

Bartlett Regional Hospital

**BOARD OF DIRECTORS
September 22, 2009
Robert F. Valliant Center Boardroom
Minutes**

CALL TO ORDER

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

Present

Loren Jones
Linda Thomas (by phone)
Dr. Alex Malter
Lennie Gorsuch (by phone)
Robert Storer

Kristen Bomengen
Reed Reynolds
Kevin Sullivan
Nate Peimann, MD

Absent

Others Present

Shawn Morrow, CEO
Cathy Carter, CNO
Toni Petrie, Executive Assistant
John Wray, Compliance Officer

Garth Hamblin, CFO
John Raster, M.D.
Bill Henning, QHR

ROLL CALL

PUBLIC PARTICIPATION – None

Loren provided a revised agenda since there was so much to be presented and asked that John Wray be able to get his compliance report out of the way before the Consultant got on the phone.

QUARTERLY COMPLIANCE REPORT - John Wray reports;

1. **AUDIT SUMMARY –** Completed audit first reported to BOD at last quarterly report. Audit examined 32 Medicare one-day stays. Final error rate of 9.4%- all incorrect claims re-billed and education provided to coders.
2. **EXTERNAL AUDIT OF MH PHYSICIAN CODING / SELF-DISCLOSURE –** An external audit, conducted at the request of BRH, examined Part B physician documentation and coding for MHU and Bartlett Outpatient Services. In response to the findings, a corrective action plan was developed and implemented. This plan included a self-disclosure to Noridian of an overpayment. The letter requests that Noridian direct BRH on how to address this issue. The estimated overpayment will depend on the decision by the carrier on how far they wish to extrapolate, if any.
3. **COMPLIANCE RISK ASSESSMENT COMPLETED –** The bi-annual compliance risk assessment for BRH has been completed. Two areas of concern was a need to strengthen the current policies related to EMTALA and in Patient Financial Services. The ED policies have been completed, with one physician-directed policy pending. The PFS policies are currently being worked on.

4. COMPLIANCE PROGRAM EFFECTIVENESS AUDIT COMPLETED – The bi-annual program effectiveness study has been completed. The study included a 14 question staff survey that 169 employees completed. The study indicates additional work is needed so staff feels comfortable that there is no retaliation for reporting concerns and working with vendors education related to the BRH Compliance Program.
5. RAC & MIC UPDATE – As of this report, HealthDataInsights (the RAC contractor for Alaska) is conducting automated reviews of 7 issues. BRH has organized a RAC team, developed an action plan and have implemented procedures so to respond to medical record requests anticipated in mid-October. Current information is that the Medicaid Integrity Program contractor for Alaska has been selected and BRH could be receiving medical record requests as early as late September.
6. MULTI-AGENCY MEETINGS RELATED TO MH & SUBSTANCE ABUSE DISCLOSURES – BRH is working with a number of State agencies to develop a streamlined process for the disclosure of mental health and substance abuse records in response to subpoenas and court orders. This process is on-going.
7. CHANGES TO HIPAA – BRH is working on policy revisions in response to newly enacted changes to the Privacy Rule- specifically, breach notification. Final action is pending.

Kristen wanted to know when the Board would have the information from the RAC Audits. John responded that an action plan and a RAC Team has been put together to determine how we're going to appeal each item. The team decided to handle each issue on a case by case basis.

NEW APPOINTMENTS TO THE MEDICAL STAFF:

<u>Name</u>	<u>Category</u>	<u>Privileges In</u>
1. Douglas R. Harris	AHP	Mental Health Consults

Mr. Douglas R. Harris graduated from Montana State University in Billings, MT in 2000. Mr. Harris is a emergency services clinician for J.A.M.H.I., Inc.

2. Robert A. Lada, MD	Consulting	Telemedicine Neurology for Stroke
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Dr. Robert A. Lada graduated from the Case Western Reserve University School of Medicine in Cleveland, OH in 1993. Dr. Lada is a physician in private practice in Anchorage.

3. Jessica R. Scott, MD	Active	Family Medicine W/Obstetrics
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Dr. Jessica R. Scott graduated from the University of Washington in 2006. Dr. Scott is a family medicine physician for S.E.A.R.H.C. – Spruce.

