

Bartlett Regional Hospital

BOARD OF DIRECTORS
March 23, 2010
Robert F. Valliant Center Boardroom
Minutes

CALL TO ORDER

Nathan Peimann called the meeting to order at 5:15 p.m.

Present

Nathan Peimann, MD
Kevin Sullivan
Reed Reynolds
Linda Thomas

Kristen Bomengen
Lennie Gorsuch (by phone)
Dr. Alex Malter

Absent

Robert Storer

Loren Jones

Others Present

Shawn Morrow, CEO
Cathy Carter, CNO
Richard Welling, MD, COS
Dick Monkman, Atty.

Garth Hamblin, CFO
Debbi Lehner, COO
Toni Petrie, Executive Assistant

ROLL CALL

PUBLIC PARTICIPATION – None

APPROVAL OF MINUTES – Dr. Malter made a *MOTION* to approve the February 23, 2010 minutes as presented. Kristen Bomengen seconded the *MOTION* and they were unanimously approved.

MEDICAL STAFF REPORT – Dr. Welling reports;

NEW APPOINTMENTS TO THE MEDICAL STAFF: None

REAPPOINTMENTS TO THE MEDICAL STAFF:

Name

1. Bedford L. Chandler, PAC

Category

AHP

Privileges In

Inpatient Care for
SEARHC Patients,
History & Physical,
Admission Orders,
Surgical Assist,

**Outpatient Laboratory
and Radiology**

Mr. Bedford L. Chandler graduated from the University of Washington - Seattle in 1972. Mr. Chandler is a physician assistant for S.E.A.R.H.C. - Ceder.

- 2. Taylor M. Dunn, MD Active Family Medicine w/OB,
D&C, 4th Degree Repair,
Exercise Stress
Treadmill, and
Conscious Sedation**

Dr. Taylor M. Dunn graduated from the University of Washington School of Medicine in 1999. Dr. Dunn is a family medicine physician for S.E.A.R.H.C. – Alder.

- 3. Jon Ekstrom, MD Consulting Teleradiology**

Dr. Jon E. Ekstrom graduated from the Oregon Health Sciences University School of Medicine in 1983. Dr. Ekstrom is a teleradiologist for Radiology Associates in Eugene, OR.

- 4. John Gorman, MD Consulting Teleradiology**

Dr. John D. Gorman graduated from the Oregon Health Sciences University School of Medicine in 1984. Dr. Gorman is a teleradiologist for Radiology Associates in Eugene, OR.

- 5. Charles Jackson, MD Consulting Allergy and Immunology**

Dr. Charles G. Jackson graduated from the University of NY at Buffalo - School of Medicine in 1971. Dr. Jackson is an allergist for Allergy & Asthma Associates in Bellevue, WA.

- 6. Barbara Michaelis, MD Courtesy Radiology and
Teleradiology**

Dr. Barbara A. Michaelis graduated from the State University of NY at Syracuse in 1991. Dr. Michaelis is a teleradiologist for Radiology Associates in Eugene, OR.

- 8. Patricia Rantos, ANP AHP Outpatient Laboratory,
Radiology, and
Echocardiogram**

Ms. Patricia R. Rantos graduated from the Seattle Pacific University in 1995. Ms. Rantos is an advance nurse practitioner for Virginia Mason Medical Center – Cardiology.

CLOSURE OF FILE: None

REQUEST FOR WITHDRAWAL:

Board of Directors March 23, 2010

1. **Robert Parkinson, MD** – (Consulting – Virtual Radiology; Teleradiology)
2. **Stephanie Young, MD** - (Consulting – Virtual Radiology; Teleradiology)

REQUEST FOR ADDITIONAL OR EXPANDED PRIVILEGES: None

CHART REVIEW: None

REQUEST FOR CHANGE OF STAFF STATUS:

1. **Michael Tobin, MD** – Active to Courtesy

LOCUM TENENS: None

LEAVE OF ABSENCE: None

MEDICAL RESIDENT: None

PHYSICIAN ASSISTANT STUDENT: None

MEDICAL STUDENT: None

DIRECT ENTRY MIDWIFE STUDENT: None

OTHER: None

Dr. Welling handed out a letter he wrote on behalf of the Medical Staff that had three suggestions they wanted passed along to the full Board. They were as follows;

- Cardiology – the Medical Staff would like the opportunity to review requests for RFI or RFP's for possible cardiology service recruitment prior to having them sent in an effort to stay informed of the details of the process.
- Property Purchase – The Medical Staff expressed that in their opinion more medical office space would not be the best use of the campus expansion property now known as the “bus barn” property.
- Child/Adolescent Unit – The Medical Staff would like to make it known that they feel strongly that a juvenile in-patient facility should be the first priority for hospital service expansion.

