

Bartlett Regional Hospital

BOARD OF DIRECTORS
April 27, 2010
Robert F. Valliant Center Boardroom
Minutes

CALL TO ORDER

Kevin Sullivan called the meeting to order at 5:15 p.m.

Present

Nathan Peimann, MD (by phone)	Kristen Bomengen (by phone)
Kevin Sullivan	Robert Storer
Lennie Gorsuch	Reed Reynolds
Dr. Alex Malter	Linda Thomas

Absent

Loren Jones

Others Present

Shawn Morrow, CEO	Garth Hamblin, CFO
Cathy Carter, CNO	Debbi Lehner, COO
Richard Welling, MD, COS	Dick Monkman, Atty.
Toni Petrie, Executive Assistant	
David Stone, CBJ Liaison (phone)	

ROLL CALL

PUBLIC PARTICIPATION – None

APPROVAL OF MINUTES – *Linda Thomas made a MOTION to approve the March 23, 2010 minutes as presented. Dr. Malter seconded the motion and they were approved.*

MEDICAL STAFF REPORT – Dr. Welling reports;

NEW APPOINTMENTS TO THE MEDICAL STAFF:

<u>Name</u>	<u>Category</u>	<u>Privileges In</u>
1. John E. Alexander, MD	Consulting	Teleradiology

Dr. John E. Alexander graduated from the University of Vermont College of Medicine in 1978. Dr. Alexander is a teleradiologist Virtual Radiologic Professionals LLC in Minnesota.

2. Kelcey D. Elsass, MD	Consulting	Teleradiology
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Board of Directors April 27, 2010

Dr. Kelcey D. Elsass graduated from the Uniformed Svcs University of the Health Sciences in 1994. Dr. Elsass is a teleradiologist for Virtual Radiologic Professionals LLC in Minnesota.

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| 3. | Michael Saltzman, MD | Active | Urology, Radium Seed Implantation for Prostate Cancer in Conjunction with a Radiologist, Visual Laser Ablation of the Prostate, Laparoscopic Urological Procedures, Laparoscopic Nephrectomy or Cyst Excision, Laparoscopic Pelvic Lymph Node Dissection |
|-----------|-----------------------------|---------------|---|

Dr. Michael J. Saltzman graduated from the Eastern Virginia Medical School in 1991. Dr. Saltzman is a urologist for Southeast Urology in Juneau.

REAPPOINTMENTS TO THE MEDICAL STAFF:

- | <u>Name</u> | <u>Category</u> | <u>Privileges In</u> |
|-----------------------|-----------------|--|
| 1. Amy E. Dressel, MD | Active | Pediatrics, Pediatrics Newborn, Lumbar Puncture, Pediatric Resuscitation |

Dr. Amy E. Dressel graduated from the University of Colorado School of Medicine in 1996. Dr. Dressel is a pediatrician for Glacier Pediatrics.

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| 2. | Alan S. Gross, MD | Active | Orthopedic Surgery |
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Dr. Alan S. Gross graduated from the University of Washington School of Medicine in 1989. Dr. Gross is an orthopedic surgeon for Juneau Bone and Joint Center.

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| 3. | Lindy M. Jones, MD | Active | Family Medicine w/Obstetrics, Tubal Ligation, C-Section, D&D, 4th Degree Repair, Conscious Sedation, and Emergency Medicine |
|-----------|---------------------------|---------------|---|

Dr. Lindy M. Jones graduated from the University of Washington School of Medicine in 1987. Dr. Jones is a family medicine physician for Valley Medical Care and an emergency medicine physician for the BRH Emergency Department.

CLOSURE OF FILE: None

REQUEST FOR WITHDRAWAL:

1. **William Blevins, MD** – (Courtesy – Mogul Medical; Emergency Medicine)
2. **Clayton E. Langland, PAC** – (AHP – BRH Emergency Department; Emergency Medicine as Mid-Level)
3. **Uttama Sharma, MD** - (Courtesy – Self Family Medicine w/OB)

REQUEST FOR ADDITIONAL OR EXPANDED PRIVILEGES: None

CHART REVIEW: None

REQUEST FOR CHANGE OF STAFF STATUS: None

LOCUM TENENS:

1. **Kimberly J. Kilgore, MD** – (Pediatrics, Pediatrics/New Born, Arterial and Lumbar Punctures, and Circumcision)

LEAVE OF ABSENCE: None

MEDICAL RESIDENT:

1. **Melissa Shein, MD** - (Alaska Family Medicine Residency Program; Family Medicine Rotation at SEARHC)

PHYSICIAN ASSISTANT STUDENT: None

MEDICAL STUDENT: None

DIRECT ENTRY MIDWIFE STUDENT: None

OTHER: None

Robert Storer made a MOTION to approve the Credentials Committee Report as presented. Motion approved unanimously.

