

Bartlett Regional Hospital

BOARD OF DIRECTORS
October 27, 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	Kristen Bomengen
Linda Thomas	Reed Reynolds
Kevin Sullivan	Lennie Gorsuch
Nate Peimann, MD	Robert Storer (by phone)

Absent

Dr. Alex Malter

Others Present

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

ROLL CALL

PUBLIC PARTICIPATION – None

APPROVAL OF MINUTES – *Kristen Bomengen made a MOTION to approve the September 22, 2009 minutes as amended. MOTION passed.*

MEDICAL STAFF REPORT – Dr. Raster reports;

NEW APPOINTMENTS TO THE MEDICAL STAFF:

<u>Name</u>	<u>Category</u>	<u>Privileges In</u>
1. Ankie Amos, MD	Consulting	Cardiology

Dr. Ankie M. Amos graduated from the Duke University School of Medicine in Durham, NC in 2000. Dr. Amos is a cardiologist for Alaska Heart Institute in Anchorage.

2. Rachel R. Zeller, DA	AHP	Dental Assistant
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Ms. Rachel R. Zeller obtained her certificate through the Indian Health Services in January 2008. Ms. Zeller is a dental assistant S.E.A.R.H.C. - Dental.

REAPPOINTMENTS TO THE MEDICAL STAFF:

<u>Name</u>	<u>Category</u>	<u>Privileges In</u>
1. Karen S. Caldemeyer, MD	Consulting	Teleradiology

Dr. Karen S. Caldemeyer graduated from the Indiana University School of Medicine in Indianapolis, IN in 1988. Dr. Caldemeyer is a teleradiologist for Virtual Radiologic Professionals LLC.

2. Paul E. Gilliam, Jr., MD	Courtesy	General Surgery; General Surgery, Lap Chole, Appendectomy, EDG, and Colonoscopy
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Dr. Paul E. Gilliam Jr. graduated from the University of Maryland Medical School in Baltimore, MD in 1978. Dr. Gilliam is a general surgeon for Vista Staffing - General Surgery.

3. John D. Graber, MD	Consulting	Cardiology
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Dr. John D. Graber graduated from the John Hopkins University in Baltimore, MD in 1967. Dr. Graber is a cardiologist for Virginia Mason Medical Center.

4. Amber R. Miller, DO	Active	Pediatric New Born, Lumbar Puncture Incision and Drainage, Umbilical Vessel Catheterization, and Circumcision Incision and Drainage
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Dr. Amber R. Miller graduated from the Des Moines University in Des Moines, IA in 2002. Dr. Miller is a pediatrician for Rainforest Pediatric Care.

5. Kelly Moxley, DPM	Active	Podiatry
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Dr. Kelly M. Moxley graduated from the California College of Podiatric Medicine - Oakland in San Francisco, CA in 2004. Dr. Moxley is a podiatrist for Juneau Foot & Ankle Center.

6. Adam Rulnick, MD	Consulting	Teleradiology
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Dr. Adam D. Rulnick graduated from the Israel Institute of Technology in Haifa in 2001. Dr. Rulnick is a teleradiologist for Virtual Radiologic Professionals LLC.

7. Ted Schwarting, MD Active Orthopedic Surgery

Dr. Ted L. Schwarting graduated from the Kansas University Medical Center School of Medicine in Kansas City, KS in 1998. Dr. Schwarting is an orthopedic surgeon for Juneau Bone and Joint Center.

**8. Wendy Smith, PAC AHP Outpatient
Laboratory and
Radiology, Inpatient
H&P**

Ms. Wendy L. Smith graduated from the Seton Hill University in Greensburg, PA in 2003. Ms. Smith is a physician assistant for Family Practice Physicians.

9. Paul Skan, MD Active Anesthesia

Dr. Paul M. Skan graduated from the University of CA at San Francisco School of Medicine in 1985. Dr. Skan is an anesthesiologist for Bartlett Regional Hospital.

**10. Gail Tharpe-Lucero, PAC AHP Outpatient Laboratory
and Radiology**

Ms. Gail L. Tharpe-Lucero graduated from the University of Washington School of Medicine in 2004. Ms. Tharpe-Lucero is a physician assistant for SEARHC Front Street Clinic.

11. Richard Toothman, MD Consulting Teleradiology

Dr. Richard L. Toothman graduated from the University of North Carolina at Chapel Hill in 1991. Dr. Toothman is a teleradiologist for Virtual Radiologic Professionals LLC.

CLOSURE OF FILE: None

REQUEST FOR WITHDRAWAL: None

REQUEST FOR ADDITIONAL OR EXPANDED PRIVILEGES: None

CHART REVIEW: None

REQUEST FOR CHANGE OF STAFF STATUS: None

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

CEO MONTHLY REPORT – Shawn Morrow reports;

Patient Satisfaction/Clinical Quality

- Hot off the presses - 3rd Quarter Calendar Year results. 74% would definitely Recommend BRH to Family and Friends. 63% scored Bartlett a 9 or 10 on Overall Satisfaction. Scores continue to move consistently in the right direction.

Cultural Transformation

- The rolling twelve month average Voluntary Turnover Rate dropped again down to 17% with Travelers and 13% without travelers.
- The Denison Culture Survey will be conducted in October and results reported out in November. The survey will be available October 22 – October 28. Your participation in the survey is critical.

