

Bartlett Regional Hospital

**BOARD OF DIRECTORS
August 25, 2009
Robert F. Valliant Center Boardroom
Minutes**

CALL TO ORDER

Loren Jones called the meeting to order at 5:15 p.m.

Present

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

Absent

Others Present

Shawn Morrow, CEO	Garth Hamblin, CFO
Debbi Lehner, COO	Cathy Carter, CNO
John Raster, M.D.	Toni Petrie, Executive Assistant
David Miller, QHR	

ROLL CALL

PUBLIC PARTICIPATION – There were several staff members and physicians present to voice their concerns over a recent termination of a long term employee. Several letters were read regarding their wish for a “shared governance.”.

A letter was also read regarding the need for child care in the community. The letter asked for BRH to consider opening a daycare for employees which would free up spaces at other daycares for other families. BRH is currently in the process of looking into daycare options.

APPROVALS OF MINUTES - Kevin Sullivan made a **MOTION** to approve the June minutes with one amendment that Loren called the meeting to order, not Kristen. The **MOTION** passed unanimously.

Loren noted that the minutes from January reflected the wrong date. It should have read December 22' 2008 NOT January 30th. Dr. Malter made a **MOTION** to approve. **MOTION** passed unanimously.

CEO MONTHLY REPORT – Shawn Morrow reports;

Patient Satisfaction/Clinical Quality

- The Joint Commission Survey was July 15-17. Bethany submitted a reconsideration request on a few issues that we didn't feel were accurately surveyed. This has delayed getting a final report.
- The core measure quarterly scores April - June looked very good. Three categories scored better than State and National Averages and the fourth category better than the State Average.
- Patient Satisfaction Scores show incremental improvement.

Cultural Transformation

- The compensation and benefits review report was discussed at length on August 20th.
- The turnover rate has been decreasing for several months finally going below 20% with Travelers.
- A repeat of the Denison Culture Survey has been recommended through board subcommittees. Pending Board approval the survey will be conducted in October with results shared in November. The survey provides an indication of whether our culture is getting better, worse or staying the same. It also keys in on areas requiring improvement.

Financial Strength

- We continue to work on reaching targets for overtime, travelers, and productivity. Progress continues to occur in each of these three indicators.

Service Line Expansion

- The Cardiology Feasibility Study is still in the data gathering stage right now. Physician interviews will follow.
- Most of you know I have been making a concerted effort to build relationships with the Southeast CEOs/hospitals. My initial efforts in this area have been focused on small wins that demonstrate we are serious about helping them build their local market share. We have made arrangements for General Surgeon coverage in Wrangell and Sitka. Wrangell's surgery volume has increased ten times since we provided assistance and we are now getting new referrals from Wrangell for some of the more difficult cases. The Southeast CEOs completed a second conference call yesterday in which we have agreed to meet face to face with independent facilitation. The purpose of the meeting is to determine "substantial and material" ways that we can work together to change service availability in Southeast. I was pleased with the discussion as we consciously determined not to waste effort on small items, but to focus on issues that could change the face of healthcare for Southeast residents. This will mean discussions on Oncology, Cardiology, etc. I committed BRH for \$5,000 to get the process started and the other hospitals followed with the same dollar commitment. This money will be used to hire an independent facilitator for our discussion. I anticipate a first meeting in September.

Medical Staff Development

- A Psychiatrist interviewed and was extended an offer. The offer was declined due to losses that would be incurred if he left his current retirement program.
- I would like to put together an Ad-Hoc Hospitalist Steering Committee later this fall to evaluate the possibility of piloting a hospitalist program next May – September.

Community Engagement

- We continue to work/serve on various councils and boards and have representation in civic clubs around the community.

Other Board Agenda Items

- The potential Land Acquisition is progressing. Garth and I met with the Lands Committee and gave them an overview of the Salmon Creek area, our land constraints, and possible uses of the property. A property appraisal and environmental assessment have been requested through the CBJ process. .
- Laundry Services: Construction estimates were revised up based on current duct work codes.

Key Vacancies

- CCU Manager

QHR Activity

- Bill Henning, QHR Regional Vice President was on site July 28th. Bill will attend the Board Retreat on September 19th and also be at the Board Meeting on September 22nd.

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

Dr. Malter asked for a summary on the QHR purchasing agreement. Loren just received a copy of the information and will distribute it after the meeting to each Board member.

There have been telephone calls and emails concerning education, benchmark data reports, reimbursement/legislative advisories, federal grant advisories, strategic trends, RAC Audits, Productivity System, and compliance.