Kristen asked about the context where the information came from. Dr. Welling reported that most of the conversations occurred at the Med/Staff meeting then were followed-up afterwards with Dr. Welling to draft the letter.

CEO REPORT – Shawn Morrow reports;

Patient Satisfaction/Clinical Quality

- We continue to make progress in indicators of Patient Satisfaction and Clinical Quality. These indicators are reported through the Board Quality Committee.

Cultural Transformation

- The API automated time and attendance system went live March 21st. Implementation and roll out has involved approximately 12 months of planning, education, and parallel runs. There will be some bugs to work through, but I feel confident that it will prove to be an extremely valuable resource.
- The culture action plan is on schedule. Progress was reported through the planning committee.

Service Line Expansion

- The RFI for Cardiologist Recruitment was put on hold in order to provide a forum via the Cardiology Steering Committee for the Radiologist's concerns over revenue stream to be aired out.
- An Oncology Services Steering Committee will be formed in the next few weeks. They will develop criteria for evaluating Oncology Feasibility Study Services.
- The CAMHU square footage is being reassessed in order to plug construction estimates into the CAMHU's financial pro formas.
- Next fiscal year we will evaluate the feasibility of adding Lithotripsy.

Community Engagement

- The RFP is out. Proposals are due by March 26th.
- The Substance Abuse Care in Juneau Group (which Bartlett initiated) concluded its work of identifying gaps in substance abuse services in Juneau. This was a valuable process in order to have the recovery community's support for the addition of future services.
- BRH sponsored, advertised in, or participated in the following events over the last 30 days.
 - Wrangell Medical Center Hospital Foundation, Juneau Jumpers, Juneau Rotary Roses, Juneau Aurora Knights, Southeast Alaska Science Fair, Special Olympics, Juneau Soccer Club/Goal Keepers Club, Sponsorship and marketing for Men's Health Forum, and Juneau Home Show
- Continued participation at Chamber of Commerce Meetings, UAS Advisory Council, and various Civic Groups.

Medical Staff Development

- Recruitment efforts continue for a Psychiatrist. Dr. Noel Jarvis came and interviewed last week. She has signed a letter of intent with the understanding it has to go through the Board for approval.
- Due to state-wide issues the MHU's volume has increased and appears to be holding steady at higher levels. There is a backlog of outpatients waiting to see Psychiatrists in Juneau. The hospital also provides Psychiatrist coverage for JAMHI through contract. JAMHI recently notified us that they would need an additional 25% coverage next year. All of these factors have led Dr. John Pappenheim, Behavioral Health Director to recommend that we recruit another Psychiatrist (in addition to the one mentioned above). This issue will be placed before the Board's Recruitment Committee.

- The Medical Staff survey regarding a hospitalist program is complete. Results are being tallied. The survey summary will be discussed with the Board Recruitment Committee.
- Bartlett continues to support the Medical Staff bylaws rewrite by providing resources as requested. The Medical Staff changed directions this month by asking Horty Springer to do a simple review for compliance with current laws, regulatory, and accrediting requirements. The Medical Staff is going to work on enforcement of the current disruptive behavior portion of the bylaws as they feel this is the real issue.
- Work continues on negotiating a new agreement with JEMA (the Emergency Department Physicians).
- Allied Health Professionals (not PA, NP, Naturopaths, or Midwives) are being moved out of the Medical Staff's credentialing process and into BRH's HR Department per the Medical Staff's request. Non Bartlett employees doing work in the hospital such as Dental Assistants, Case Managers, etc. will go through BRH's HR department for license verification etc. A few new policies need to be developed to handle this change. It is anticipated that this will occur in a few months.

Shawn announced that per David Stone, the City Assembly would like to have a meeting with the full Board and Senior Leadership to discuss progress, current issues and upcoming projects etc.

Shawn announced the City's Finance Committee meeting will be held on May 12th at 5:30 p.m.

Dr. Malter would like to see another child/adolescent Psychiatrist in Juneau.

QHR Report – Shawn Morrow reports;

Consultations

- Questions and Answer emails/phone calls regarding productivity reports.
- Erika Sundrud, QHR Performance Management: Three two hour WebEx presentations to the Performance Improvement Methodology Selection Committee. Provided customized presentations and phone consultation to the group about eight different PI methodologies. .
- Susan Hassell, QHR VP of Community Relations and Marketing provided phone consultation with BRH's Director of Community Relations regarding questions about Stark and anti-kickback regulations related to physician marketing.
- Submitted data for QHR analysis of group purchasing expenditures.
- Director of Community Relations accesses Qsphere.com about three times per week to use the Marketing Guide and Online Networking Q&A section, Calendar of

Health Observances, and PR News Digest.

- David Perry, QHR AVP of Finance and Reimbursement: Contractual and Bad Debt Review.

QHR Safety Net Services

- CEO/CFO Monthly Operating Review: This meeting consists of review on contract obligations, operating indicators, and strategic priorities. The purpose of the review is to ensure QHR is matching its resources with Bartlett's needs.
- Carla Wallace, QHR Compliance Director and Sarah Getsay QHR Legal Counsel Webinar: Webinar on February 26th to review best practices for hospitals associated with OIG and Justice Department's recent increased scrutiny of hospitals. Attended by CEO, CFO, Compliance Officer, PFS Manager, and Practice Administrator/Physician Liaison

Other Activities by QHR

- Carla Wallace, QHR Director of Compliance: BRH Compliance Officer requested and received information from the QHR Compliance Director regarding HIPAA Privacy Rule question
- CNO registered for QHR CNO Conference in April
- HR Manager registered for QHR Human Resource Seminar in April
- Multiple emails concerning educational offerings, benchmark data reports, reimbursement and legislative advisories, federal grant advisories, strategic trends, RAC audits, productivity system etc

Linda Thomas made a MOTION at 5:36 p.m. to go into Executive Session for the purpose of discussing hospital personnel. Dr. Malter seconded the motion. Motion passed unanimously.

EXECUTIVE COMMITTEE – Dr. Peimann reports;

There was discussion regarding how letters to the Board and from the Board will be handled. If a letter comes to the Board, due to confidentiality of the person writing the letter, they will go in the blue folders at the time of the meeting. If the letter is from the Board, they will be included in the Board packet for that month.

Board Manual and Bylaws - Reviewed some current inconsistencies of Board practice and current bylaws and manual. Will discuss need to make either practice or documents consistent with BOD as a whole. Part 9 of Section 0401 is NOT consistent with established board policy and needs update to reflect \$10,000 amount;

Reed Reynolds made a MOTION to make the Board Manual consistent with the current practice on section 0401 regarding CEO spending limit. Kristen Bomengen seconded the MOTION. MOTION passed unanimously.

Dr. Malter and Linda Thomas both offered to participate on the Bylaw Committee.

Dr. Malter made a MOTION seconded by Linda Thomas to continue current practice and allow the Bylaw review Committee to bring recommendations back to the Board for changes and further discussion. MOTION passed unanimously.

ASHNHA – A lengthy discussion was had regarding if BRH should participate in ASHNHA’s HB50 Bill that eliminates mandated overtime.

Kristen Bomengen made a MOTION for Bartlett to be removed from ASHNHA’S letters of support on Bill HB50 and that BRH stay neutral on this issue. Dr. Malter seconded the MOTION for the purpose of discussion. The MOTION failed with three in favor and four against.

Shawn will suggest to ASHNHA that they remove hospitals listed by name and just use Hospital Association.

JOINT CONFERENCE COMMITTEE – No meeting

QUALITY COMMITTEE – Dr. Peimann reports;

IHI Global Trigger Tool - Reviewed Audit Case Analysis for Preventability and Patterns as it specifically relates to the Medication Module. We discussed implementation of using the information for approach to both system changes and allowance for discovery and dialogue with particular individuals that may find the feedback helpful for avoiding future errors. 2) Reviewed the IHI Global Trigger Tool second measurement. We discussed the difference between adverse events versus actual patient harm. Note that no egregious adverse events have been found in the 70+ case reviews to date.

Quality Committee Dashboards - CORE Measures were reviewed and the new reporting vendor and data as it relates to CORE Measures. Reviewed our own composite scores and compared them to the composite scores of like-sized rural hospitals.

PLANNING COMMITTEE – Lennie Gorsuch reports;

MAP - A work session was held on March 4th to discuss the upcoming projects for 2011.

Lennie Gorsuch made a MOTION to approve the MAP as presented. Linda Thomas seconded the MOTION. MOTION passed by a unanimous roll call vote.

Capital Budget - Garth gave an overview of the “draft” Capital Budget. He also shared some of the FY11 projects on the horizon. The next process is Finance will have a special work session before going to the full Board on April 27th.

FINANCE COMMITTEE– Kevin Sullivan reports;
February 2010 Financial Results

Notable Financial Events

- Receipt of Medicaid rate settlement check
- Operating Room not meeting revenue budget
- Pharmacy revenue not meeting budget

Operating results for February show total patient days over budget. Inpatient Revenue was 2.4% over budget while outpatient revenue was 4.2% under budget leading to total revenue 1.7% lower than budget. Revenue deductions were 26.2% under budget. Total Operating Expenses were 5.8% over budget. For February, Net Income of \$343,451 was \$70,675 under budget.