CEO MONTHLY 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

- Shawn was asked by the Board to present action items and associated resources needed to make some inroads and presented his thoughts at the Board Meeting. He said in regards to the Denison Culture Survey results it's time to take it down a level. He suggested bringing in an independent organizational development consultant to help gather information, and then summarize a root cause report to bring back to the full Board. The process should take between 60-90 days to complete and depending on the level the Board wants to go, the cost will range from \$8,000-\$25,000. He also suggested forming a sub-committee of the Board to work with this Consultant. An RFP would have to go

out to at least three firms.

Bob Storer made a MOTION not to exceed \$25,000 for purposes of bringing in an individual consultant. Lennie seconded the MOTION. Linda mentioned the Board previously approved \$100,000 a few months ago towards working on the employee culture concerns towards process improvement and asked if those funds were all used up, or if a portion of it could go towards the cost of this. **Linda then made a friendly amendment that if there is money left from the \$100,000, that it gets used before an additional \$25,000 gets spent.** Dr. Peimann spoke in favor of the original motion by saying the Performance Improvement plan is a separate issue from the Culture Improvement plan. This plan is to investigate and look for improprieties. **The MOTION passed with a unanimous roll call vote.**

Linda Thomas, Reed Reynolds, Dr. Malter, Kristen Bomengen and Nathan Peimann agreed to be on the culture improvement sub-committee of the Board.

Financial Strength

- We are doing very well year to date. See financial reports.

Service Line Expansion

- The RFI for Cardiologist Recruitment went out to approximately ten cardiology groups/individuals.
- An RFI will be sent to various vendors for feasibility study services after Board committee approval. The Steering Committee will review the proposals and choose a vendor. It is expected the RFI will be sent out in early June with review in July.
- The CAMHU square footage is being reassessed in order to plug construction estimates into the CAMHU's financial pro formas.
- The CT Scanner selection process is moving forward.

Community Engagement

- The community survey vendor has been selected and a recommendation to move forward will be presented to the Board this month.
- The next issue of House Calls will include a Community Benefit Report.
- Continued participation at Chamber of Commerce Meetings, UAS Advisory Council, and various Civic Groups.

Medical Staff Development

- Dr. Noel Jarvis has withdrawn her application for employment. We will continue to recruit for psychiatry.
- 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 JAMI through contract. JAMI 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 was placed

before the Recruitment Committee which will recommend recruitment pending financial analysis being presented to the Board.

- The Hospitalist Program will not be piloted this year. Analysis is underway to determine if this should stay under consideration for next year or be dropped.
- Work continues on negotiating a new agreement with JEMA (the Emergency Department Physicians).

Patient Satisfaction/Clinical Quality

- Patient Satisfaction Score's continue to experience incremental improvement.
- Quality indicators, including core measures continue to be reported through the Board Quality Committee.

Cultural Transformation

- The culture action plan is on schedule. A Performance Improvement Steering Committee has been formed as well as a PI Methodology Selection Committee.
- The Burning Box continues to provide an excellent forum for Q&A. I am also periodically attending department staff meetings as another venue to stay in contact with employees.
- Additional changes are being made to increase our PRN pool through developing a PRN preceptorship program for new graduates. Bartlett would hire every new graduate from UAS, preceptor them as a PRN for six months and then place them in the PRN pool. The PRN pool is critical to reducing overtime, employee burnout, and realizing the goal of zero travelers.

Financial Strength

- Net income for December was \$533,800. Year to date net margin is 7.27%.

Service Line Expansion

- An RFI for Cardiologist Recruitment should go out to various cardiology groups next month.
- An Oncology Services Steering Committee will be formed in the next few weeks. They will develop criteria for evaluating Oncology Feasibility Study Services.
- A portion of the feasibility study for Child and Adolescent Mental Health Unit is complete – showing that a need still exists for a 9-13 bed unit. The financial feasibility portion will be complete in April.