Medical Staff Report - John Raster, MD reports;

NEW APPOINTMENTS TO THE MEDICAL STAFF:

<u>Name</u>	<u>Category</u>	<u>Privileges In</u>
1. Samuel L. Abbate, MD	Consulting	Diabetes & Endocrinology Center; Endocrinology

Dr. Samuel L. Abbate graduated from the University of IL at Chicago College of Medicine in 1984. Dr. Abbate is an endocrinologist for Adonai Diabetes & Endocrinology Center in Wasilla.

2. Noble E. Anderson, MD	Courtesy	Family Medicine w/OB
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Dr. Noble E. Anderson graduated from the Temple University School of Medicine in Philadelphia, PA in 2001. Dr. Anderson is a family medicine physician for SEARHC.

3. Deanna M. Browne, RN	AHP	Dialysis Treatment)
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Ms. Deanna M. Browne graduated from the University Alaska Anchorage in 2007. Ms. Browne is a dialysis nurse for Fresenius Medical Care - Juneau.

4. Sara K. Gress, ANP	AHP	Outpatient Laboratory, Radiology, Physical Therapy, Respiratory Therapy, Nutritional Consults, Cardiac Rehab (King of Hearts)
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Sara K. Gress graduated from Depaul University in Chicago, IL in 2008. Ms. Gress is an advance nurse practitioner for Jordan Creek Family Health.

5. Dhawal A. Goradia, MD	Consulting	Teleradiology
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Dr. Dhawal A. Goradia graduated from the University of Texas Medical School at San Antonio in 1996. Dr. Goradia is a teleradiologist for Virtual Radiologic Professionals.

6. Becky J. Harris, RN	AHP	Assist and Provide Patient Care)
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Ms. Becky J. Harris graduated from Creighton University in Omaha, NE in 1998. Ms. Harris is a nurse for Airlift Northwest.

REAPPOINTMENTS TO THE MEDICAL STAFF:

<u>Name</u>	<u>Category</u>	<u>Privileges In</u>
1. Alexis J. Olsen, DSA	AHP	Dental Assist

Ms. Alexis J. Olsen graduated from the Community Health Aide program in 2007. Ms. Olsen is a dental assistant at the SEARHC Dental Clinic in Juneau.

2. **Joanna, S. Weinstock, MD** – (SEARHC; Family Medicine w/OB) *(Must be proctored for all CCU and OB admissions)*

LEAVE OF ABSENCE: None

MEDICAL RESIDENT: None

PHYSICIAN ASSISTANT STUDENT: None

MEDICAL STUDENT:

1. **Claire M. Doran, MSIII** – (University of Washington R/UOP/VMC; Scrub in for C-Section, Vaginal Births, Minor Surgery, and Colonoscopy, Round/Shadow with Sponsoring Physician *(Will not write orders or notes)*)

DIRECT ENTRY MIDWIFE STUDENT: None

OTHER: None

Dr. Malter made a MOTION to pass the credentials report as presented. MOTION passed unanimously.

Dr. Raster asked that a Bylaw change regarding Access to Services be approved by the Board. Linda asked if this should wait for the Medical Staff Bylaws to be re-written. Dr. Raster explained that could be a very long time. Kristen Bomengen made a MOTION to approve the Bylaw change. The MOTION passed by a unanimous roll call vote.

COMMITTEE REPORTS

EXECUTIVE COMMITTEE – Loren Jones reports;

- **Denison Culture Survey:** The Planning Committee had passed a motion to approve the study for \$10,170 plus \$3,000 for travel. The survey will take place in Oct 2009.
- **CON Regulations:** Reviewed the questions Shawn had asked of ASHNA and their response. ASHNA is preparing a response to the proposed regulations. They are due by Oct 1. It may be that BRH will file our own comments but we will wait until ASHNA has finished it work.
- **Psychiatrist Recruitment and Contract:** Shawn reviewed progress in recruiting a new psychiatrist. We reviewed a possible contract but the applicant declined..
- **Child Care:** Shawn presented a preliminary assessment of the cost and what would be required to turn the basement of the Bob Valliant Center in to a day care center. Shawn is working with the Foundation on whether they can raise a portion of this cost. He is also looking for a group that can do some proforma's on costs and expenses.
- **United Way:** Loren had a call from the United Way Executive Director looking to see if the Hospital was interested in working to increase the participation in the local campaign. After some discussion, the feeling of the Executive Committee was to continue to participate in the same manner as in the past while still being supportive of United Way's effort. Loren will convey this to the Executive Director of United Way.
- **General Surgeons Contracts:** Shawn presented new contracts for Dr. Gruchacz and Dr. Ben Miller. This contract amendment changes the compensation for the surgeons upward. This recommendation was based on a review of their productivity and the expenses incurred by the hospital. It is not the intention of BRH to make a profit from these surgeons so this represents change to increase their compensation and also will result in BRH covering its expenses. The contracts will go before the full Board for approval.

