

TEXAS HEALTHCARE TRUSTEES Trustee Bulletin

New THT Chair to Focus on Quality Care, Education and Advocacy

“To cure sometimes, to relieve often, to comfort always.”

The new Texas Healthcare Trustees Chairman Paxton H. Howard Jr., M.D., learned that motto in medical school and has made it a cornerstone of his practice and his board service. Now, he hopes to expand that dictum of service during his term as THT chairman, which begins Sept. 1.

Howard has served as a member of the Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation Board of Trustees for 19 years. After a term as president and CEO, he was elected lifetime governor. A board-certified internist, Howard has practiced at Scott and White Memorial Hospital in Temple since 1969.

Because of his four-decade medical practice, Howard knows first-hand how workforce issues can affect patient care. Education about these impending shortages is one of his top priorities. “Many health organizations are struggling with workforce issues, including critical shortages for nurses, pharmacy technicians and others,” said Howard. “My goal is to help

trustees understand the vital role that nurses, social workers, chaplains and other support staff have on patient satisfaction,” he explained.

“I have worked in hospitals for 40 years and am convinced patient satisfaction is determined by the quality of nursing and support-team care they receive. People on the nursing and support teams are the ones who make the difference in patient satisfaction, quality of care and patient safety in our hospitals. Education about this issue and how it relates to quality care will be a key component of trustee education this year,” Howard stated.

According to the Texas Hospital Association, the short-term situation for nursing and pharmacy staff is desperate. Some estimates indicate that in ten years the retired health care workforce will double again.

Additionally, advocacy and trustee education will be top focuses for Howard, who was born in Oklahoma, but moved to Texas as a child. “The first thing a new trustee needs to do is



Howard

contents

Ensuring Quality Care: The Board-Physician Partnership	2
The Changing Character of Medical Practice	3
Summer Forum Spotlights Top Issues	4
Texas Academy of Governance	5
A Site to See: THT's New Web Site	5
Texoma Medical Center Wins THA's Community Service Award	6
Going, Going, Gone: Silent Auction Attracts Bidders	6
Schodde Recognized for Exemplary Service	7
Hot Issues and Trends for Board Agendas	8
Trustees Learn the Ropes at Public Hospital Refresher	9
Walker Named THT President/CEO	9
Hughes Assumes New Role With THT	9
THT Introduces New Slate of Officers	10
THA Scores Legislative Victories	11

...continued on page 4

Trustee Bulletin

The *Trustee Bulletin* is produced by the Texas Healthcare Trustees in cooperation with the Texas Hospital Association.

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Ensuring Quality Care: The Board-Physician Partnership

When it comes to ensuring patient safety and quality of care, the board, the CEO and the medical staff are all partners. Yet, to work as an effective team, the board must learn how to engage physicians in the journey to clinical excellence and patient safety in terms to which they can best relate.

If you are using a sports analogy, hospitals are like a volleyball or a basketball team, said Joseph S. Bujak, M.D, FACP, vice president of medical affairs at Kootenai Medical Center in Coeur d'Alene, Idaho. "There is a collective culture where relationships and feelings are a priority. Everybody has a job to do, and contributions are made by working together as a team."

Conversely, he said, physicians have a different mind set. "Physicians can be likened to golfers in a golf game. As individual contributors, they view the best way to help the team as performing the best that they can. If you want improvement, give them golf lessons or better equipment."

Consequently, Bujak suggested the way to build good physician partnerships or affect change with physicians is by individual effort, not by consensus or group situations.

To ensure patient safety and quality care for your organization, Bujak suggested these guidelines:

- Understand the mind-set of "expert" cultures such as physicians. According to Bujak, physicians view their stature as consequent to their own performance. They make all decisions from a personal perspective and one decision at a time. Since physicians hold themselves accountable, they hold a mind-set that their decisions must be "perfect."

- Individual communication methods work best. Large group meetings are not the most effective way to communicate with the medical staff. Individual meetings are more conducive to an individual mind-set.

- Acknowledge data as directional information. For example, if a physician is presented with data that indicates his performance may be less than stellar, (e.g., more C-sections than the national average), he may try to discredit or justify the data (by stating that he takes care of more high-risk patients). To remedy the situation, enlist the physician's help. Ask what can you do to help him prevent having to perform so many C-sections, whether through patient education or by accommodating special requests as best you can. Identify the problem and work together to find a solution.

