

**PASQUOTANK COUNTY, NORTH CAROLINA  
SEPTEMBER 24, 2012**

The Pasquotank County Board of Commissioners and the Albemarle Hospital Authority Board of Commissioners held a joint meeting on Monday, September 24, 2012 at the College of The Albemarle Community Auditorium.

**COUNTY COMMISSIONERS PRESENT:**

Lloyd E. Griffin, III, Chairman, Jeff Dixon, Vice-Chairman, Bill Trueblood, Cecil Perry,  
Dr. William R. Sterritt, and Gary G. White

**COUNTY COMMISSIONERS ABSENT:**

Joseph S. Winslow, Jr.

**HOSPITAL AUTHORITY COMMISSIONERS PRESENT:**

David Twiddy, Chairman, Bettie Jones Parker, Vice-Chair, Dr. Neil DeNunzio, Jeff Aldridge, John Aydlett, Mary Ann Keyes, Dr. Claudie Mackey, Althea Riddick, Bill Richardson, Sue Weimer, Cecil Perry, and Jeff Dixon

**HOSPITAL AUTHORITY COMMISSIONERS ABSENT:**

Dr. David Carter, Ginger Parrish and Glover Shannon

**OTHERS PRESENT:**

Randy Keaton, County Manager  
Rodney Bunch, Assistant County Manager  
R. Michael Cox, County Attorney  
Karen Jennings, Clerk to the Board  
Jan King Robinson, Vice-President of Operations for Albemarle Health  
Joseph Kahn, Legal Counsel for the Hospital Board  
Bonnie Sanderlin, Director Executive Offices/Albemarle Health

Mr. Lloyd Griffin, Chairman of the Pasquotank County Board of Commissioners, called the meeting to order at 6:30 PM. He stated that the purpose of tonight's meeting is to hold a public hearing to receive comments related to the adoption by the Pasquotank County Board of Commissioners and the Albemarle Hospital Authority Board of Commissioners of resolutions of intent to lease or otherwise convey Albemarle Hospital and associated facilities. He introduced County representatives on the RFP Task Force, County Commissioners and staff.

Mr. David Twiddy, Chairman of the Albemarle Hospital Authority Board of Commissioners, explained that a few months ago the Hospital Authority asked the Pasquotank County Board of Commissioners for the opportunity to go out for a non-binding request for proposals from interested parties who would like to partner with the hospital. He stated that the Hospital Authority Board is made up of fifteen board members, ten from Pasquotank County, and five from the surrounding counties the hospital serves. Two of the ten from Pasquotank County are County Commissioners. He introduced Hospital representatives on the RFP Task Force, Hospital Authority Commissioners and staff.

Mr. Twiddy stated that the boards appreciate everyone coming out tonight to share their thoughts and suggestions on the future of Albemarle Hospital. He said the public hearing is being held tonight for several reasons, first and foremost because:

- Health reform is driving change for all hospitals, and these changes will happen regardless of who is in the White House. Both political parties agree that the current health system in the United States is inefficient and can no longer be sustained.
- The government and insurance companies have decided to begin reimbursing healthcare providers based on patient outcomes and not the number of tests or services provided,

which will have a major impact on the incomes and dollars that physician offices can put back into the community. The goal is now to keep people healthy and out of the hospital and the new focus is on wellness, not on sick care.

- Hospitals must work more closely with the physicians and other healthcare providers to improve quality, reduce costs and provide more comprehensive, well-coordinated patient care.
- This will likely only be possible if Albemarle Hospital is part of a healthcare system, because it will take an incredible amount of resources. Health reform will require expensive changes such as implementing electronic medical records, for example, which will cost the hospital between \$6 and \$8 million.
- It will be extremely difficult to do all of this standing alone and it is the hospital's and county's responsibility to explore the options now while the hospital is financially strong. In North Carolina 80 percent of all hospitals have already partnered with another health system. Albemarle Hospital is still in a position to choose its partner, and if the right partner is not found, the hospital does not have to choose anyone.
- To date, the joint task force has decided that for any health system's proposal for partnership to be successful, they should commit to the following:
  - Developing Albemarle Hospital into a regional referral center capable of meeting the health needs of its service area.
  - Expanding the hospital's service line capability and physician network.
  - Integrating Albemarle Hospital into other area affiliations to promote coordination of care focused on population health.
  - Ensuring the ongoing relationships and support of Albemarle Hospital's stakeholders, including the lease payments to Pasquotank County and support of the local health departments.
- A successful proposal will also need to come from a system that demonstrates a solid fit with the hospital's mission and a strong cultural fit with staff, physicians, and community.
- Albemarle Hospital is and always has been a not-for-profit hospital. All of its profits go to provide healthcare for people without insurance and without a way to pay for care.

