

# Bartlett Regional Hospital

BOARD OF DIRECTORS  
May 25, 2010  
Robert F. Valliant Center Boardroom  
Minutes

## CALL TO ORDER

Nathan Peimann called the meeting to order at 5:17 p.m.

### Present

Nathan Peimann, MD	Kristen Bomengen
Robert Storer	Reed Reynolds
Dr. Alex Malter	Linda Thomas (by phone)
Loren Jones	

### Absent

Kevin Sullivan	Lennie Gorsuch
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### Others Present

Shawn Morrow, CEO	Garth Hamblin, CFO
Cathy Carter, CNO	Debbi Lehner, COO
Dick Monkman, Atty.	Toni Petrie, Executive Assistant
David Stone, CBJ Liaison	

## ROLL CALL

**PUBLIC PARTICIPATION** – Deb “Mouse” Manowski thanked the hospital for the holding a dinner for employees and their families at the Salmon Bake during hospital week. Shawn gave an overview to the Board about the other events that took place that week.

Dr. Palmer read a letter he wrote that speaks to his perception of the culture issues at Bartlett.

**APPROVAL OF MINUTES** – *Kristen Bomengen made a MOTION to approve the April 27, 2010 minutes as presented. Dr. Malter seconded the motion and they were approved.*

*Loren Jones made a MOTION to approve the minutes from May 5<sup>th</sup>. Bob Storer seconded the motion. Approved.*

***Kristen Bomengen made a MOTION to approve the minutes from May 12<sup>th</sup>. Loren Jones seconded the motion. Approved.***

**MEDICAL STAFF REPORT** – Loren Jones reports;

***Dr. Malter made a MOTION to approve the Credentials Committee Report as presented. Loren Jones seconded the motion and it was unanimously approved.***

**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**

- The Board Subcommittee met and is in the process of selecting an independent firm to gather information regarding Bartlett's culture.

**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. The proposals are due back on May 26<sup>th</sup>.
- An Oncology Services Steering Committee has been formed. An RFI went out for feasibility study services.
- The CAMHU first draft, rough estimate came in at \$18,125,000. This number will be inserted into the CAMHU's financial pro formas. The new pro formas will be shared with the Finance Committee in the near future.
- The CT Scanner selection process is moving forward. Information will be presented to the Board in June for consideration.

**Community Engagement**

- Continued participation at Chamber of Commerce Meetings, UAS Advisory Council, and various Civic Groups.
- The Community Survey will likely go out in October.

**Medical Staff Development**

- Work continues on negotiating a new agreement with JEMA (the Emergency Department Physicians).
- The service agreement with the Radiologists expires this month. I had an initial meeting with them to discuss service performance and expectations for inclusion in a new agreement.
- The Pathology Services Agreement also expires and is being renegotiated.

**QHR REPORT – Shawn Morrow reports;**

**QHR Support  
Consultations**

- David Perry, QHR AVP Healthcare Finance and Reimbursement – Rural Extension Project Impact
- David Perry, QHR AVP Healthcare Finance and Reimbursement – Uncompensated Care Review
- Dan Hobbs, QHR AVP Patient Financial Services and QHR Darryl Morgan – Coding Review
- MDBuyline analysis and information related to CT
- 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.
- 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 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.

**Other Activities by QHR**

- RVP Bill Henning attended the Board Executive Committee on May 6<sup>th</sup>.
- 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 – No meeting**

**QUALITY COMMITTEE – No meeting**

**PLANNING COMMITTEE –**

Land Update - Garth invited Jason Ginter from Nortec Engineering to discuss their environmental assessment that they did on the bus barn property. He stated that it safely passed phase one of the process. Loren and Dr. Peimann asked the Engineer several questions relating to the safety of the property. Jason stated that the underground storage tanks were removed safely and properly. Dr. Peimann asked him if their company bears any responsibility if anything of question comes up with the property in the future, which he (Jason) replied no. Dr. Peimann then asked him if he was sitting on a position like the Board, would he be concerned about purchasing that property. He said no, and said that if the property was not paved, he would have a concern, but since it is, he feels it's safe.

Strategic Planning - Jeannette Grey from QHR participated by phone and gave the Committee some ideas for different ways to approach the strategic planning process. She mentioned a "Blue Ocean" approach which allows the patients face to face interviews to tell us from their perspectives what they want to see with Bartlett. Jeannette suggested that she come in August to conduct the interviews then come back in September to visit with Senior Leadership and discuss the financial implications and present a "dry run" before taking it to the full Board in October. Lennie suggested dedicating the June Planning Committee meeting for strategic planning, unless something else comes up in the meantime that needs to be addressed at that time.

Childcare Center Update – Kyla presented a financial analysis on putting a child care center in the basement of the Administration building. She recommended that the project be removed from consideration due to financial feasibility. Loren made a **MOTION** to put the project on hold until the strategic plan has been approved Reed seconded the motion. MOTION passed with no objections.