- Justify change from a physician's perspective. The fastest way to alienate a physician is to talk about cost, said Bujak. A physician's first concern is not to compromise good outcomes and patient safety. Instead, take care of the quality-of-care issues first. Make the progression from outcomes and safety by showing how they will not be compromised to efficiency and cost.

- Identify a champion. Strong physician leadership will help you achieve the outcomes you desire. Recognize and recruit respected innovators. Others will follow.

Bujak was a speaker at the THT Summer Forum Aug. 3 in Fort Worth.

The Changing Character of Medical Practice

The halls of medicine are changing dramatically. The new demographics will have far-reaching effects on the way medicine is practiced and the way physicians are recruited, according to experts, including Greg Eastin of Foresite Consulting, a research firm in Colleyville.

“There is a revolution taking place in medicine,” said Eastin. Today’s medical students are changing, and that will greatly affect the future physician population.”

The good news is that the supply of physicians in Texas has increased dramatically in the past few years and that trend will probably continue along the desirable Sunbelt, Eastin suggested. More physicians will be available and will be attracted to rural or near-rural areas. However, hospitals will have to recruit according to their changing demographics.

In today’s medical schools, there is more emphasis on primary care, more interest in employed positions, and a desire for fewer hours and a pre-

dictable schedule. There also are more female physicians.

The character of medical practice has changed as well, said Eastin. Managed care has significantly impacted physician practices, including:

- Reducing physician revenue;
- Increasing practice costs through requiring more information and justification; and
- Inhibiting the start-up of a new practice because of restrictive paperwork and resulting additional costs.

Managed care has forced physicians already in practice to re-evaluate how they practice. Ramifications have included:

- More paperwork;
- Capitation and other lower reimbursements, forcing physicians to see more patients; and
- Time spent in hospital meeting and rounds, reducing time for office activities.

As a result, many office-based primary care physicians are opting to refer their sickest patients to hospital-based physicians, or “hospitalists,” and/or designating one physi-

cian in the group to conduct rounds at the hospital on rotating days.

What the Future Holds

Eastin suggested physicians increasingly will want to practice in rural and near-rural environments to avoid the difficulties of dealing with managed care. With more freedom to practice and less managed care, rural lifestyles are becoming more attractive. These factors combined with low crime rates, less traffic and other urban problems will allow rural hospitals to actively compete with urban counterparts. In urban areas, more physicians are opting for group practices than ever before to help compensate for increased paperwork and demands of managed care.

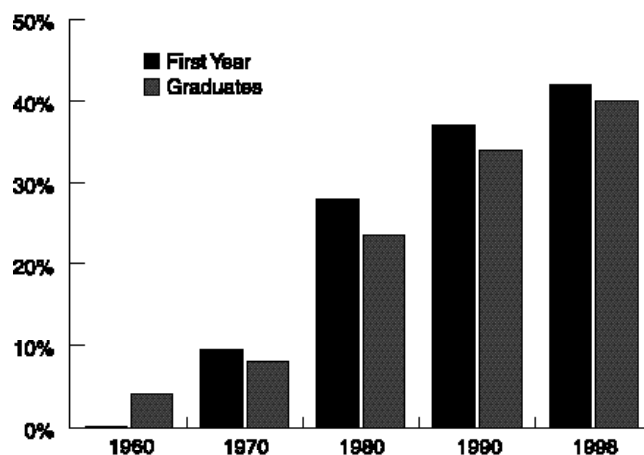
However, all organizations would do well to consider the top three future developments when recruiting for physicians:

- More female physicians.
- More salaried physicians and job-sharing FTE positions.
- More integration – physicians working with mid-level practitioners and alternative practices.

Eastin was a speaker at the THT Summer Forum Aug. 4 in Fort Worth.

Change in Gender, Female Enrollment and Graduates of U.S. Medical Schools 1960-1998

Almost 40 percent of all medical school graduates are female. The majority of these are aiming for primary care practices.



attend a THT orientation,” emphasized Howard. “Attending the forums and other educational events also are very important. Many, many issues face hospitals today. Trustees can get excellent help in learning how to govern from forums, reference materials from forum speakers and the THT publication, the *Trustee Bulletin*.”