Financial Strength

- Net Margin is 14.26% fiscal year to date.
- Productivity continues to run at 100 plus.
- Travelers increased from 4 to 6. The increase occurred in the ED and the OR.
- Overtime expense increased last month to 6.10%

Service Line Expansion

- The Cardiology Feasibility Study will be reported to the Board of Directors and the Medical Staff on November 3rd.

Medical Staff Development

- Psychiatrist recruitment was successful. Dr. John Pappenheim will start work January 4th. Following a one month orientation he will assume full duties as the Medical Director of Behavioral Health.
- The Recruitment Committee approved recruitment of another Psychiatrist as well as an Urologist.

- I am hopeful that an ad-hoc committee of physicians and managers will be formed sometime in late November to explore a hospitalist program.

Community Engagement

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

Key Vacancies

- CCU Manager, Materials Manager

QHR Activity

- CEO/CFO attended the QHR Northwest Group Meeting. This was a two day educational event.
- 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.
- 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 contracts for Dr. Pappenheim and Dr. Stillner. Dr. Pappenheim will be the new Psychiatrist and Behavioral Health Director starting in January 2010. Dr. Stillner's contract states he will continue to take call and not opt out due to age as our policy states he can.

Lennie Gorsuch made a MOTION to ratify the Executive Committee's decision to approve the contracts between Dr. Stillner and Dr. Pappenheim. MOTION Passed by a unanimous roll call vote. Lennie Gorsuch made a MOTION to approve the increase in Dr. Coonjohn's contract to bring her in line with her peers. The MOTION passed by a unanimous roll call vote.

Dr. Peimann made a MOTION to approve a contract for Dr. Dressel to go to Skagway to see pediatric patients. MOTION passed by a unanimous roll call vote.

JOINT CONFERENCE COMMITTEE – Loren Jones reports;

Dr. Raster reiterated again that the medical staff prefers a 128 Slice instead of a 64 Slice.

Loren asked long it would take to re-write the medical staff bylaws. Dick Monkman mentioned it would take approximately one year to complete.

QUALITY COMMITTEE - Dr. Peimann reports;

Some of the items that were brought to the QA Committee were referred to other Committees as they felt they did not belong in Quality.

PLANNING COMMITTEE – Reed Reynolds reports;

- Debbi Lehner advised that the work on the Medical Arts Building is finished, that SDC work is on hold pending further suggestions and discussion from physicians.

Construction Process – Rory Watt

- Question had been raised regarding an increase in the professional estimate for remodeling of the last 9 beds third floor section of the old hospital together with renovation of SDC on the second floor from 8 million dollars to 11.7 million. Rory offered a comprehensive discussion, with data, to explain the process for CBJ work, recognizing that the goal of estimates is to know the cost up front. Discussion points included the following:
 - Estimates are at best an educated guess that must attempt to consider materials and labor markets several years out. They must anticipate relatively few construction firms and the extent to which construction jobs which may be active in the future would reduce competitive bids. The estimate must take into account the additional costs involved with renovation of a working hospital v. new construction.
 - CBJ Charter requires the use of low bidders rather than other methodologies e.g. a) managed construction, b) general contractor at risk, and c) design build. The committee examined the need to continue using the required method given that other methods may be more cost efficient. After discussion, it was determined that all methods have deficiencies and that there would likely be questionable benefit from a successful effort to change the existing requirement.

Linda voiced her concern over the large increase in the estimate. She was concerned the estimate didn't show anything obvious for why it would jump up so much higher than the original amount and she felt someone needed to be held accountable and how it would look to the community. Dr. Peimann stated that we basically have no control as a Board. Bob said that we must set ourselves up for disappointment. Loren stated that Rory Watt from CBJ would attend or have someone else in his dept. attend the Planning meetings to try and help justify the costs and confusion. There was a feeling from some that did not want a repeat of the last project where the cost kept going up with little or no control by the Board.

REACH Building Demolition Proposal – Debbi

- Debbi explained the total demolition preparation bid from Carson Dorn is \$17.5 thousand, 8 for contract administration, 9.5 for evaluation and preparation of specifications for the demolition project. Loren asked if this amount could be included in the demolition project bid. Yes, but a special set of knowledge and skills

is required and the contractor may not do an adequate job. Rory noted this would be shifting the risk, that the use of a separate specialized firm for the preliminary work would prevent the contractor from including additional contingency costs in the contractor's bid. The legal position of the owner recognizes the owner has a duty to alert the contractor of known problems – this duty can not be avoided by shifting the duty to the contractor. Lennie asked if there were other bidders. No, only one bidder.

- After discussion and a review of the candidate Gail Tharpe-Lucero's application for the RRC Advisory Board, ***Lennie Gorsuch made a MOTION to approve the application for Gail Tharpe-Lucerno. The MOTION passed unanimously.***
- Loren presented an excellent summary of the discussion on training from the board retreat. He indicated he was doing more work. The committee offered additional training ideas including guest lecturers, teleconference sessions with experts on various topics, and a journal club. A book review has been proposed with a suggestion for the first book – “Why Hospitals Should Fly: The Ultimate Flight Plan to Patient Safety and Quality Care” by John Nance. In addition to safety and quality as a topic, health policy and cost efficiency were mentioned.

FINANCE COMMITTEE – Garth Hamblin reports;

September 2009 Financial Results

Notable Financial Events

- Mental Health Unit 31% over budget in census and revenue (revenue \$103,889 over budget)
- CT Scan 34% over budget in census and revenue (revenue \$215,213 over budget for the month)
- Pharmacy revenue continues over budget

Summary

Operating results for September show total patient days over budget. