

Kootenai Health Board of Trustees Candidate Questionnaire

Kootenai Hospital District dba Kootenai Health is committed to transparency and accountability. This questionnaire was developed by the Board to ensure voters have the information needed to make an informed decision. Completion of this questionnaire is a requirement. Responses will be posted on the Kootenai Health web site. Please return the fully completed questionnaire to Kootenai Health by email to Michela Seth at mseth@kh.org. If you would like to have a photograph of yourself posted on the Kootenai Health web site also, please email a .jpeg or .pdf to mseth@kh.org with your completed questionnaire.

Your Full Name: _____ Steven D. Matheson _____

1. Please list the high school and all colleges/universities you have attended. For higher education, please describe your area of study and the degree you received, if any.

ANSWER:

Central Washington University; Bachelor of Science, majors in Accounting and Business Administration with emphasis in Finance

University of Virginia Darden School of Business, Executive Leadership Program

Lake Washington High, Kirkland, WA; diploma

2. Please identify your current employers and all employers over the past 5 years.

ANSWER:

Kootenai County
Steven Douglas, LLC

3. Do you hold, or have you ever held, a publically elected or appointed position? If yes, please describe.

ANSWER:

Yes, Kootenai County Treasurer, ex-officio Tax Collector, ex-officio Public Administrator

4. Have you, or one of your family members, ever worked for Kootenai Health? If so, please describe.

ANSWER:

No.

5. Why are you interested in becoming a Trustee of Kootenai Health?

ANSWER:

My financial expertise would complement the composition of the board by adding a skill set notably absent at this time - one with prior experience in managing large, financially complicated institutions. The Board's recent, unanimous decision to appoint a retired banker while simultaneously extending the appointed Trustee term from two to six years indicates that such experience is valued and would be an asset.

As Trustee, I will work towards:

- 1.) Strengthening the balance sheet. The pandemic has understandably weakened the hospital's financial position and increased concerns regarding long-term viability. This conversation is not news to our community as demonstrated by the recent need to convince the City of Coeur d' Alene to sponsor urban renewal tax increment financing to help facilitate infrastructure improvements near and around the hospital campus.
- 2.) Improving corporate governance: I believe the Board has lost sight of its oversight role and has become complacent. A few examples:
 - a. Wrong focus: Changing the Board's decision-making prism from "what's best for the Kootenai Health" to "what's best for the community". Some examples:
 - i. Dominating medical services, eliminating competition and creating pricing monopolies.
 - ii. Recently approving a vision statement to: "One connected team boldly transforming the healthcare experience to become a premier medical destination".
 - b. A questionable, recently placed full-page advertisements in the local paper touting the accomplishments of (incumbent) Trustees for several weeks leading up to the Trustee candidate filing deadline.
 - c. A small but concerning misstep of the Board believing they can **require** all candidates to complete this questionnaire. The Board can and should mandate conduct of Trustees once elected but should refrain from creating new election requirements. Election laws are under the domain of the Idaho legislature. I truly hope this small indiscretion does not taint the positive example the Hospital is providing by facilitating a much needed, centralized resource for voters. I hope other taxing districts will emulate this approach.
- 3.) Beginning an open and frank discussion of what Kootenai Health did well during the COVID-19 pandemic and an honest assessment in areas needing improvement.

- 4.) Challenging the Board's long-held preference of collegiality and consensus over respectful debate.

Please understand, these criticisms are not directed at CEO Jon Ness or his management team, nor are they directed at any single Trustee. I have been fortunate to meet Jon Ness, some of his management team and most of the current Trustees. Without exception, they are bright, dedicated and want nothing more than a strong, vibrant community hospital. Exactly what I want as well. My criticisms are emphasizing the lack of financial and governance expertise of the Board as a whole.

6. Please describe your prior leadership experience.

ANSWER:

Treasurer, Kootenai County
Executive Director and Managing Director, JPMorgan
Vice President and Chief Risk Officer, Bank One, NA

7. Please state whether you currently serve on, or have previously served on, a board. If so, please identify the company or group, dates served and board responsibilities.

ANSWER:

None.

8. Do you have any experience in finance, accounting, business operations or health care? If so, please explain.

ANSWER:

- Financial, regulatory and credit risk oversight of a \$40 billion investment and derivative portfolio.
- Managing Kootenai County's \$150 million treasury.
- Collection, care and distribution of \$200 million in annual property tax revenue to over 50 taxing districts and urban renewal agencies.
- Audit oversight of \$2 billion fixed income portfolio.
- Risk management advisory for hundreds of US companies equal to or larger than Kootenai Health.
- Series 7 & 63 Certifications, Financial Industry Regulatory Authority (FINRA) August 1999 through June 2004.

- Managing Principal of registered municipal advisory firm (voluntary withdrew registration after being elected as Kootenai County Treasurer).
- Certified Public Accountant, WA: September 1991 through September 1996

9. Please describe any thoughts you have on improving access to health care in our community.

ANSWER:

Continued financial stability of Kootenai Health. Although not directly related, as Trustee I would appreciate an "Immersion Day" (and eventually offered to legislators, editors and mayors). This experience would provide invaluable insight of the operating room, intensive care units, behavior health units and emergency department while crystalizing the unique challenges facing a community-owned hospital providing a comprehensive health care delivery system.

10. Please describe any additional health care services you feel our community needs?

ANSWER:

None.

11. Do you see any challenges with completing a 6 year term as a Trustee and attending monthly meetings to transact hospital district business?

ANSWER:

No.

12. Are you employed by, have an ownership interest in, or hold a leadership position in a hospital, ambulatory surgery center or health system? If yes, please explain.

ANSWER:

No.

13. Do you have any other commitments or relationships that may conflict or interfere with acting in the best interests of the hospital district? If yes, please explain.

ANSWER:

No.

I obtained a legal opinion and feel confident no legal conflict exists with me serving both as the Kootenai County Treasurer and as a volunteer hospital Trustee. In fact, many states and local jurisdictions require the county treasurer to serve on the community hospital board and/or require hospital funds to flow through the county treasury.