Dr. Peimann made a MOTION to approve the contracts as presented for the General Surgeons. Lennie Gorsuch seconded the motion. There was discussion as to what the difference was to the amendment. Dr. Peimann

explained that the RVU was undervaluing their return, so to be fair we increased the RVU rating to give them an equitable value of return after the break even point. The MOTION Passed by a unanimous roll call vote.

- **RRC Maintenance/Building Grant:** BRH will be submitting a grant application the Mental Health Trust for RRC Capital Improvements. The Board needs to approve a resolution that states we will use these funds for the stated purpose in the grant. We will apply for the \$74,000 and the minimum award – if funded – would be \$25,000.
- **RRC Assessment:** Shawn is proposing that we do a full assessment of RRC operations. Dr. Weldy has resigned as Director and this may be a time to re-do the assessment done several years ago. One avenue that will be reviewed is the possibility of contracting out the management for one year to get the operation in order and to train a new Director. This will be done at cost of travel only. Diamond Healthcare has done this review before and they also did the Adolescent mental health studies so they are familiar with BRH and our catchment area. They are expected to be here Sept 1-2, 2009.
- **Jordon Creek Condo Purchase update:** Garth stated that all approvals have been made via the CBJ. A purchase agreement has been presented to the Foundation and as soon as that is approved BRH will purchase the condo from the Foundation. The condo's tenant is Catholic Community Services Child Advocacy center. No changes are planned for this arrangement. The rent will be an in-kind contribution to match the federal grant to CCS for the operation of the center.
- **Mercer study:** Loren requested that Board members get the printed version of the study material. Loren also stated that he had found it hard to read and understand, and found no recommendations in the material. The Board had a meeting from 3 – 6:30 p.m. on August 20th to get better clarification on the report.

Loren discussed the Proposed Policy Language change #C0122 indicating that the CEO signs off on the Medicare Cost Report. Dr. Malter made a MOTION to approve the policy. The MOTION was seconded for the purpose of discussion. Kristen asked where that policy number came from and where the policy resides. There was also discussion about what else this policy is giving the CEO permission to sign. With the uncertainties of this Policy, it was decided that it be tabled until next month when Shawn will have time to have it reviewed.

Meeting with Sen. Lisa Murkowski's aide on Health Care: Shawn received a call from Rep. Don Young's office inviting BRH to a meeting, Sunday August 16 at Don Young's office. Also invited were the Division of Insurance for State of Alaska and about 7 other business owners/healthcare organizations. Kristen Bomengen attended the meeting. She reported that it was disappointing because other health care entities in town did not attend. It began with discussion about how to pay for health reform but soon deteriorated into a "gripe session" about the non-partisan nature of the process. It ended with some discussion about co-ops, but without much detail about the co-op proposals. The two legislation summaries that were distributed at the meeting were outdated and did not include amendments.

- **Board Retreat:** Loren drafted an agenda and included a copy in the Board packet this month. He asked that changes be given to him. The meeting is on September 19, 2009 and starts at 8:30 a.m.

JOINT CONFERENCE – No report

QA Committee – Dr. Peimann reports;

Reviewed Annual Risk Report 2009, each item was discussed at length, please see document in addition to this brief synopsis. Reviewed the three root cause analysis, reviewed the findings and the completion or anticipated completion dates of each; Reviewed need and plan for a quality/rick management module of Meditech to allow for occurrence report tracking/entry/management. Reviewed complaints/grievances patterns and discussed the current plan of action through ECC and Patient Flow for finding and implementing process improvements. The Committee reviewed Norcal Risk Assessment Report as summarized in this report. Discussed the committees that have resolved the OB versus OR nurses for C Section and reviewed rational for one versus the other. Reviewed P&P tracking via new software; reviewed TJC and Norcal identification of chart entry authentication for voice orders, requires 24 hour "signing" and understand improvement plan is pending. Discussed OPPE & FPPE for identifying physician practice concerns both as a whole group (i.e. surgeons at BRH) versus individual. Also discussed the current systems in place for these. Clearing house for evaluation will be MSQRC with confidential information being shared with the Credentialing Committee of Medical Staff. FPPE may include case review; OPPE looks at trending. Discussed the three "blank" risk reduction items are being

referred to OR Committee for action; these involve surgical competency issues. Minor consent policy is being developed and written as part of the identified needs.