4. Morningstar U. Sinclair	AHP	Nocturnal Poly, CPAP, BiPAP, O2, Sleep Study
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Mr. Morningstar U. Sinclair has had on the job training at Odyssey Sleep Works in Anchorage, AK. Mr. Sinclair is a sleep tech at Bartlett Regional Hospital's sleep laboratory.

REAPPOINTMENTS TO THE MEDICAL STAFF:

<u>Name</u>	<u>Category</u>	<u>Privileges In</u>
1. Steven H. Brick, MD	Consulting	Teleradiology

Dr. Steven H. Brick graduated from the Emory University School of Medicine in Atlanta, GA in 1983. Dr. Brick is a teleradiologist for Virtual Radiologic Professionals LLC.

2. Dariusz P. Bulczak, MD Consulting Teleradiology

Dr. Dariusz P. Bulczak graduated from the Akademia Medyczna W Gdańsku in 1993. Dr. Bulczak is a teleradiologist for Virtual Radiologic Professionals LLC.

3. John P. Dohrman, MD Consulting Teleradiology

Dr. John P. Dohrman graduated from the University of Iowa College of Medicine in Iowa City, IA in 2002. Dr. Dohrman is a teleradiologist for Radiology Associates.

4. William G. Jones, MD - Consulting Teleradiology

Dr. William G. Jones graduated from the Loma Linda University School of Medicine in 1972. Dr. Jones is a teleradiologist for Virtual Radiologic Professionals LLC.

5. Robert K. Parkinson, MD Consulting Teleradiology

Dr. Robert K. Parkinson graduated from the George Washington University School of Med/Health Sciences in Washington, DC in 1986. Dr. Parkinson is a teleradiologist for Virtual Radiologic Professionals LLC.

6. Shailendri E. Philip, MD Consulting Teleradiology

Dr. Shailendri E. Philip graduated from the Loma Linda University School of Medicine in 1996. Dr. Philip is a teleradiologist for Virtual Radiologic Professionals LLC.

7. Virginia C. Schreiner, MD Consulting Teleradiology

Dr. Virginia C. Schreiner graduated from the University of IL at Chicago College of Medicine - Chicago in 1994. Dr. Schreiner is a teleradiologist for Virtual Radiologic Professionals LLC.

8. Jonathan T. Sims, MD Consulting Teleradiology

Dr. Jonathan T. Sims graduated from the University of South Florida in Tampa, FL in 2001. Dr. Sims is a teleradiologist for Radiology Associates.

9. John D. Tucker, MD Consulting Teleradiology

Dr. John D. Tucker graduated from the Temple University School of Medicine in Philadelphia, PA in 2002. Dr. Tucker is a teleradiologist for Radiology Associates.

10. Priscilla H. Valentine, MD Active Family Medicine w/Obstetrics, Tubal Ligation, C-Section, D&C, Repair of 4th Degree, Amniocentesis, Prostaglandin Cervical Ripening, and Misoprostal Labor Induction)

Dr. Priscilla H. Valentine graduated from the University of Washington School of Medicine in 1988. Dr. Valentine is a family medicine physician for Valley Medical Care.

11. **Nell A. Wagoner, MD** **Active** **Gynecology, Appendectomy, Endometrial Ablation, Cystoscopy, Tension Free Vaginal Tape, Transobturator Tape, Suburethral Sling Procedure, Laparoscopic Vaginal Hysterectomy, Essure Hysteroscopic Sterilization)**

Dr. Nell A. Wagoner graduated from the University of Washington School of Medicine in 1983. Dr. Wagoner is a gynecologist in private practice.

12. **Erik J. Young, MD** **Consulting** **Teleradiology**

Dr. Erik J. Young graduated from the University of Arkansas School of Medicine in Little Rock, AR in 2002. Dr. Young is a teleradiologist for Radiology Associates

13. **Stephanie T. Young, MD** **Courtesy** **Radiology and Teleradiology**

Dr. Stephanie T. Young graduated from the Duke University School of Medicine in Durham, NC in 1990. Dr. Young is a teleradiologist for Radiology Associates.

