensed and open the day care to the public and use the revenue to pay for the staff's children.

In 2011, there will be a kidney dialysis program, they are currently working with the U of A Medical School and the rural outreach program to put together a formal residency program for physicians at our clinic. They talked to Maricopa Community College District about broadcasting/steal their signal for para professional education programs i.e. PTA's physical therapy assistants.

He said things the councils should know is that they have created 75 jobs in the community and contributed \$100,000 to school, sports, fine arts programs since 2008. The goal of the hospital management team is to be the social and economic center of the community. The goal in 5 years is to sponsor 2 teacher sabbaticals, one from Round Valley and one from St. Johns, pay the salaries for a year to do research. They want to fund a full blown sports medicine program for both schools, college advancement programs.

Mayor Holaway asked if his vision for the hospital includes collaboration with the Town's.

Mr. Zimmerman answered that about 50% of what they do on a daily basis is about collaboration. They talked to law enforcement and the judicial system, prosecutors to tell them they have an in patient program they can assist with and had a positive response from Judge Grimsly. They did a program with the RV School but didn't get the grant. They will work with anybody on just about anything.

Councilman Lucas asked if he would like to comment on hospital ramifications on health care reform to this area.

Mr. Zimmerman stated there would be almost none. The meeting was adjourned for dinner.

When asked why they went from PA's to Doctors in the ER Mr. Zimmerman answered that we didn't have doctors so people went to Show Low and by passed us. Our general, orthopedic, urologist, eye, ears and throat doctors all said they would do more if they knew there were doctors here 24 hours a day, seven days a week. He said there is PA's on duty but we have actual doctors on staff 24 hours. He said in his own opinion 90% of the primary care in the United States will be delivered by Physicians Assistants in 10 years..

Councilman Erhart asked what they were doing to market the hospital. Mr. Zimmerman answered the most successful reputation builder is happy people. It doesn't matter how much you advertise its word of mouth that gets around.

Mr. Zimmerman said he's been working with NPC and Mesa Community College to have the distance learning program on site for 90% of the classes and by June or July of next year this hospital will have CT, nuclear Med, flat plate, MRI's, mammograms, diagnostic imaging and more. The OR has reopened and we'll have an OR surgeon by March or April..

Mayor Nedrow asked if the hospital could have someone from the hospital present when discussions begin for the Round Valley Roundup event. She said she'd like to see the hospital have a special fun run event.

Mr. Zimmerman said to let him know when and they would have someone present. He said they would really like to participate in anything related to health care.

He said he wanted to quell one rumor that was going around that he was going to the Philippines to hire nurses and fire those that were here.