Mr. Twiddy explained that the Hospital Commissioners and County Commissioners are here to listen. He asked that those who wish to speak tell them what other points they would like to see addressed and what they would like to be sure happens or does not happen with healthcare in the community. He added that he looks forward to the public's input.

Chairman Griffin said at the end of this process the seven members of the Board of Commissioners will make the final decision based on the recommendations from the Joint Task Force, from outside counsel, and from independent auditors who will review the stability of any entity that provides a proposal. He noted that after tonight's public hearing there will be opportunities to communicate with the members of the Task Force and with staff. He stated that all comments will be taken into consideration during the RFP process. Chairman Griffin said it is hoped that the RFP's can be received in December. He added that any decision made will be in the best interests of the citizens of Pasquotank County and the seven-county region.

Chairman Griffin declared the meeting to be a public hearing and he asked all speakers to observe the three-minute time limit. He also requested that all comments be limited to the RFP.

Mr. Ernest Askew of 1405 West Main Street Extended stated that he is a RN, BSN, CLNC. He said he is here tonight to offer some advice. In addition to his public comments, Mr. Askew provided a written statement. He explained that he is a certified legal nurse consultant licensed by the North Carolina Board of Nursing. He said from reading newspaper reports he sees problems with the Request for Proposals process. He noted that he is not an attorney and does not give legal opinions or advice, but helps attorneys with discovery on cases. He said from what he is hearing, the hospital is taking a step backwards instead of moving forward. He suggested due to county taxpayer dollars, the use of federal Medicare and Medicaid funds that an independent study be done using independent lawyers and independent auditors before any agreements are signed. He said the county does not need to be negligent with taxpayer dollars. Mr. Askew stated that the hospital facility should be upgraded and should possibly include a burn and trauma center. He suggested that any major hospital coming in should provide some capital outlay to enable to hospital to increase its capabilities. He said the hospital does not need

to be just a referral center. He added that the law must be applied fairly, impartially, and without ideological, political, or personal bias.

Dr. Steven Manuli of 111 William Drive explained that he is an internal medicine doctor and has been in Elizabeth City for ten years now. He said he finds it interesting to be in this type of setting again, as he remembers a very similar hearing held at the Courthouse three years ago when Vidant was interested in becoming the management partner for the hospital. He stated that a lot of the same arguments regarding why Albemarle Hospital should partner with a larger system were made at that time. Dr. Manuli said he would like to voice his concerns that those arguments have not been settled over the last three years by the current administration. He explained that he found over the last three years the hospital seems to have moved backwards. He stated that he looks at the hospital census frequently and has seen that there are now fewer patients in the hospital than there have been in the last ten years. He noted that the hospital was promised that additional physicians would be brought into the area to serve the people, but that has not happened. He said although the county population has grown since 2002, the number of primary care doctors is lower than it has ever been. The number of specialists and specialties represented have not increased since the Vidant management agreement became effective. Dr. Manuli stated they were also told that new equipment would be available and more services would be available to the population, but that has not happened either. He added that he was given a piece of good advice when he completed his residency and that was to not trust the hospital administrator. He said he thinks everyone can see why that is the case. He stated that conflict of interest is certainly a problem because the Vidant administration has suggested that the hospital undergo a request for proposals and turn the hospital over to a larger system, yet Vidant is probably going to be one of the primary hospitals to submit a proposal. He said he wonders why the hospital has taken such a big step backwards under Vidant's management, yet now may be asked to turn the hospital completely over to their management. Dr. Manuli encouraged the committee to consider the option of making the hospital independent again and changing this Task Force into a search committee for a new administrator who can run the hospital the way that benefits the community and has the community's best interests in mind.