Community Engagement

- The Community Survey RFP will go out this month.
- The Substance Abuse Care in Juneau Group (which Bartlett initiated) concluded its work of identifying gaps in substance abuse services in Juneau.
- We sponsored and advertised or supported the following local organizations this month. JDHS jumpers, JDHS Football, Gavel to Gavel, Alaska Women's Expo (hospital foundation event).
- Continued participation at Chamber of Commerce Meetings, UAS Advisory Council, and various Civic Groups.

Medical Staff Development

- Continue to recruit for a Psychiatrist and will soon begin recruitment of a Cardiologist.
- The Medical Staff will be surveyed by the end of this month regarding a Hospitalist Program and Radiology Services.
- Bartlett continues to support the Medical Staff bylaws rewrite by providing resources as requested. The Medical Staff Executive Committee requested Horthy Springer to handle the rewrite of the disruptive behavior portion of the bylaws for a cost of \$7,500.
- 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. Positions being removed include positions such as Physical Therapists, RNs, etc. Legal Counsel has suggested one minor change to our draft policy. The new policy will come before the Board in March.

QHR REPORT – Shawn Morrow reports;

Consultations

- 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.
- Pat Cooper, QHR VP of Nursing Services: Consultation regarding ED work flow and staffing resources.
- Bill Henning, QHR RVP: Several phone calls and consultations with the CEO.

QHR Safety Net Services

- CEO/CFO Monthly Operating Review: This meeting consists of a review of contract obligations, operating indicators, and strategic priorities. The purpose of the review is to ensure QHR is matching its resources with Bartlett's needs.

Other Activities by QHR

- CNO attended QHR CNO Conference in April
- HR Manager attended 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

EXECUTIVE COMMITTEE – Report to follow in May

JOINT CONFERENCE COMMITTEE – Dr. Peimann reports;

1. Cardiology – Dr. C. Peimann gave a presentation to the medical staff and announced they made significant changes to the Request for Information “RFI” that she felt they all are in agreement on.
2. Hospitalist – Kathy Callahan will do a breakdown on the Hospitalist survey that went out and reconvene with the Committee.
3. Land Acquisition – Shawn gave some background information to the Medical Staff and showed a power point presentation on the Bus Barn property that the hospital is looking at purchasing for future needed office/storage space.
4. Culture Action Plan: PI Methodology, Clinical Microsystems – Shawn gave a video presentation to the medical staff on the methodology that the hospital chose to go with to involve frontline staff in process improvement. During the training period, Shawn and Bethany would like to give a 1-2 hour over view to the medical staff. Dr. Raster suggested doing a CME on this topic.
5. Strategic Planning – Shawn announced we would like to make our Strategic Planning much more dynamic. Shawn would like to have the Medical Staff’s direct involvement along with the Board and Senior Leadership to discuss specifics on future items. The possible dates for these meetings are September-October.
6. CT Scanner – Shawn announced we are getting closer on the financial analysis and will have a recommendation for the Finance Committee this month. Based on their feedback, it might advance to the full Board or they might request more information. It will take approximately 6 months before it’s up and running. We will not have downtime during installation.
7. 3rd Floor Med/Surg Renovation – We are at the point where we need to appropriate money. The Finance Committee will be discussing this as well this month. Bids will be open July 22nd. Construction should start in September and be complete in April 2011.
8. Oncology Feasibility Study – There is a Committee being formed with Medical Staff volunteers. Debby has two potential consultants that we can send out for information to do a study, similar to what we did with Cardiology.

9. Child/Adolescent Mental Health Unit – The budget that we are putting forward is still in the Finance Committee. We are recommending showing a budget that will allow us to produce cash flow so we can start reserving money for this project.

10. Other

- VA Center – The VA Center in Juneau will be complete in approximately 120 days. It was recommended for Shawn and Garth to find out what services they will be offering and how will this impact the medical staff and Emergency Room. It was suggested that the Emergency Care Committee be involved in the discussion.
- Disruptive Physician Behavior – The process is moving forward. A letter went out to the MSEC from the Chief of Staff for review. They will talk about the next step at May's Medical Staff Executive Committee meeting.

QUALITY COMMITTEE – No meeting

PLANNING COMMITTEE – Lennie Gorsuch reports;

Lennie announced the Planning Committee will look at Dr. Palmer's request to name the CCU after Dr. Akiyama at the May Planning Committee meeting. Dr. Peimann announced there will be a celebration of life for Dr. Akiyama planned for July 31st at Centennial Hall and he thinks the Board and Senior Leadership need to show their gratitude of all he accomplished in our Community.