He added, “We’ve gone through some very difficult times with budget and reimbursement cutbacks from federal programs. The voice of trustees helped us get some relief from the Balanced Budget Act of 1997, but the fight is going to continue, I believe. Trustees will play a pivotal role as advocates in Washington and Austin.”

As incoming THT chairman, Howard is looking forward to working with trustees across the state.

“From my involvement with my own board at Scott and White and with THT, I know trustees are public-spirited volunteers who give willingly of their time and expertise. They are leaders in their communities and interested in the best service to those communities.”

Howard was raised in Midland, Texas, in the same house as President George W. Bush, whose parents bought the home after the Howards moved. It is now undergoing a transformation to a museum and federal landmark as President Bush’s childhood home.

Inspired by a high school biology teacher to pursue medicine, Howard graduated from The University of Texas at Austin and Baylor University College of Medicine in Houston. He completed his internal medicine training at Parkland

Hospital in Dallas and the Mayo Clinic in Rochester, Minn.

He and his wife, Carolyn, have been married for 42 years and live in Temple. Their daughter, Barbara, lives in Dallas and is a nurse with the Baylor system.

After 33 years as an internist at Scott and White, Howard plans to retire from practicing medicine at the end of this year. “I’ve been saying good-bye to my patients and have found it gratifying that they are so appreciative of the service they’ve been provided. As trustees, we tend to measure success in terms of dollars and the bottom line, but it’s harder to judge patient satisfaction and outcomes. If you get a sense that you are providing high-quality care and helping people, that’s really the goal that we all are seeking,” he said.

Summer Forum Spotlights Top Issues

The stakes are high, and the responsibility is difficult. Health care trustees have been entrusted by their communities to safeguard their most valuable resource – the health of their citizens.

Yet, health care is transforming at a revolutionary speed. New technologies are changing the way health care is delivered, paid for, regulated and used. Are Texas hospitals keeping up? What can trustees expect next? Through the Texas Healthcare Trustees, trustee leaders learned answers to these questions and much more, including how to best lead their organizations into the future.

More than 200 health care trustees, administrators and physicians attended the Texas Healthcare Trustees Summer Forum Aug. 3-4 in Fort Worth. With trustees facing critical issues as never before, the theme of the forum, aptly, was “Trustees with True Grit.”



Future trends, quality care, compliance program oversight and legislative changes were on the agenda, and hospital and health system board members explored trustee leadership, board and CEO performance appraisal; the board-physician partnership; the Health Insurance Portability and Accountability Act; the Emergency Medical Treatment and Active Labor Act; and other governance issues.

For more information on forum sessions, please see related stories in this and subsequent issues of the *Trustee Bulletin*.

Texas Academy of Governance

The Texas
Healthcare
Trustees

Foundation has initiated the Texas Academy of Governance to strengthen the leadership skills of Texas trustees. This revolutionary program is dedicated to promoting and recognizing excellence in health care governance.

The Texas Academy of Governance is a unique statewide initiative to encourage, recognize and reward best standards of health care governance throughout the state.

The Academy only recognizes hospitals, health systems and trustees that participate in ongoing education and training to ensure core governance competencies. Academy recognition indicates a commitment to excellence in governance for hospitals, health systems and their governing board members.

Who Is Eligible for Recognition?

Texas hospitals and health systems and Texas governing board members of hospitals, health systems and foundation boards are eligible for recognition by the Texas Academy of Governance.

To be considered, hospitals and health systems or individual trustees must complete an Academy



application showing demonstrated commitment to standards and guidelines set by the Texas Academy of Governance. Standards include:

Hospitals and Health Systems

- Commitment to Board Education
- Community Accountability
- Board and CEO Performance Evaluation
- Commitment to Quality and Patient Safety
- Commitment to Compliance
- Established Planning Process

Trustees

- Commitment to Hospital and Community
- Fiduciary Duties of Care, Loyalty and Obedience
- Educational Development
- Adherence to Conflict-of-Interest Policies
- Self, Board and CEO Performance Evaluation
- Board Meeting Preparation

No other program in the nation is dedicated to recognizing and promoting excellence in health care governance. Most importantly, the Academy's mission is to strengthen the leadership skills and knowledge of health care trustees – those entrusted with the very core of our communities' health.

