

# Bartlett Regional Hospital

**BOARD OF DIRECTORS  
February 3, 2009  
Robert F. Valliant Center Boardroom  
Minutes**

## **CALL TO ORDER**

Kristen Bomengen called the meeting to order at 5:06 p.m.

### **Present**

Kristen Bomengen  
Reed Reynolds  
Kevin Sullivan

Lennie Gorsuch  
Dr. Alex Malter

### **Absent**

Loren Jones  
Dr. Nate Peimann

Linda Thomas  
Bob Wysocki

### **Others Present**

Shawn Morrow, CEO  
Debbi Lehner, COO  
Toni Petrie, Executive Assistant

Garth Hamblin, CFO  
John Raster, M.D.

## **ROLL CALL**

**PUBLIC PARTICIPATION** – None

**APPROVALS OF MINUTES** – Lennie Gorsuch made a motion to approve the January 30<sup>th</sup> minutes as presented. Motion Passed unanimously.

**CEO MONTHLY REPORT** (Shawn Morrow) (Information Sharing)

### **Strategic Initiatives**

#### **Patient Satisfaction/Clinical Quality**

- The Medical Staff Committee has finalized its recommendations for changes to the committee structure. We have posted 1 ½ FTE's to support the Quality structure.

- The Interim Director of Quality has made some recommendations on staffing/organizational structure for the quality department. The Senior Leadership team has taken these into consideration and will implement changes in the near future.

### **Cultural Transformation**

- The compensation and benefits review has commenced.
- We have 5 travelers working at BRH. Efforts to get this to zero are ongoing.

### **Financial Strength**

- Net income for December was \$921,326. Net operating margin year to date is 8.23%.
- We continue to work on reaching targets for overtime, travelers, and productivity. There is incremental progress, though flexing staffing levels down with census and/or building consistent new sources of revenue remain at the core of the challenge.

### **Service Line Expansion**

- A presentation is scheduled by Fairbanks Memorial Hospital for February 17<sup>th</sup> from 5:30pm – 6:30pm regarding the success of their Cath Lab. The presentation is targeted as an overview for Board and Medical Staff. Hopefully we can schedule the Finance Committee either earlier or later. Dr. Latham (Cardiologist) and Karl Sanford (Associate Administrator) will be the presenters. I anticipate having a proposal for feasibility study services for the board to consider in March.

### **Medical Staff Development**

- Pending board approval of the contract Dr. Abbate, Endocrinologist, will come to Juneau once per month starting in February.
- The Recruitment Committee met in January to review recruitment needs for 2009. An update will be given at the next Board and Medical Staff Meetings.

### **Community Engagement**

- We continue to work/serve on various councils and boards and have representation in civic clubs around the community.
- The annual report at fiscal year end will include an overview of community involvement initiatives in which we have been involved.

### **Key Vacancies**

Quality/Risk Manager: Interim Manager has extended to April 1<sup>st</sup>. The search stalled during the holidays. We are hopeful that it will pick up some steam going forward.

### **QHR Activity**

- CEO/CFO Monthly Operating Review. This meeting consists of a review on contract obligations, operating indicators, strategic priorities. The purpose of the review is to ensure QHR is matching its resources with our needs.
- Off-site Operating Consistency Review. This is an audit conducted by the QHR Corporate office to ensure management is consistently applying QHR best practices of management. This will occur in February.
- There have been telephone calls and emails concerning education, benchmark data reports, reimbursement/legislative advisories, federal grant advisories, strategic trends, and compliance issues.
- The Joint Commission Mock Survey will not occur until May. In the event the Joint Commission comes prior to that date we will use the Mock Survey as a follow up tool to ensure we have adequately corrected any deficiencies.
- John Johnson, QHR has moved into another position and David Cecero will be his interim replacement.

**Medical Staff Report** – Dr. Raster reports;

**NEW APPOINTMENTS TO THE MEDICAL STAFF:** None

**REAPPOINTMENTS TO THE MEDICAL STAFF:**

<u>Name</u>	<u>Category</u>	<u>Privileges In</u>
1. <b>Christine S. Blackgoat, RN</b>	<b>AHP</b>	<b>Case Management</b>

Ms Christine S. Blackgoat graduated from Trinity University in San Antonio, TX in 1987. Ms Blackgoat is a nurse case manager for S.E.A.R.H.C. - Contract Health Case Manager.

2. <b>Nancy H. Bozarth, RN</b>	<b>AHP</b>	<b>Surgical Assist</b>
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Ms. Nancy H. Bozarth graduated from Eastern Washington University in Cheney, WA 1983. Ms. Bozarth is a nurse for Bozarth Orthopedic Spine Surgery.

3. <b>Janna L. Brewster, ANP</b>	<b>AHP</b>	<b>Outpatient Radiology, Laboratory, and Physical Therapy</b>
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Ms. Janna L. Brewster graduated from the University of Vermont - Burlington in 2005. Ms. Brewster is an advanced nurse practitioner for Alaska In Home Medical Services.

4. <b>Melissa K. Menge, DSA</b>	<b>AHP</b>	<b>Dental Surgical Assist</b>
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Ms. Melissa K. Menge received her certification with California Association of Oral and Maxillofacial Surgeons in the fall of 2007. Ms. Menge is a dental assistant for S.E.A.R.H.C. – Dental in Juneau.



**CHART REVIEW:** None

**REQUEST FOR CHANGE OF STAFF STATUS:** None

**LOCUM TENENS:** None

**LEAVE OF ABSENCE:** None

**MEDICAL RESIDENT:** None

**PHYSICIAN ASSISTANT STUDENT:** None

**MEDICAL STUDENT:** None

**DIRECT ENTRY MIDWIFE STUDENT:** None

**OTHER:** None

**Lennie Gorsuch made a motion to approve the Credentials report as presented. The motion passed unanimously.**

### **COMMITTEE REPORTS**

**EXECUTIVE COMMITTEE** – Kristen Bomengen reports;

Shawn reviewed the 2008 QHR Compliance & Risk Survey Corrective Action Plan and Timeline done by John Wray.

Kristen Bomengen reviewed the Actuarial Study done by Buck Consultants.

**Reed Reynolds made a motion to approve \$6,500 for the PERS study to be done by Buck Consultants Company. The motion passed unanimously.**

Shawn presented a Drug Policy to the Board for review. It will go to the Executive Committee and come back before the Board at March's meeting.

**PLANNING COMMITTEE** – No Meeting

**JOINT CONFERENCE COMMITTEE** – Kristen Bomengen reports;

- Medical Staff Committee Structure – Dr. Raster announced that the new Committee Structure was presented to the Medical Staff on Tuesday, January 6<sup>th</sup>, and was very well received. It will

take some time to get used to how things are going to flow. A staff person will be collecting the data, and a physician will be responsible for reporting.

- QA Director – There were two applicants for the Director of Quality position, but one withdrew her name due to serious health conditions. The second one did not have JCAHO experience and did not have a strong clinical background. The job description was changed to fit the current needs. Ann Lovejoy will continue an additional two months while the search continues.
- Hourly Rounding – Cathy Carter reported that the nurses have been extensively training to get this implemented by January 26<sup>th</sup>. The data measurements have been collected and the outcome should improve patient satisfaction, reduce call lights, patient falls and pressure ulcers. The departments that are currently training are Med/Surg, CCU and OB staff.
- Cardiology – Relationship building around a potential expansion of cardiac services for Southeast Alaska continues. Shawn and Debbi Lehner gathered a wealth of information from their site visit to the Cath Lab at Fairbanks Memorial Hospital. Shawn will be visiting North Cascade Cardiology as well as Saint Joseph Hospital's Heart Institute in Bellingham, WA in late January or early February. The team at Fairbanks also suggested they visit with Alaska Heart Institute early in the process. A few of the key players from Fairbanks would like to come down to present an overview for the Board and Medical Staff of how they have assimilated a Cardiologist and a Cath Lab into their Medical Staff as well as an overview of their clinical and financial data.