A letter was reviewed from Dr. Susan Hunter-Joerns regarding the CT Scanner.

The MAP was reviewed and Shawn announced that five items were altered or modified due to issues that have come up during the year. A couple of the items were discharge follow-up calls which have moved to next fiscal year's plan and the leadership rounding feedback from managers was that it didn't really work when formalized. Everything else is on track.

Strategic Planning – Shawn said the Board's feedback is they would like to see this process be more interactive. Some examples are having more face-to-face with the physicians and the community and stakeholders in the community. QHR suggested the Planning Committee spend some time with them looking at how the Board might want to see the process change from how it's been done in the past. They are looking at being responsive and tailor the product to the feedback from the Board.

FINANCE COMMITTEE – Kevin Sullivan reports;

March 2010 Financial Results (pg 56)

Notable Financial Events

- High census in all inpatient areas with corresponding expenses
- General Surgeons not meeting revenue budget

Operating results for March show total patient days over budget. Inpatient Revenue was 24.7% over budget while outpatient revenue was 3.0% over budget leading to total revenue 11.4% higher than budget. Revenue deductions were 39.2% over budget.

Total Operating Expenses were 4.5% over budget. For March, Net Income of \$600,680 was \$41,238 over budget.

Our Operating Cash balance is \$8,242,305 as of the end of the month, an increase of \$1,184,299.

Year-To-Date for our Fiscal Year 2010

Financial

- Total Revenue of \$78,602,774 is 4.1% over budget
- Revenue Deductions of \$16,753,911 is 9.8% over budget
- Net Revenue of \$61,848,863 is 2.7% over budget
- Total Operating Expenses of \$58,845,668 is 1.6% over budget
- Net Income of \$4,432,631 is \$893,334 over budget

Statistics and Indicators

- Patient Days of 9,017 are 5.2% over budget
- Admissions of 1,788 are 9.4% under budget
- ER Visits of 10,097 are 0.5% over budget
- Staff Hours per Adjusted Patient Day is 4.24% over budget
- Net Margin is over budget by 1.29%
- Productivity is 98
- Overtime Percentage is 3.40%

Kevin Sullivan made a MOTION to accept the financial report as presented. Robert Storer seconded the MOTION. The MOTION passed unanimously.

FY 2011 Budget

The Committee reviewed and discussed additional information relative to the FY 2011 budget. Given possible higher costs for replacement CT, the Committee approved the following revised amounts for the capital budget - \$2.7 million for replacement CT and \$1.9 for roof replacement repairs. With other changes that have been made and considering net margin and cash, the Committee recommending revising the budget to include a 7.75% rate increase.

Kevin Sullivan made a MOTION to approve the 2010 Operating and Capital Budget as presented, subject to any allocation for Information Technology purposes in excess of \$25,000 come back to the Board for approval. Robert Storer seconded the MOTION. Linda wanted clarification on the restricted funds. Garth said most of it is the funding that is for the 3rd floor remodel project. Linda was concerned about the net income increasing so fast. Reed wanted clarification on how the future adjusted patient days were determined. Garth said that RRC was adding four more beds and Behavioral Health has been increasing. Reed voiced his concern that the Information Technology requested amount doesn't show supporting documentation. After a lengthy conversation, a friendly amendment was made by Reed Reynolds to amend the capital budget to exclude the \$1.5 million dollars budgeted for Information Technology "IT" Services. Linda seconded the MOTION. The MOTION failed with three in favor and five against. The original MOTION is back on the table. The MOTION failed with four in favor and four against. Dr. Malter made a MOTION

approve a budget with a rate increase of 7% and to have Administration make adjustments to get us to the 7%. Kristen Bomengen seconded the MOTION. Kristen made a friendly amendment to adjust and reduce that amount (approximately \$500,000) from the amount to be allocated for the CAMHU (Child Adolescent Mental Health Unit) while we seek other sources of funding for that unit over the next couple of years. MOTION failed with two in favor and six against. Linda Thomas made a MOTION to approve the original Operating Budget and approval the Capital Budget with the exception of the "IT" line item. Dr. Peimann seconded the MOTION for the purpose of discussion. MOTION failed with two in favor and six against. Lennie Gorsuch made a MOTION to approve the Finance Committee's recommendation for the Capital Budget 7.75% rate increase with respect to the "IT" budget and a form sub-committee of Board to work with Administration on any expenditures over \$25,000 to bring it back to the Board with explanation and discussion. Bob Storer seconded the MOTION. MOTION passed with seven in favor and one against.