PLANNING COMMITTEE – Reed Reynolds reports;

Construction Update - Debbi

- Current Project: Project 2005 complete.
- Med Sur/Same Day Care Project: Consensus has been reached with physicians and staff; expect RFP in the next 2 months.
- Final renovation of the medical arts facility to be completed by the end of August.

Denison Culture Survey – Shawn

- Has been 2 years since the first, baseline survey. Shawn is recommending \$10,000 plus expenses for a follow-up survey in October. Motion (Loren/Bob) to recommend approval of the expenditure. Carried.
- Loren asked what “custom” questions consist of – answer: we added 3 custom questions in the first survey – need to continue asking these questions for trending. Can we see a breakdown of data by job/dept? Answer: in the first survey, employees were reluctant to identify their job/dept – we have made a strong effort to assure anonymity. Bob asks if we will have the questions? Answer: yes.

Land Purchase – Garth

- Proceeding with appraisal and environmental analysis. Will present project to the CBJ Lands Committee on 8/17. Expect to pay cash if acquisition proceeds. Reviewed a draft presentation for the Lands Committee.

RRC Program Assessment - Shawn

- The Joint Commission validated inadequate integration of RRC functions with BRH. Cathy suggests a study by a competent consultant – Diamond Health did the last study and offers to do an update for the cost of travel. Cathy suggests that a management contract be considered.

Childcare - Shawn

- The BRH Foundation has loosely defined a role to assist in fund raising for a childcare center. An analysis by Ritter has been reviewed – it estimates the total cost of the project at \$634,000. BRH is asking the Foundation to assume responsibility for \$250,000 reducing the total cost to BRH to \$384,000.
- Shawn is seeking Board input. Will request a proforma operating statement from Gold Creek who runs the day care center at the Federal Building. We have data to suggest a demand of 25-35; the center would have a maximum capacity of 40. Nate notes the hours of operation make the proposed BRH center different from most day care programs. He also noted the strong need to give more attention to services for the night shift.

Laundry - Debbi

- The price on the laundry originally was \$230,000 and the new estimate came in at \$457,000. Worse case scenario given to the Finance committee was \$400,000 so it's not too far off. The City has to rebid on the washers and dryers and our timeline is getting critical. The payback years will be approximately 3.67. **Dr. Malter made a MOTION to approve \$457,666.00 for bringing the laundry equipment into BRH. The MOTION Passed by a unanimous roll call vote.**

FINANCE COMMITTEE – Kevin Sullivan reports;

July 2009 Financial Results

Notable Financial Events

- Mental Health Unit 39% over budget in census and revenue
- CT Scan 30% over budget in procedures and revenue
- Pharmacy 24% over budget in revenue

Summary

Operating results for July show total patient days over budget. Inpatient Revenue was 16.4% over budget while outpatient revenue was 10.3% over budget leading to total revenue 12.4% higher than budget. Revenue deductions were 20.1%

over budget. Total Operating Expenses were 1.8% over budget. For July, Net Income of \$997,092 was \$602,173 over budget.

Our Operating Cash balance is \$7,830,893 as of the end of the month, a decrease of \$882,309. We had three paydays in July.

Kevin Sullivan made a Motion to transfer of \$1.5 million from Operating Cash to Future Facility Fund. The MOTION passed by a unanimous roll call vote.

OR Equipment – Bronchoscope Flexible & ENT Surgical Navigation System

At last month's meeting, the Committee recommended approval of the purchase of a flexible bronchoscope as requested by anesthesiologists and recommended by our OR Manager. This will need to go before the Board in August - recommend to the Board approval of expenditure of \$13,013.50 for bronchoscope as requested.

Kevin Sullivan made a MOTION to approve \$13,013.50 for Bronchoscope equipment for the OR. The MOTION passed by a unanimous roll call vote.

The Committee again discussed request from ENT physician for purchase of ENT Navigational System. While not used a lot, there are patients who leave Juneau for procedures utilizing systems such as this which are the standard of care.

Reed Reynolds questioned why this equipment took so long to come to the Board when a letter was sent by Dr. Raster back in April. Kevin explained that we didn't receive the draft Capital Budget until late March and we set aside \$400,000 for unanticipated purchases.