CLOSURE OF FILE:

1. **Gordon Shepro, DC** – (AHP – Alliance chiropractic Health Center; Outpatient Laboratory and Radiology)

REQUEST FOR WITHDRAWAL:

1. **Laura Dooley, MD** – (Active – SEARHC – Spruce; family Medicine w/Obstetrics)
2. **Michelle Hyla, DO** – (Courtesy – Foothills Pediatrics; Pediatric/Newborn Pediatrics)
3. **Padma S. Iyer, MD** – (Consulting Virtual Radiology Professionals Teleradiology)

Dr. Nate Peimann made a MOTION to approve the credentials report as presented. MOTION Passed unanimously.

Dr. Raster presented four Medical Staff Bylaw changes for approval. The changes fell under the following categories;

- Medical, Physician Assistant and Nurse Practitioner Student Privileges – included the students in the Bylaws. Dr. Raster reiterated that the sponsoring physician is ultimately responsible for the student.
- Emergency/Disaster Privileges – This change gives permission for visiting physicians to have privileges in case of an emergency or disaster.
- Medical Residents – They were not included in the previous Bylaws.
- Duties of Officers – This changes the order of who is in charge if the Chief of Staff is not available. It should go Chief, Past Chief (due to experience) then Vice Chief.

Kristen made a MOTION to approve the Bylaws as presented. The MOTION passed by a unanimous roll call vote.

Loren announced he made changes to the original agenda and asked for approval.

Reed Reynolds made a MOTION to approve the amended agenda. MOTION passed unanimously.

APPROVAL OF MINUTES – Dr. Malter moved to approve both sets of minutes from August 25th and September 2nd. Linda asked that the wording regarding the Discount Campaign be changed to say “she felt that 10% might be more reasonable.” MOTION passed unanimously.

Shawn introduced Amanda Trosten-Bloom, Managing Director for Corporation for Positive Change. Amanda participated by phone. Loren gave an overview as to why we have engaged in her services. It has been presented to the Board in various ways that they have some issues around trust and support or lack thereof in the way the organization is currently operating. What they felt the Board could do, what they felt others in the organization could do. The Board has a lot of varied opinions and wants to try and find someone outside the organization to advise the Board on what steps they can take to address these issues in a positive manner so that in the end result improve working relationships between all staff and the board. They want to come up with a plan to implement and get to that point of shared vision.

There were several Board member comments and questions. Kevin Sullivan mentioned in his employment they have used an outside organization to help come up with shared vision and he felt it was beneficial.

Dr. Peimann wanted to know what Amanda specialized in and she responded “appreciative inquiry”. It’s defined as the study of what gives life to human systems when they are at their best. It’s a strength based approach to the organizations change and human change. It’s based on the assumption in every system, even those that are not working or working as well as they could be working. There are things that work very well and if you want the system to be able to achieve it’s full potential that you are going to get there better and faster and in a more fulfilling way by organizing around that which is good and which is right.

Dr. Peimann asked how this approach connects people at different levels and different functions of the hospital. She explained that they would put together a “Culture Council” team that consists of improbable pairs of people up to about fifteen people to interview each other to get different perspectives.

Some of the Board member questions also included what happens if the organization has had this problem for a long time and what if some of the people haven’t ever experienced the good in the organization. Amanda answered the question by telling her that they would instruct people to choose that moment, no matter how brief it may have been and however long ago it might have been true, when things worked. It may have only been five minutes five years ago, but something always works within the system and that’s what they would study (“Positive Deviance”). Another question asked was what happens when it doesn’t work. Amanda gave an example of one system that did not work. The group had too large of a “Council” team, not enough preparation for the leadership and no long-term follow-up afterwards. Bob asked if the Council allows for dissenting opinions and she said she recommends working until the Council can agree.

CEO MONTHLY REPORT – Shawn Morrow reports;

Cultural Transformation

- The compensation and benefits review report went back through the Finance Committee this month.
- The Denison Culture Survey will be conducted in October and results reported out in November.
- The Annual Financial Audit was conducted by Elgee, Rehfeld and Mertz. Audit results will be presented to the Board when they are complete.

Service Line Expansion

- The Cardiology Feasibility Study is still in the data gathering stage. Physician interviews were set up for September 21-22. Sixteen physicians will be interviewed. Their names were shared at the Medical Staff Meeting last month, so that others not on the list would know with whom to share their thoughts. There are also four Managers that will be interviewed as well.