Community Opinion Survey

The Committee viewed and discussed selection process and recommendation for conducting a Community Opinion Survey. Recommendation is to engage the McDowell Group of Juneau to conduct this survey. Cost is \$18,500. There was discussion about consideration of the timing of when the survey is conducted.

Kevin Sullivan made a MOTION to approve \$18,500 to engage the McDowell Group to conduct a Community Opinion Survey. Dr. Malter seconded the MOTION. MOTION passed with a unanimous roll call vote.

"REACH" Building Demolition

We are ready to move forward with the demolition of the "REACH" building. Construction documents should be complete by the first part of May. Bidding and award should be accomplished by the end of June. The work should be completed by the first part of August. \$400,000 is in the current year budget and current estimates show that will cover total cost.

Kevin Sullivan made a MOTION to allocate \$400,000 to address the "REACH Building Demolition Project. MOTION passed with a unanimous roll call vote.

3rd Floor Med / Surg Room Renovation – timeline & budget

The Committee reviewed key dates for the project. Some of the dates in mid-summer for bidding and award of contract for construction may slip. Total project is currently estimated at \$6,134,000. \$400,000 of this is equipment and furnishings which will be purchased by Bartlett. \$725,000 has been previously transferred to the project for design work. Remaining funding needs to be appropriated by the CBJ Assembly so that the project can go to bid.

Kevin Sullivan made a MOTION to approve \$5,009,000 for the 3rd Floor Renovation Project. Robert Storer seconded the MOTION. MOTION passed with a unanimous roll call vote.

Addendum to Physician Relocation Agreement – Dr. Saltzman, Urologist

The Committee reviewed an addendum to Dr. Saltzman Physician Relocation and Income Guarantee Agreement which will allow him, during his first year, to purchase medical equipment through Bartlett's group purchasing arrangement. Dick Monkman clarified the "Stark Rules" for the Board to see if this was ok for us to do. The answer is yes.

Kevin Sullivan made a MOTION to allow Dr. Saltzman to use our group purchasing arrangements. Kristen Bomengen seconded the MOTION. MOTION passed with five in favor and three against.

Culture Action Plan: PI Methodology, Clinical Microsystems

The Committee viewed a presentation and discussed information on the evaluation of a methodology for performance improvement. The recommendation from the Selection Team and the PI Steering Committee is to contract with The Dartmouth Institute for an 8-month planning, training, and implementation program for Clinical Microsystems for approximately \$125,000 plus travel related expenses.

Kevin Sullivan made a MOTION to allocate \$125,000 to implement the Clinical Microsystems. Robert Storer seconded the MOTION. MOTION passed with a unanimous roll call vote.

RRC ADVISORY BOARD – Cathy Carter reports;

They are working on improving access into RRC. There has been good collaboration between MHU and the Case management Staff with inpatients. There has been a lot of work to do to submitting data to AKAIMS by April 30th. The Clinical Coordinator has been hired. There is an interview scheduled for an Administrative Assistant. There is one vacancy on the Advisory Board.

BARTLETT FOUNDATION- Bob Storer reports;

At the meeting a lot of the discussion was around fundraising. They reported from the results from the Fahrenkamp Golf Tournament was approximately \$20,000. They discussed the Edelman Health Sciences Scholarship and are looking for applicants.

PHYSICIAN RECRUITMENT COMMITTEE – Lennie Gorsuch reports;

1. Hospitalist: The Medical staff was surveyed and the results were distributed to members and a discussion held that while there was strong support (78%) in favor of the hospital initiating a pilot hospitalist program. There was weak numbers stating that they would refer all of their established patients to the hospitalist for care (16%). The results of the survey will be shared with the Hospitalist Sub-Committee and any recommendations that they might have for the recruitment committee would be addressed at that time.
2. Psychiatry: Noel Jarvis backed out. The Committee approved to recruit an additional Psychiatrist, making it two that we will need to recruit.

OTHER BUSINESS - None

Board of Directors April 27, 2010

Lennie Gorsuch made a MOTION to go into Executive Session to discuss matters that would clearly have an immediate adverse impact on the finances of the hospital. Dr. Peimann seconded the MOTION. MOTION passed unanimously.

The Board came out of Executive Session at 7:37 pm, no action was taken.

Kevin Sullivan made a MOTION to adjourn at 7:40 p.m.

Kevin Sullivan, Secretary