Kevin Sullivan made a MOTION to approve equipment for an ENT Surgical Navigation System in the amount of \$99,867. The MOTION Passed by a unanimous roll call vote.

Land

The Committee reviewed recent correspondence relative to the proposed purchase of land. We are moving forward with appraisal as authorized by the Board. The seller has asked that we pay for environmental assessment. We may wait until the appraisal before determining whether to do so.

Rainforest Recovery Center – deferred maintenance grant & program assessment

The Committee reviewed information on work we could undertake if approved for award of a grant from the State for deferred maintenance at RRC. We have plans to paint, address lighting issues, and replace furniture. The grant application will request funds for flooring.

Kevin Sullivan made a MOTION to recommended approval of a Resolution stating that any grant funds would be applied to deferred maintenance and accessibility improvements at RRC. The MOTION passed unanimously.

Diamond Healthcare, the organization that did an assessment of RRC several years ago and did Child / Adolescent Mental Health Unit feasibility work, has been contacted about doing a program assessment at RRC. Their proposal is that the assessment would be free of charge other than payment of travel and accommodation expenses for the consultants.

Discount Campaign

The Committee discussed a proposal to offer a discount to selected guarantors currently on time payment plans.

Linda Thomas was concerned about the discount amount being too high for the first time trying this plan. She felt that 10% might be more reasonable. Garth Hamblin did a study and found that 20% was average, and that some places even went as high as 30%. Garth mentioned that the only people allowed to participate in this are those on a time payment plan. Linda also asked what the total cash amount we could get from this is all the people on the plan took advantage of this program. Garth said BRH's opportunity is 1.2 million. Dr. Malter raised the question if we do this, will the insurance companies come after us asking for discounts to be offered to them as well. Garth said this is a onetime 90 day effort. We will evaluate it after the 90days and give a summary report to the Board.

Kevin Sullivan made a MOTION to approve The Discount Campaign. Dr. Malter asked the question are we sure this isn't breaking any of our rules with the City or our contract rules? Garth replied we will not. The MOTION passed by a unanimous roll call vote.

Denison Culture Survey

We conducted the Denison Culture Survey in 2007. This established a base-line. We now need to conduct another survey to evaluate progress.

Kevin Sullivan made a MOTION to approve the expenditure of \$13,170 for the Denison Culture Survey as recommended. The MOTION passed by a unanimous roll call vote.

Child Care

Staff continues to explore options for Child Care. The Committee received information on projected costs of remodeling space to accommodate the provision of Child Care.

RAC Audits / Preparations

We continue to monitor developments regarding Recovery Audit Contractors. Some staff attended an August 17 meeting with CMS and HDI, our Recovery Audit Contractor. We have formed a RAC Team and developed a draft RAC Management Action Plan.

Child / Adolescent Mental Health Unit

Staff has scheduled a meeting to review prospects for a Child / Adolescent Mental Health Unit. Our approach will be to get a prediction of cost for construction of a Child / Adolescent Mental Health Unit only. We will include those costs in an update of financial feasibility model.

Healthcare Costs / Reform

The Committee continues to monitor healthcare reform efforts.

PHYSICIAN RECRUITING – No meeting

BARTLETT FOUNDATION – Kevin Sullivan reports;

Kevin gave an update on the Foundation. They did a scrub sale and brought in 20% of the sales from that (about \$200 total). He mentioned that the Pick and Click Campaign was a great success for the PFD in 2009 and that they were approved for that in 2010 as well.

RAINFOREST RECOVERY CENTER – No Meeting.

Loren mentioned the last two meetings have been canceled due to lack of a quorum. They continue to accept applications. Linda also asked how the Board can help get more applicants. Loren has brought it up at the last couple Board meetings. Kristen mentioned the Advisory Board vacancies be advertised on the City's website.

OTHER BUSINESS

- September calendar was reviewed.

Board Member Comments

Lennie introduced and welcomed Robert Storer to the Board.

Shawn introduced David Miller from QHR.

Executive Session

Linda Thomas made a MOTION to go into Executive Session at 7:05 pm to discuss matters regarding financial matters that pertain to the hospital. The Board came out of Executive Session at 8:10 no action was taken.

Kristen Bomengen made a MOTION to hold a special Board meeting on September 2nd at 5:15 p.m. to discuss employee issues and morale. The MOTION passed unanimously.

ADJOURNMENT

Dr. Malter made a motion to adjourn at 8:13 p.m. The motion passed unanimously.

Nate Peimann, MD, Secretary (Date)