Mr. Warren Green of 1295 Weeksville Road stated that he is a retired food scientist, having retired from the USDA Food Safety Inspection Service. He said he also had collateral duties with the USDA Epidemic Intelligence Service. He explained that cancer is the leading cause of deaths in North Carolina and it seems to be more concentrated in the northeastern portion of North Carolina. He said in his opinion a cancer center is needed at Albemarle to address the needs of the region. He stated that Mayo Clinic has a network that is looking to expand. The benefits to the hospital would be that it could maintain its autonomy, get the Mayo brand, receive help with anything that needs to be done, and receive some of its high end customers. Mr. Green said the Harbor of Hospitality is an ideal place in his opinion for somebody who needs cancer treatment to come and partake of the city's hospitality and services.

Ms. Nancy Easterday of 11 Trestles Court, Camden, North Carolina, explained that she is a registered nurse and a healthcare administrator and was a proud employee of Albemarle Hospital until last year when her 12-year battle with cancer overtook her. She said her focus went from being a healthcare administrator to a healthcare consumer. She stated that she has learned a lot in the past year about care, what is available at Albemarle Hospital and what is needed. She said she thinks one of the most important points with the RFP is the definition of care close to home. She explained there are all levels of care and when a person gets really sick they need very complex treatment that requires extremely expensive equipment. She said even with a partnership agreement Albemarle Hospital may not be able to have that equipment so a person who needs highly specialized care will still have to travel. She asked the boards to consider what that means as they look at those who submit proposals. Ms. Easterday said she has taken advantage of the care that is provided at Albemarle Hospital and she now travels sixty minutes for care that is not provided at Albemarle Hospital. She stated that close to home means quality, but she also believes access to the tertiary care within a reasonable distance is essential. She said another thing that is really important is the health information system and electronic medical records. She noted that she goes to the Sentara Healthcare System because the care she needed was not available in Elizabeth City. She stated that Sentara has electronic medical records that all of her six specialists can see. If she has a test, the test results are entered into the information system and all of her doctors can see it. Ms. Easterday said it truly makes a difference when her doctor is able to look at test results the same evening after she has a test and call her first thing the next morning. She stated for anyone who has ever experienced cancer and the fears that go

along with the diagnosis, they know how important it is to get quick test results. She said access to a health information system makes a very big difference in the quality of care that an individual receives. She added that third party payers will influence the RFP and what happens. She said the insurance companies have rules about who they will pay, when they will pay, and whether they will pay out of state if the hospital partners with someone from out of state. She noted that she has found barriers for herself in regard to insurance and has been trying to work through those. She requested that the task force consider the third party payers as they are looking at the request for proposals because it will be very important. She added that she appreciates this open process.

Dr. Paul Moncla of 205 Starboard Court explained that he is an OB-GYN doctor and is losing confidence in the County Commissioners' appointees to the Hospital Board. He said over the past two or three years many physicians have criticized the former Hospital CEO. He stated that these criticisms included the unfair practice of paying physicians to be on call; using hospital dollars to compete against community physicians; the loss of well respected physicians; poor physician satisfaction surveys which was a direct reflection on the former CEO; millions lost to Albemarle Physician Services; paying the CEO \$396,000 per year in 2009 while the nurses did not get raises or Christmas bonuses. Dr. Moncla said these criticisms have been taken to the Hospital Board numerous times and the response was always that the CEO was great and was worth every dollar of her salary, and then in the middle of the night she disappeared. He asked if Vidant was right or wrong and whether she deserved to go, or if the Hospital Board was right that she should stay here. Dr. Moncla asked if the Hospital Board cannot be trusted to manage the CEO and the CFO, how they can be trusted to navigate the hospital through the RFP process. He stated that he thinks the process should slow down, however if the process continues, there is one point he would like to bring out - Sentara wants to be here. The problem is that Sentara cannot come to North Carolina and build a new hospital. To do that would require a certificate of need from Raleigh which would be blocked by the larger hospitals in North Carolina such as Duke, UNC and Charlotte. Sentara could however buy a certificate of need that is already out there, namely Albemarle Hospital. Dr. Moncla said he is not saying the hospital should sell to Sentara, and all he is saying is that Albemarle is in a battleground between Vidant which is trying to monopolize Northeastern North Carolina, and Sentara which is trying to come into Northeastern North Carolina. He suggested if the RFP process goes through and it is between those two, the hospital should take them for all they are worth and get what it can from them because both hospitals want this badly. Dr. Moncla noted that a conflict of interest has been brought up several times. He said the Hospital Board itself needs to be looked at to make sure no one who is currently employed by the hospital is sitting on the Board. He stated if this is true, there might be a perception of a conflict of interest.