Our Operating Cash balance is \$7,058,006 as of the end of the month, a decrease of \$1,970,889. We transferred \$3.225 million into Future Facility Funds reserve account.

Year-To-Date for our Fiscal Year 2010

Financial

- Total Revenue of \$69,059,129 is 3.2% over budget
- Revenue Deductions of \$14,408,232 is 6.2% over budget
- Net Revenue of \$54,650,897 is 2.4% over budget
- Total Operating Expenses of \$52,102,257 is 1.3% over budget
- Net Income of \$3,831,951 is \$852,096 over budget

Statistics and Indicators

- Patient Days of 7,911 are 3.9% over budget
- Admissions of 1,566 are 10.8% under budget
- ER Visits of 8,945 are 0.2% over budget
- Staff Hours per Adjusted Patient Day is 3.91% over budget
- Net Margin is over budget by 1.43%
- Productivity is 98
- Overtime Percentage is 4.00%

Kevin Sullivan made a MOTION to approve the Financial Report. Reed Reynolds seconded the MOTION. MOTION passed unanimously.

Land Acquisition

The Committee was updated on discussions with CBJ staff and representatives of Holland America on land to be purchased. Kristen suggested that the Board look at the full appraisal before going forward.

Physician Agreements – Urologists, Dr. Saltzman

The Committee reviewed a proposed agreement for temporary use of medical office space in the building currently leased by Bartlett and housing employed General Surgeons. Dr Saltzman would use this space while his new office space is being renovated.

Kevin Sullivan made a MOTION to approve the Lease agreement with Dr. Saltzman. Dr. Malter seconded the MOTION. The MOTION passed by a unanimous roll call vote.

The committee reviewed a proposed agreement to provide billing services to Urologist, Dr. Saltzman. This is the same type of agreement that we have with a number of physicians.

Kevin Sullivan made a MOTION to approve the Billing Contract with Dr. Saltzman. Dr. Malter seconded the MOTION. MOTION passed by a unanimous roll call vote.

QHR Data Extraction

We currently compile and submit summary data to QHR for inclusion in their comparative database. The committee reviewed documents outlining a process to work to automate data collection / submission. Documents also included a sample Board approval for participation. The committee asked for additional information on a number of issues / concerns, including – more detailed information on what data will be accessed and how, concerns about confidentiality (patient or any other data that would be accessed / transmitted) and security, and information on benefits of the comparative database. This will be reviewed at the Finance Committee in April before coming back before the Board.

QHR –Change to Benefit % for QHR Employees

The Committee received a letter from QHR outlining change in benefits percentage for QHR Employees from 24.0% in 2009 to 25.8% effective April 1, 2010.

Kevin Sullivan made a MOTION to approve the benefit percentage increase to 25.8%. Dr. Malter seconded the MOTION. MOTION passed by a unanimous roll call vote.

FY 2011 Budget

Garth gave a power point presentation of the draft budget. The Committee reviewed additional information relating to FY 2011 budget. Key points of discussion related to targets for cash reserves / days cash on hand, net operating margin target / benchmarks, level of rate increases in recent years and into the future, timing and priority of capital expenditures / projects, and plans for reduction of expenses if needed. Linda asked Garth to provide her with “worst case scenario “information.

Child / Adolescent Mental Health Unit

The Committee was updated on recent meetings to review space planning for Child / Adolescent Mental Health Unit. Once the estimated square footage is complete, we will get an estimate of project costs.

Healthcare Costs / Reform

There is a lot of uncertainty around healthcare reform. Efforts are still being made to get an extension to the Rural Community Hospital Demonstration Project.

RAC & MIC Audits / Preparations

We have notice of additional requests from HDI – our Recovery Audit Contractor. Our team continues to meet monthly to monitor news / information.

JEMA Contract Renewal / EGO Coding of ED Accounts

Contract discussions are ongoing.

PHYSICIAN RECRUITMENT COMMITTEE – No meeting

RRC ADVISORY BOARD – Cathy Carter reports; They have increased bed utilization and they are hoping for a target of 80%. Also, there is still one vacancy on the Board.

BARTLETT FOUNDATION- No meeting

OTHER BUSINESS

Reed brought an article called “What’s Next for Governance” and handed it out to the Board.

The April calendar was reviewed. The Quality Assurance Committee was cancelled, no other changes were made.

Kristen Bomengen made a MOTION to adjourn at 8:15 p.m.

Kevin Sullivan, Secretary