For more information or an application (available after Sept. 1), contact Mary Walker, RN, Ph.D., FAAN, president/CEO of the Texas Healthcare Trustees Foundation, at 512/465-1051 or, in Texas, 800/252-9403.

A Site to See...

The Texas Healthcare Trustees' Web site officially will make its debut in early fall. Offering a wealth of information for Texas trustees, the Web address is **www.THT.org**. Log on. In seconds, you'll find important education news, advocacy information and governance resources via the Internet. Look to the Web site for the latest information on health care governance.

Going, Going, Gone: Silent Auction Attracts Bidders

Lively bidding and good-natured ribbing took center stage as trustees participated in the fourth annual silent auction hosted by the Texas Healthcare Trustees Foundation. The silent auction was held in August in conjunction with the Texas Healthcare Trustees Summer Forum in Austin and raised more than \$5,000. Back by popular demand, the auction featured a wide array of eclectic items.

From the exciting live action of sporting events to relaxing weekend getaways, the auction showcased treats for every taste. Benefiting the THT Foundation, the auction included Texas Rangers' baseball tickets, bed-and-breakfast stays, Brighton accessories, art, tools and gourmet gift baskets.

Browsers and bidders had a chance to view auction items on display during the Friday evening reception and on Saturday before the first morning session. Winners were announced Saturday.

For the fourth time, Noble Allen served as the silent auction committee chair. The THT Foundation thanks all the bidders, those who donated items and those who helped with the auction. Due to the popularity of this event, look for it again at next year's Summer Forum!

Texoma Medical Center Wins THA's Community Service Award

Texoma Medical Center in Denison is the recipient of the Texas Hospital Association's 2001 Excellence in Community Service Award. The award was presented to hospital representatives at THA's Annual Conference and Expo in Austin in June. The hospital was recognized for its Community Health Center, which has provided a desperately needed lifeline for the uninsured.

The TMC Community Health Center provides primary care and a number of other health care and social services to the medically underserved in Grayson County, along the Texas-Oklahoma border. The unique collaboration begun by the Texoma Healthcare System – a private, not-for-profit hospital – county health officials and community leaders, has made a measurable difference in the health of some 4,000 patients in the Denison area since December 1997.

The center provides routine medical care for people of all ages. Services include physical exams, basic lab testing, educational seminars and counseling, sick care and a minor injury clinic. The center also provides health screenings,

women's health services, a program for patients who need free or low-cost medications, and assistance for patients who need social services. In addition, local physicians volunteer their time and sponsor specialty clinics.

THA's Excellence in Community Service Award was created in 1995 to honor hospitals and health systems that have distinguished themselves through contributions to their community.



Representatives from Texoma Medical Center's Community Health Center, THA's 2001 Community Service Award winner.

Schodde Recognized for Exemplary Service

*“Tell me what I can do to help,” or
“What do you need me to do?”*

Those are the standard responses given by long-time health care leader H.D. “Hank” Schodde, whenever a request comes his way, though his busy schedule as chairman of the board of Presbyterian Hospital of Dallas and trustee of its parent organization, Texas Health System, leave him precious little free time. For his outstanding governance and unselfish service, Schodde has been named recipient of the Texas Healthcare Trustees’ highest honor, the Founders’ Award, for 2001.

For 30 years, Schodde has held a steadfast commitment to community service and given unflinching of his time and energy to improving the health of the people in his community. Active in the highest echelons in the business community, health care governance and civic organizations, Schodde is an active but humble man. A multitude of requests come his way, but, according to Mark H. Merrill, president of Presbyterian Hospital of Dallas, Schodde always finds a way to help.

This unflinching support and personal commitment set him apart from others. “There are few leaders who are always there when the bell rings and when they are needed for service,” said Jerry Farrington, chairman of the Texas Health Resources Board of Trustees. “I have never known a more dedicated, loyal, attentive trustee than Hank. He gives tirelessly of himself.”

Schodde’s steady, capable hand guided his organization through a significant merger when such affiliations were not so common. “Hank was instrumental in bringing together Presbyterian Healthcare System, Harris Methodist Health System and Arlington Memorial Hospital to form THR,” said Douglas D. Hawthorne, president/CEO of THR. “He has been instrumental in the oversight of performance improvement, quality, risk management and other critical areas for the system’s operating entities.” During his tenure, Presbyterian Hospital of Dallas experienced significant growth in patient volume, initiated several expansion projects and exceeded financial targets for four of five years.



THT’s 2001 Founders’ Award recipient H.D. “Hank” Schodde (center) and (from left) John R. Ferguson III, board member of Presbyterian Hospital of Dallas; Steve Mason, chief operating officer with Texas Health Resources in Arlington; Mark Merrill, president of Presbyterian Hospital of Dallas; and W. Dennis Stripling, M.D., president of the medical staff at Presbyterian Hospital of Dallas.

According to his peers, he not only excels in understanding the operations side, but has great interest in people and their well-being. Schodde fostered this spirit of collaboration to create one of the best relationships with a medical staff in the state. That effort greatly contributed to Presbyterian Hospital of Dallas’ success, said Merrill.

Schodde joined THT in 1991 and served as president from 1997-98. He continues to serve with distinction on the boards of both THT and the THT Foundation, providing invaluable counsel and service to both organizations.

Schodde and his wife, Mary Ellen, have two daughters and four grandchildren. Husband, father, Navy veteran, cattle rancher and telecommunications executive, Schodde has worn many hats and long been a leader in the business world and his community. Yet, nowhere are his accomplishments more evident than his steadfast commitment to community service. Involved in health care governance for more than 30 years, Schodde has set the bar for dedication and commitment. Said Hawthorne, “People like Hank Schodde just don’t come along every day.”

Hot Issues and Trends for Board Agendas

“The first job of a leader is to define reality.” – Max Depree, *Leadership is an Art*

In 1988, a set of the Encyclopedia Britannica cost \$1,299. A mere seven years later, the same information via a CD-Rom could be purchased for \$159. This striking example graphically demonstrates why hospitals cannot “do business as usual” in the face of dramatic change.

From Montgomery Ward to railroads, IBM to Firestone Tire Co., the road of industry is littered with successful companies that have stumbled in changing times. How can you make sure your hospital or health system won't be next?

“The reason for many organizations' failure is that they did not successfully handle dramatic change,” said Barry Bader, president of Bader & Associates, Potomac, Md. Bader was a keynote speaker at the Texas Healthcare Trustees Summer Forum Aug. 3 in Fort Worth.

He suggested this important lesson is key today because health care is transforming at a revolutionary speed. “New technologies are changing the way health care is delivered, paid for, regulated and used. Hospitals and health systems can avoid missteps by taking a “big picture” look and envisioning the future,” he said.

Two major innovations are changing the dynamics of health care significantly. Patients now have direct access to information about health and health care providers and more choices than ever. With more than 57 million people going online last year to look up health information via the Web, patients are no longer relying exclusively on their physicians for medical knowledge. Patients are making their own choices and designing systems

that include alternative caregivers, geographically distributed diagnostic centers, drug therapies and self-care options that best fit their needs.

Four Transformations in Health Care

New challenges continue to emerge for trustees and the hospitals they govern. Four major trends that affect the health care marketplace include:

Economics. A number of economic factors are affecting health care. The costs of medical benefits are rising at rates not seen since the early 1990s. Health care premiums are increasing at rates of 8-12 percent a year. In addition, prescription drugs now account for \$1 out of every \$10 spent on health care. Increasingly, consumers are demanding specific drugs such as Viagra and Claritin as pharmaceutical companies now are marketing directly to consumers.

Structures and People. A major shift in insurance coverage occurred in the late 1980s and 1990s. Managed care now dominates the market, while indemnity insurance was the most popular choice only ten years ago. According to Bader, managed care affects all facilities, whether rural or urban, because of a trickle-down effect of cost-conscious, conservative delivery of health care. While frustrated patients have caused a backlash against managed care, Bader suggested HMOs are “regrouping.” Patients are looking for more choices and increasingly choosing preferred provider organization and point-of-service models. Health plans will offer more choice and fewer hassles, but the trade-off results in higher premiums, co-pays and deductibles.

Technology. The Health Insurance Portability and Accountability Act will pave the way for more electronic

transactions, but implementation will be costly. And, reducing paperwork burdens will emerge as a priority, said Bader. Physicians, nurses and other hospital staff on average now spend at least 30 minutes on paperwork for every hour of patient care provided to a typical Medicare patient.

Hospital-owned physician practices were not successful in many cases, and the practices were spun off, creating ill will between physicians and hospitals. With a shift away from inpatient settings for many procedures, many hospitals are finding themselves in competition with their former allies for ambulatory surgery centers, diagnostic imaging locations, physical therapy sites, cancer care centers and other procedure-driven facilities.

Customers. A serious emerging problem that affects customers is the shortage of nurses, pharmacists and other technicians. Not a short-term problem, this issue impacts quality care and customer service. Hospitals will have to develop strategies to deal with these serious shortages.

Additionally, an aging and chronically ill population is increasingly driving consumer demands. To be successful, hospitals will need to focus on disease prevention.

Today's consumers are more diverse, educated, assertive and mobile. They are interested in health and expect a long, high-quality life.

Sustaining Innovations

Powerful changes are affecting all aspects of care, concluded Bader. Board members will need to provide informed and effective leadership. They will not fight changes, he emphasized, but embrace them. Hospitals and health systems that are leaders and pioneers in embracing and envisioning change will be successful – now and in the future.

Trustees Learn the Ropes at Public Hospital Refresher

Not so very long ago, few would have predicted the immense changes that have taken place in health care. Not only are trustees dealing with rapidly evolving technology and its associated ethical questions, but also the everyday nuts and bolts needed to oversee hospitals and health systems.

These challenges can be especially complex for public hospital board members, who face additional regulations and specific requirements of the Texas Open Meetings and Texas Public Information laws.

Texas public hospital trustees gained insight into many of the concerns that they face today at the annual Public Hospital Refresher for Veteran Trustees Aug. 2 at the Worthington Hotel in Fort Worth. Hosted by the Texas Healthcare Trustees and the Texas Organization of Rural and Community Hospitals, the refresher was held in conjunction with the 2001 THT Summer Forum.

Noted health care expert and board member Kevin Reed, J.D., shareholder of Davis & Wilkerson, P.C., in Austin, led the session. He was assisted by Fletcher Brown, J.D., also of Davis & Wilkerson; Bill Parrish, president of Parrish, Moody & Fikes in Waco; and Steve Wohleb, J.D., director of legal and litigation services with the SETON Healthcare Network in Austin.

"Public hospital governance is distinguished from non-profit hospital governance by a number of very specific differences," explained Reed. Primary among these are

the requirements of the Texas Open Meetings and Texas Public Information laws, issues relating to bidding, nepotism, public funds, liability and the future of public hospitals.

All public hospitals are subject to the provisions of the Texas Open Meetings and Texas Public Information Acts. These acts provide for and govern the public's right of access to the affairs of the governmental entities, including hospitals, that serve them.

"To rule is easy, to govern is difficult."

– Goethe

More than 70 public hospital trustees learned about the changes in their responsibilities and legal duties in light of legislative actions. In addition, an advanced examination of the challenges facing Texas hospitals in the future was presented. Speakers discussed implications of the Balanced Budget Act, the Health Insurance Portability and Accountability Act, Stark II, tobacco funds and telemedicine issues. Other financial and reimbursement topics were reviewed including critical access hospital reimbursement, the wage index, Medicare geographic reclassification, APCs, and spending and investing public money.

Walker Named THT President/CEO

Last fall, the Texas Healthcare Trustees Executive Committee unanimously voted to reorganize and named Mary Walker as president/CEO. Walker has served as THT executive director since 1992.

Under the reorganization, the THT Executive Committee was restructured as the Board of Directors with subsequent leaders serving as chairs. "The change more accurately reflects the business nature of our organization and our strategic direction," said Tere Lawrence, current THT chairman. "It also is more reflective of the way our hospitals are structured and the way they do business," he added.