Chairman Griffin recognized Mr. Ernest Sutton of 1722 Edgewood Drive, a former Chairman of the Hospital Board, who said it is evident for anyone who has watched healthcare over the last five to seven years that there are a couple of things that are constant: that healthcare is in a constant mode of change; and that healthcare is a complex undertaking. Mr. Sutton said he would like to speak from a governance standpoint. He explained that the governance of a hospital is the track that healthcare runs on. He said throughout this process there are a couple of things that everyone needs to be mindful of. These include ensuring the process that is used to gather the data is untainted so that the information upon which decisions are made will be accurate. Mr. Sutton noted that if flawed information is received, flawed decisions will be made. He said another point he would like to make, whichever way it goes, is that Board selection is key and it should be made up of the skill sets necessary for the Board to be competent. He stated that one of the major components of that competence is culture competence so the community can be looked at from a broad base perspective and so the Board can make its decisions in a way that takes into consideration the healthcare needs of the community. He said because healthcare is so complicated, it is going to require an investment of time for those Board members who are selected so that they can understand and know what they are doing when they make decisions. He added that Board education is critical. Mr. Sutton stated that the final point he would like to make is that Board succession must be a major consideration as this process moves forward. He noted that he believes these points are critical because the community, the physicians, and the patients are depending on that governance process to work for them.

Dr. Rob Powell of 2082 Rivershore Road said he is an internist with Tarheel Internal Medicine and has worked in Elizabeth City for the last 36 years. He explained that he does not have an opinion about whether the hospital does or does not need to affiliate with a larger organization

and he is not sure the case has been made that it needs to be done. He said if it is done, he does not have a recommendation as to which organization should be selected. He stated that he does however have a couple of suggestions about how it might be approached. He said a firm commitment is needed from whoever the hospital chooses to affiliate with that they will recruit physicians, particularly primary care physicians because they are badly needed. He referred to an article that appeared in the newspaper recently that said forty percent of patients from this area get their primary care in Virginia. If a primary care patient goes to Virginia and the physician decides the patient needs a specialist, he will send the patient to one of his colleagues in Virginia, so Albemarle loses twice. Dr. Powell stated that part of the solution to improve the future of the hospital so it can continue to serve the community is to stop taking \$1.5 million a year out of the hospital for county purposes.

At the absence of further comments, Chairman Griffin thanked those who came out this evening to participate in the process. He asked how many in the audience are employees or doctors in the healthcare profession and about 50% raised their hands. He asked how many have received care at Albemarle Hospital and almost everyone raised their hands. He asked how many are leaving the area to receive healthcare and several raised their hands. Chairman Griffin explained that the seven members of the Board of Commissioners will do their best to ensure that the hospital is sustained in the manner in which the citizens of the county are accustomed. He said being associated with a larger healthcare facility will provide more opportunities. He stated that a number of hospitals have approached the hospital's attorney with requests to participate in the RFP process. He added that Mr. Twiddy has already mentioned a commitment to maintain Albemarle Hospital as a non-profit hospital in order to provide more community support and care for the seven counties that are dependent upon the hospital. He said the public is invited to communicate by phone or email with the six members of the RFP Task Force, the members of the Hospital Authority Board, and the members of the Board of Commissioners, as well as staff.


Mr. Twiddy stated that in answer to one comment that has been made tonight, the Hospital Authority does have independent counsel which is the reason it hired Mr. Joe Kahn to represent the Authority and the RFP Task Force. He said Mr. Kahn will be handling the RFP process and his office will send out the proposals and will receive the proposals. He explained that the Hospital Authority also has independent auditors, Dixon & Hughes, who will review all of the financial information when it is received from potential respondents. He said the comments received tonight will be taken back to the six member Task Force which will incorporate some of them into the RFP. Once the RFP is finalized, it will be sent to the Hospital Authority Board and the Board of Commissioners for their approval before it is sent out to the larger health systems to begin the RFP process.

Mr. Twiddy thanked everyone for coming out tonight to share their concerns at this first of two public hearings. He said both boards are adamant that transparency is of the utmost importance throughout this process.

The public hearing was declared closed. The next meeting of the RFP Task Force will be held on October 8 at 5:30 PM.

Motion was made by Cecil Perry, seconded by Jeff Dixon to adjourn the meeting.  
The motion carried and the meeting was adjourned at 7:10 PM.

  
CLERK TO THE BOARD

  
CHAIRMAN