#### **QUALITY ASSURANCE COMMITTEE** –Kristen Bomengen reports;

The Committee reviewed the articles titled: "Hospital Boards and Quality Dashboards" and "Some questions to ask when forming a board quality committee." conversed about conclusions and recommendations from the first article. Also, they discussed function/purpose & structure on the second article. They briefly discussed the current form of the medical staff quality committee structure and the needed change in approach to quality from within the organization, specifically from the viewpoint of the medical staff committee's and the service area that each committee represents.

A motion was discussed and forwarded by unanimous consent to the Board for consideration and approval. The motion reads;

**"The Board of Directors require that all Medical Staff committees of Bartlett Regional Hospital, as part of the quality review process, follow the CORE Measures as it relates to each committee's service area. Also, that each medical staff committee recommends improvements and/or changes to the processes that are identified as negatively impacting the CORE Measures. Each medical staff committee is charged with achieving CORE Measures in their service area meeting or exceeding the current State or National average (whichever is higher) within 12 months (by January 2010)."**

**Reed Reynolds made a motion to adopt the QA Guidelines as written above. Motion passed unanimously.**

**FINANCE COMMITTEE – Kevin Sullivan reports;**

### **December 2008 Financial Results**

#### **Notable Financial Events**

- Average Daily Census 20% higher than in November
- High outpatient Revenue in Surgical Services, Pharmacy, and Diagnostic Imaging
- High Charity Care Deductions offset by low Bad Debt Expense

#### **Summary**

Operating results for December show total patient days just under budget, but higher than in recent months. Inpatient Revenue was right at – 0.3% over - budget while outpatient revenue was considerably – 11.7% - over budget. Revenue deductions were 16.2% over budget with higher Charity Care write-offs recorded for the month. Total Operating Expenses were 5.5% under budget with low Bad Debt expense. For December, Net Income of \$921,326 was \$583,260 over budget.

Our Operating Cash balance is \$6,834,854 as of the end of the month, a decrease of \$785,290. We made a bond payment in excess of \$1 million in December.

Year-To-Date for our Fiscal Year 2009

#### **Financial**

- Total Revenue of \$347,459,638 is 2.2% under budget
- Revenue Deductions of \$9,286,829 is 7.8% under budget
- Net Revenue of \$38,172,809 is 0.7% under budget
- Total Operating Expenses of \$35,770,349 is 3.3% under budget
- Net Income of \$3,141,339 is \$892,639 over budget

#### **Statistics and Indicators**

- ER Visits of 6,967 are 7.0% under budget
- Staff Hours per Adjusted Patient Day shows a positive variance of 0.4%
- Net Margin is over budget by 2.38%
- Productivity is 98
- Overtime Percentage is 5.14%

### **December 2008 Comparative Financials – Balance Sheet, Ratio Analysis**

The committee reviewed and discussed comparative Profit and Loss Statement, Balance Sheet, and Ratio Analysis. These compare status / results through December 2008 (the first half of our fiscal year) annualized with several prior full fiscal years.

### **RAC (Recovery Audit Contractor) Preparation Assessment Proposal**

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The committee reviewed and discussed information related to Recovery Audit Contractors and proposal to have Glenn Krauss of QHR come on-site to do assessment and training – cost \$11,000 plus travel and out of pocket expenses. Question was raised as to why this is an additional amount to QHR.

**Kevin Sullivan made a motion to have Glenn Krauss of QHR come on-site to do an assessment and training – cost \$11,000 plus travel expenses. The motion failed with three in favor and two against. The motion needed five in favor to pass.**

### **FY 2010 Budget Preparation**

The Committee discussed general budget preparation schedule. Manager are now working on their budgets – capital, 5 year capital plan, and operating - for Fiscal Year 2010 (July 1, 2009, through June 30, 2010). Board should approve at least a draft budget at their March 2009 meeting for submission to the Assembly. The Finance Committee will plan to have a budget work session on March 10, 2009. Draft budget will be considered at regular Finance meeting on March 17, 2009.

### **CEO Spending Limit**

The Committee discussed CEO spending limit - \$5,000 has been in place for many years. Discussion was held around increasing costs and need to be responsive to needs of hospital and medical staff. Motion was made and passed to recommend to the Board a change in Board Policy to increased CEO spending limit to \$10,000.

**Kevin made a motion to increase the CEO's spending limit to \$10,000. Motion passed by a unanimous roll call vote.**

### **OR Equipment Process**

The Committee discussed the process related to OR Equipment replacement / expansion. There are two parts – identifying of needs for instruments / equipment and funding approved items. In this years' budget \$400,000 was set aside for funding. As items have been brought forward by OR Manager, these have been taken to the Board through committees for consideration / approval. Items have been dealt with on a timely basis as we committed to the Board and Medical Staff.

### **BARTLETT FOUNDATION – Kevin Sullivan reports;**

Michelle reported that the Gift Shop is open for business from 10:30 am to 6:00 pm, Monday through Friday. Trustee, Loretta Beadle, mentioned that an ad should be run in The Empire regarding the reopening of the Gift Shop. A piece will be run in the 1<sup>st</sup> quarter HOUSECALLS publication by the Hospital; Sharon Gaipman has taken over this publication from Peter Metcalf. Lunch Tickets for the Cafeteria are now being sold by the gift shop and this increases foot traffic. Various incentives are being advertised to bring in more customers such as an Employee Discount Day. Ms. Shaw noted that the Information Systems Department will need to set up wireless Internet connectivity at the Gift Shop and Debbi Lehner stated that she will follow up on this matter.

Ms. Shaw reported that she will meet with Michelle Casey to discuss advertising for the gift shop on the Hospital's web site. The Foundation will also be featured on the Hospital's weekly radio minute and on the "hold" feature when a person phones the hospital.

Ms. Shaw thanked Trustee Joe Kahklen for advising her on how to properly display the Native Carvings donated to the Hospital by retired Judge, Larry Weeks.

There was discussion regarding the Recognition Reception and Christmas Lighting. Perhaps the two events should be separate and this will be reviewed.

Ms. Shaw reported that the Foundation received a community grant from Wal-Mart in the amount of \$2500.00 and will be used for the Health Education Resource Center at BRH. Trustee Shawn Morrow suggested that in the future, the Foundation should work more with Corporate Donors, and maybe do some sort of fishing or outdoor adventure fundraising event.

Ms. Shaw highlighted some of the upcoming events for 2009. The Fahrenkamp Putting Tournament and Auction was mentioned and no date for this event has been set. President Christine Moleski encouraged all Board Members to participate in this fundraiser.

There will be a "Scrubs" Sale sometime in July. 20% from the sale will go to the Foundation. "Scrubs" are the uniforms worn by Doctors and hospital personnel.

Michelle brought up the subject of her performance review and noted that she took the Executive Director's position at half-time with the intention of increasing the position to full-time. President Christine Moleski said that a review will be conducted with the other Board Members.

Ms. Shaw also reported that local stained-glass artist Donna Pagenkopf has offered to donate 29 glass pieces for the rooms on the Medical/Surgical Wing of BRH. Ms. Pagenkopf will assess each room for measurements, lighting, and design for this art. This will be coordinated with BRH COO Debbi Lehner.

Michelle proposed a possible fund-raiser on Memorial Day week-end. The fundraiser would involve a helicopter ride to Adlersheim Lodge with lunch at the lighthouse on Sentinel Island. Details are pending.

The Jordan Creek Condo sale is still pending. A memo from Hospital CFO, Garth Hamblin was reviewed again. The memo is requesting an additional \$7,000.00. This additional money is for title search and closing costs and any of this money that is not used will be refunded to the Foundation. The Foundation and the Hospital Board had originally agreed on \$121,000.00 for the sale/purchase of the condo.

The Hospital Daycare Committee has been formed and will include the following members:  
President Christine Moleski

Secretary Loretta Beadle  
Executive Director Michelle Shaw  
Trustee and BRH CEO Shawn Morrow  
Trustee Gary Bader  
Ms. Kyla Allred, HR Administrator, BRH

A date for this Committee's first meeting will be scheduled in the near future.