Medical Staff Development

- A Psychiatrist was on site for an interview on September 17-19.

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 due diligence continues. CBJ Lands Office did a walk through inspection of the property. A letter outlining their concerns was sent to the realtor representing Holland America. We are in a holding pattern until Holland America responds to the concerns.

Key Vacancies

- CCU Manager
- Materials Management Manager

QHR Activity

- Bill Henning attended the Board Retreat on September 19th and also 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.
- Roll out of QHR's new productivity reporting system.
- 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.

EXECUTIVE COMMITTEE – Loren Jones reports;

Loren presented the General Powers Policies 0122-b & 0122-c to be approved. ***Kristen made a MOTION to approve both policies with an amendment to 0122b delete C (“All other contracts will be approved by the CEO and evaluated prior to renewal.”), renumber D & E and to replace the CEO Spending Limit from dollar amount from 5,000 to 10,000 in the Administrator’s Job Description and the Board Manual. MOTION passed by a unanimous roll call vote.***

There was a brief discussion about whether we should have our attorney attend all Board meetings. After this discussion it was the general consensus that we should request that the attorney attend Board meetings.

PLANNING COMMITTEE – Reed Reynolds reports;

Construction Update - Debbie

- Debbi presented floor plans for the 2nd and 3rd floors; questions were raised about the reduction of sleeping rooms for physicians – the rooms will be of higher quality and could accommodate bunk beds if necessary.
- The original cost for this project was \$8 million; this cost has increased to 11.7 M if done in one phase, 14.8 if done in two phases. This increase was explained by the addition to the plan of 1,800 square feet of space for OR education. While the Planning Committee accepted Debbi's explanation

for the increased cost, they deferred to the Finance Committee for final recommendation based on financing considerations.

- Loren was concerned about staffing for the new short stay day care (SDC) facility.
- Nate raised questions about focus on “bricks and mortar” v. focused concern on other issues.

Land Purchase – Shawn

- A letter from CBJ to Carlton Smith/Westours Motorcoaches Inc. concerning the status of the land was reviewed. The Committee agreed with the letter’s concerns and requirements. It was suggested that the land could be purchased without the improvements discussed in the letter if the selling price were reduced appropriately.
- A worksheet from Jensen, Yorba, Lott was reviewed. The worksheet estimate the cost to provide road access to 10 acres of land owned by and located above the hospital is \$2.9 million.

RRC Program Assessment - Cathy

- A re-assessment of the RRC operation under the new model was completed last week. The report will be given at the September 28th Advisory Board meeting.

Other Business

- Nate asked about plans for physician parking noting a desire for better access and gated. It was agreed there would be follow-up on this question in 3-4 months. We 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.

August 2009 Financial Results

Notable Financial Events

- Mental Health Unit 54% over budget in census and revenue
- General Surgeons 34% under budget in visits and revenue

Summary

Operating results for August show total patient days over budget. Inpatient Revenue was right at budget while outpatient revenue was 2.0% under budget leading to total revenue 1.1% lower than budget. Revenue deductions were 11.0% over budget. Total Operating Expenses were 8.4% under budget. For August, Net Income of \$975,373 was \$262,062 over budget.

Our Operating Cash balance is \$6,922,163 as of the end of the month, a decrease of \$1,455,708. We transferred \$1.5 million to future facility fund.

Year-To-Date for our Fiscal Year 2010

Financial

- Total Revenue of \$18,953,372 is 5.4% over budget
- Revenue Deductions of \$4,234,930 is 15.5% over budget
- Net Revenue of \$14,718,442 is 2.8% over budget
- Total Operating Expenses of \$13,020,284 is 3.4% under budget
- Net Income of \$1,972,465 is \$864,235 over budget

Statistics and Indicators

- Patient Days of 2,156 are 6.4% over budget
- Admissions of 392 are 17.3% under budget
- ER Visits of 2,538 are 2.5% under budget

- Staff Hours per Adjusted Patient Day shows a positive variance of 6.4%
- Net Margin is over budget by 5.66%
- Productivity is 99
- Overtime Percentage is 5.80%

Land

The Committee reviewed correspondence relative to a site visit / review by CBJ staff of property under consideration for purchase.