CCU - Dr. Palmer submitted a letter on behalf of the Medical Staff asking that the Critical Care Unit of the hospital be named after Dr. Akiyama. Reed Reynolds made a MOTION to name CCU wing after Dr. Akiyama and to take to the full Board. Dr. Peimann seconded the MOTION. PASSED

Oncology Feasibility Study - Debbi informed the Planning Committee that a steering committee has been formed to begin the working on an RFP. The members consist of; Dr. Sheufelt, Dr. Urata, Dr. Gruchacz, Dr. C. Peimann, Dr. Vanderbilt, SLT and ad hoc Dr. Weiden. RFP's will go out June 1<sup>st</sup> and they will have a month to respond. The cost will be approximately \$30,000. The Board should get a recommendation from the Committee in the Fall.

**FINANCE COMMITTEE** – Kevin Sullivan reports;  
**Gastroscope (Therapeutic)**

The Committee reviewed information on a request from general surgeons for a "therapeutic" Gastroscope - total cost \$22,330. MSQRC recently reviewed a case where the lack of a "therapeutic" Gastroscope may have resulted in a lengthy procedure. Adequate visibility will potentially allow the surgeons to treat the bleeds with stapling, allowing patients to stay at Bartlett. Emergent GI bleeds are not frequent, but need to be treated rapidly. Proposed scope can be used as a backup for existing scopes. **Motion**

**was made and passed to recommend expenditure of \$22,330 for “therapeutic” Gastroscope as presented.**

### **April 2010 Financial Results**

Operating results for April show total patient days over budget. Inpatient Revenue was 11.2% over budget while outpatient revenue was 6.5% over budget leading to total revenue 8.2% higher than budget. Revenue deductions were 30.5% over budget. Total Operating Expenses were 1.7% under budget. For April, Net Income of \$875,289 was \$302,260 over budget.

Our Operating Cash balance is \$8,769,844 as of the end of the month, an increase of \$527,538. We transferred \$400,000 to the CBJ for funding of the REACH building demolition/parking lot construction.

Year-To-Date for our Fiscal Year 2010

#### **Financial**

- Total Revenue of \$87,842,309 is 4.5% over budget
- Revenue Deductions of \$18,985,206 is 11.9% over budget
- Net Revenue of \$68,857,103 is 2.7% over budget
- Total Operating Expenses of \$65,131,042 is 1.3% over budget
- Net Income of \$5,307,920 is \$1,195,594 over budget

#### Statistics and Indicators

- Patient Days of 10,079 are 6.6% over budget
- Admissions of 1,994 are 8.5% under budget
- ER Visits of 11,173 are 0.4% over budget
- Staff Hours per Adjusted Patient Day is 3.00% over budget
- Net Margin is over budget by 1.58%
- Productivity is 98
- Overtime Percentage is 4.00%

Our current year budget includes \$1,220,000 for CT purchase which will not occur until FY 2011. **Motion was made and passed to recommend transfer of \$1,220,000 to a new Equipment Reserve Fund.**

### **Mobile Mammo / SEARHC**

The Committee reviewed information on our Mobile Mammography program. We do approximately 750 studies per year making visits to the following communities: in the Spring – Haines, Kake, Skagway, Yakutat, and Angoon; and in the Fall – Hoonah, Haines, Skagway, Klawock, Craig, and Metlakatla. 80% are paid by SEARHC or through a grant SEARHC administers. Recently SEARHC has told us they will be paying “Medicare like rates” which result in an annual deficit of approximately \$20,000. We have reviewed pricing and will reduce charge for coming year. With the season already starting we will plan to make as scheduled for this year and will discuss subsidy needed with SEARHC. We may need to evaluate program for future years.

### **Child / Adolescent Mental Health Unit**

We have received an estimate for cost of 16,523 square foot building. Total project cost is estimated at \$18,125,000. Options included in estimate are site mechanical utilities and foundation / structural upgrades for future floors. Next steps will be include revisiting full financial projections; communicating findings, need, and plans with Legislative and Congressional delegations, State of Alaska Department of Health and Social Services, and others; and considering location for proposed Unit as part of overall site planning.

### **Healthcare Reform**

The Rural Community Hospital Demonstration has been extended for 5 years with re-basing as of FY 2011. Will are working on a review of depreciation lives / allocations for recent projects.

### **RAC & MIC Audits**

We just received information about approximately \$500 due as a result of automated reviews of IV / Infusion claims. While there is not much money at stake, we will review claims for accuracy and to identify broader problems / issues if any.

### **JEMA Contract Renewal**

We continue to work with JEMA on renewal of their agreement. Recommendation should be before the Board at its June meeting.

**RRC ADVISORY BOARD** – Cathy Carter reports;

**BARTLETT FOUNDATION**- Bob Storer reports;

**PHYSICIAN RECRUITMENT COMMITTEE** – None

**OTHER BUSINESS - None**

A motion was made at 7:37 to go into Executive Session for the purposes of The Board came out of Executive Session at pm, no action was taken.

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

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Kevin Sullivan, Secretary