Walker serves dual roles as president/CEO of the Texas Healthcare Trustees and executive director of the Texas Healthcare Trustees Foundation. She is long-time advocate of effective governance and community health. A Fellow of the American Academy of Nursing, Walker serves on the statewide coalition of the Texas

Alliance for Healthier Communities. She is a past president of the Rural Health Association and former director of Health Care Options for Rural Communities. A noted lecturer and author, Walker has taught at The University of Texas at Austin, Texas A&M University and other colleges in Idaho and Wisconsin. Walker also has served as a consultant for many health-related organizations and has clinical experience as a head nurse and in staff nurse positions.

Hughes Assumes New Role With THT

Merry Hughes, Texas Healthcare Trustees executive associate since July 2000, has been promoted to manager of trustee relations. Hughes has an extensive background in the medical field and served more than 13 years as executive secretary and medical staff credentialing associate for the administrator of Huntsville Memorial Hospital. Prior to joining THT, Hughes worked for the Texas Hospital Association's Analysis and Operations Department.

THT Introduces New Slate of Officers

Newly elected officers and members of the Texas Healthcare Trustees Board of Directors recently were installed at the THT Annual Meeting in Fort Worth. The THT Board of Directors consists of the chairman, chairman-elect, secretary and treasurer; eight district representatives; and four at-large members. The 2001 election was conducted by mail ballot in July. THT members elected officers; representatives of Districts I, III and V; and two at-large members.

THT's 2001-02 Executive Committee officers include:

CHAIRMAN

Paxton H. Howard Jr., M.D., has served as a member of the Scott and White Memorial Hospital and Scott, Sherwood and Brindley Foundation Board of Trustees for 19 years. After a term as president and CEO, he was elected lifetime governor. A board-certified internist, he has practiced at Scott and White Memorial Hospital in Temple since 1969. He is the medical director of the Executive Health Program at Scott and White Clinic. He also is a professor of internal medicine and humanities in medicine at Texas A&M University College of Medicine. Howard has served as a board member for the Institute for the Humanities in Salado and Temple College.

CHAIRMAN-ELECT

W.W. "Bill" Aston serves as chairman of Baylor University Medical Center. With a long record of community service and achievement, he has served as chairman of the board of the national, state, regional and local levels of the American Heart Association and is

a past chairman of the board of the American Red Cross in Dallas. In addition, Aston has served on the boards for Southern Methodist University, Baylor University in Waco, the Better Business Bureau, Children's Medical Foundation of Texas, the Dallas Chamber of Commerce and the Cotton Bowl Council. He has been honored as a distinguished alumni by Southern Methodist University, his alma mater. Aston also has received recognition for community service by Rotary International, the U.S. Department of the Treasury, and the National Conference of Christians and Jews. For 40 years, Aston performed various assignments for Dallas Power & Light Company, retiring in 1986 as chairman.

TREASURER

Henderson Garrett retired from Metroplex Health System after holding an executive position for 20 years, and continues to serve the system as a board member. Garrett is secretary of the board of directors and chairman of the board of Metroplex Management, Inc., the corporation that oversees the operations of Metroplex Urgent Care Center. As Metroplex's vice president of operations from 1973-93, Garrett helped oversee significant changes to the system which included growth from 35 to 213 beds, an increase in the medical staff from six physicians to more than 80; and an increase in hospital staff from 125 to more than 800. Garrett also managed a \$4.8 million hospital expansion, completed in 1995. He serves on the board of the United Way Greater Fort Hood Area and is chair of its Finance Committee. Garrett, a native Texan from Fairfield, received his undergraduate degree and was commissioned a second lieutenant in the Army from Prairie View A&M. He served for 20 years in the

military, retiring as a lieutenant colonel in 1972. Garrett is active in civic and community affairs for the City of Killeen.

DISTRICT I

Helen Etter Holt serves as president of the Hansford Hospital District Board of Trustees and was previously vice president for four years. A resident of Spearman since the '30s dust bowl days, Holt was honored as Spearman's "Citizen of the Year" in 1998. She currently serves on the city's zoning board and formerly served as president and board member of the Panhandle Planning Commission. Etter was instrumental in organizing the first girl scouting organization in Spearman and is a charter member of Beta Sigma Phi.