The transfer of the Reifenstein Dialysis Center to Fresenius was discussed. President Christine Moleski has signed the final documentation and the Foundation needs to obtain copies of this.

The Annual Board Retreat needs to be scheduled. The dates of March 5<sup>th</sup> or 6<sup>th</sup> were discussed. Perhaps the meeting could be held in the Hospital's Board Room and dinner would be provided. At the Retreat, the annual budget would be reviewed, and Foundation goals would be set.

The Investment Committee consisting of Treasurer Judy Cummins, Executive Director Michelle Shaw, Trustee Gary Bader, and Trustee John Holmquist will meet to review the investments for both the Foundation and the Edelman Scholarship Fund. Trustee Bader requested that a copy of the last adopted asset allocation be sent to all committee members. The results of the Committee's review will be discussed at the Board Retreat.

Lennie announced the Wildlife Cruise has been scheduled for May 23, 2009.

**RAINFOREST RECOVERY CENTER** – No meeting

**PHYSICIAN RECRUITMENT** – Lennie Gorsuch reports;

Reviewed 2008 objectives and results:

General Surgery effort complete, Pediatric effort Complete, Radiologist complete for now. An additional radiologist was recruited but the coverage has not increased. The service appears to be improved, recommendation to monitor service and re-evaluate need if the staffing changes.

Gynecology: MSDP recommends addressing access concerns in the community as a high short term objective. In January of 2008 Shawn and Kathy met with Nell Wagoner, MD and discussed this finding. She is opposed to recruitment and offered to address the access issue by bringing a locum for any absence of longer than 2 weeks duration. We agreed to evaluate and meet with her early in 2009.

2009 Objectives: The MSDP recommends Urology, Neurology, Dermatology and Primary Care as needed. The neurologist and urologist have not indicated immediate plans to retire. Shawn will follow up with Dr. Singass to ensure that this continues to be the case. Kathy presented a draft survey letter to be sent to the primary care physicians, mid-levels providing primary care and the surgeons

that refer for gynecology services. Recommendations for changed were accepted and Kathy will send the survey and report the results back to the committee.

#### Ongoing Efforts:

Endocrinology: Dr. Samuel Abbate and endocrinologist from Wasilla and the hospital have been discussing a contract to provide consultive services similar to our arrangement for oncology services. The contract written by hospital counsel will be presented to the BOD for approval to proceed. He would come to town from Wasilla on a monthly basis. Dr. Jones requested that to ensure that the patient remains the patient of their local physician that this is by referral only. Kathy stated that the patients would need to be referred by their local doctor and the plan of care would be sent to the primary care physician.

Cardiology: Shawn presented the activity to date to investigate the possibility of a cardiology program in Juneau. He and Debbi Lehner went to Fairbanks and met with Dr. Rick Latham and Karl Sanford RN to discuss the program there. It has far exceeded their expectations for success. Shawn has invited these individuals to Juneau to present how they set up the program to the BOD and medical staff in February. He will then ask the BOD to approve a feasibility study in the spring to be completed by May, 2009. He has also been in communication with Airlift NW regarding the potential negative effect that this would have on their operation.

**Shawn presented two contracts to be approved. The first one is for Dr. Abbate, Endocrinologist. He will be traveling to Juneau once a month to hold clinics. The Board approved the contract without objection.**

**The second one is a renewal contract for Dr. Paul Weiden, Oncologist. The Board approved the contract without objection.**

#### **OTHER BUSINESS**

The February calendar was reviewed and the following change was made;  
Finance Committee February 17<sup>th</sup> was moved to 12:00 p.m. instead of 5:15 p.m.

#### **Board Comments**

Reed reported that John Wray is heading up the Ethics Committee now. He provided two days of training which was very useful. Lennie asked that Debbi get a summary report from the training.

Kristen reported that she took the "Pickle Class" (customer service) that is being offered to staff at BRH and she found it very enjoyable and a useful tool.

#### **ADJOURNMENT**

**Dr. Malter made a motion to adjourn at 6:20 p.m. The motion passed unanimously.**

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**Nate Peimann, MD, Secretary (Date)**