Med/ Surg / Same Day Care Project

The Committee reviewed information provided on project design process for the Same Day Care / Third Floor Renovation Project. This outlined steps including preliminary design and estimates moving to more detailed design work and more refined estimates of project costs. The Committee asked that there be a discussion with CBJ regarding process and Bartlett concerns and possible resolutions as we look to moving into another major project.

Laundry Project Costs / Funding

The Committee considered options for funding the additional amount needed for the Laundry project. We have received notice of the award of \$471,000 HRSA grant. The Board has approved using these funds toward replacement of CT Scanner – budgeted for FY 2010. The grant results in a savings in our capital budget. The Board approved expenditure of \$100,000 of this savings to address radio communications needs. **The Committee recommends using \$227,666 from the remaining saving for the Laundry project.**

Kevin Sullivan made a MOTION to use the savings of \$227,666 from the remaining HRSA Grant and appropriate those funds to deal with the anticipated laundry expense. Dr. Peimann spoke against the motion due when it comes time to replace the CT Scanner, the budgeted amount of 1.2 million might not be enough to get the kind of machine the physician's want and that grant money should be applied towards the CT purchase instead. After a lengthy discussion the MOTION passed by a roll call vote of seven in favor and one against.

Dues / Memberships

The Committee reviewed annual amounts for Dues paid to various organizations.

Healthcare Costs / Reform

The Committee received and briefly discussed recent information received relative to healthcare reform efforts.

RAC Audits / Preparations

We continue to monitor developments regarding Recovery Audit Contractors. We have an active RAC Team whose work has expanded to consider Medicaid audit efforts.

Child / Adolescent Mental Health Unit

Staff has met with architects to begin discussion of Child / Adolescent Mental Health Unit. A different meeting was held with a representative of the State to discuss current status / needs related to "Bring the Kids Home".

Cardiology Feasibility

Data has been submitted and representative of Health Group West was on site on Sept 21 & 22 to continue work of Cardiology Feasibility.

BARTLETT FOUNDATION – nothing to report

RAINFOREST RECOVERY CENTER – Loren Jones reports;
The Dimond Healthcare Consultants have completed their report and it will be discussed on Monday, September 28th. The full report will be forwarded to the Board.

The Board discussed education and training opportunities for the Board. Loren and Toni will get together a list of what is offered and when.

Estes Park – Loren Jones, Dr. Peimann, Cathy Carter and Dr. Welling will be attending the conference in January.

OTHER BUSINESS

The October Calendar was reviewed. The Executive Committee was moved to 11:00 a.m.

Kevin Sullivan made a MOTION at 7:20 p.m. to go into Executive session to discuss matters of the immediate knowledge of which may have an adverse affect on the finances of the hospital. MOTION passed unanimously.

The Board came out of Executive session at 8:05 p.m. no action was taken.

Kristen Bomengen made a MOTION to continue on beyond the 8:15 p.m. timeline. MOTION passed unanimously. MOTION passed unanimously.

Dr. Peimann made a MOTION to accept the Mercer Compensation assessment with a market adjustment with a fiscal impact of \$272,850 and a performance based bonus of approximately \$300 for full time employees and an adjusted rate for part time employees with a fiscal impact not to exceed \$120,000. Reed made a friendly amendment to include the major fund source for this motion would be from a 1% reduction in overtime. Effective November 1, 2009. The MOTION passed by a unanimous roll call vote.

The Mercer report demonstrated a lack of adequate life insurance, long term and short term disability coverage. Therefore, Dr. Peimann made a MOTION to authorize Administration to begin looking at implementing voluntary life insurance, long and short term disability coverage for employees. The MOTION passed by a unanimous roll call vote.

Dr. Peimann made a MOTION at 8:15 p.m. to go into Executive Session to discuss the CEO's evaluation. MOTION passed unanimously.

The Board came out of Executive session at 9:10 p.m. no action was taken.

Robert Storer made a MOTION to give the CEO a 2.5% salary increase. The MOTION passed by a unanimous roll call vote.

Before adjourning, Loren wanted to thank the Board for all their time and efforts they have put in this year. The Board also wanted to thank Loren for all of his time and efforts as Chair for the past two years.

Meeting adjourned at 9:12 p.m.