DISTRICT III

Wesley E. Lepard serves as chairman of Valley Baptist Medical Center in Harlingen and has been a board member since 1994. He is an engineer with extensive experience in environmental protection and hazardous waste handling. For the last nine years, he has been president/CEO of an international corporation that provides start-up and sheltered administrative services for manufacturers locating operations in Mexico. Lepard is a graduate of Mississippi State University.

DISTRICT V

Harold D. Samuels, a former mayor and city councilman of Euless, is the current chairman of JPS Health Network in Fort Worth. He is president of Samuels & Associates, a manufacturers' representative firm in Euless. Long active in civic and political affairs, Samuels has served as a member of the Mayor's Advisory Committee to the Governor of Texas and the Civil Service Commission and

Industrial Development Board in Eules. He served as mayor of Eules for 18 years.

DISTRICT VII

Wade Ridley serves on the board of trustees of East Texas Medical Center Hospital in Tyler. In addition, he is the current chair of the East Texas Medical Center Foundation. A certified petroleum geologist, he is president of Ridley Oil Corporation, an independent geological firm engaged in the exploration and production of oil and gas. Ridley received undergraduate and graduate degrees in geology from The University of Texas at Austin. He has long been active in Tyler civic and community affairs, including serving as president of the Tyler Chamber of Commerce and chairman of the Airport Advisory Board. Ridley also served on the Texas Hospital Association Blue Ribbon Committee on Health Care Reform.

MEMBER-AT-LARGE

Sr. Pat Elder is recognized for her service to two health care boards in Texas. She is board chair of the

SETON Healthcare Network in Austin and board chair of Providence Health Center in Waco, both affiliated with the Daughters of Charity National Health System. A certified nurse midwife, Elder has extensive clinical and teaching experience service in diverse geographic locales from El Paso to Ecuador. For the past eight years, she has served in administrative positions. Celebrating more than 50 years as a Daughter of Charity, Elder has been named Who's Who in American Nursing four times.

TO COMPLETE TERMS IN 2002

District II: **Judy Hayes**, Medical Center Hospital, Odessa

District IV: **John M. Zerwas, M.D.**, Memorial Hermann Healthcare System, Houston

District VI: **Buddie F. Rivers**, Wilbarger General Hospital, Vernon

District VIII: **Peggy Y. Allison**, Methodist Healthcare System, San Antonio

MEMBERS-AT-LARGE

Denzer Burke, D.D.S., CHRISTUS St. Michael Health Care Center, Texarkana
Ronald J. Epps, D.V.M., Harris Methodist HEB, Bedford

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THA Scores Legislative Victories

Although redistricting was expected to dominate the 77th Texas Legislature, which ended May 28, instead budget concerns drove legislative action. Despite an anticipated \$5.1 billion surplus when lawmakers convened in January, the money quickly disappeared as legislators faced a \$700 million shortfall for the 2000-01 biennium, and the challenge of funding existing state services at current levels for an expanded population for the 2002-03 biennium.

Although the Texas House of Representatives approved a redistricting plan, the Senate could not agree on a map, and reapportionment of state and Congressional legislative districts went to a special committee of state leaders, and ultimately, is expected to be decided by the courts.

The Texas Hospital Association achieved success on numerous policy priority issues – resulting in

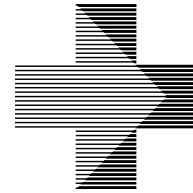
some big wins for health care. In a year when money was tight, THA secured almost three times more in Medicaid hospital outpatient funding as it did in 1999 when lawmakers had a large budget surplus. In addition, THA scored victories with Medicaid simplification and expansion of nursing education capacity. THA also secured passage of legislation strengthening the existing prompt payment of clean claims statute and modifying the Medicaid managed care program, but the governor vetoed these bills.

Legislators filed 5,712 bills, and passed 1,620 bills; of these, 82 were vetoed by the governor. While some of the bills became law almost immediately, most are effective Sept. 1, 2001.

Copies of bills may be obtained on the Internet at www.capitol.state.tx.us, or by contacting THA Legal Services at 512/465-1030. For questions regarding compliance with any new law, your facility's legal counsel should be consulted.

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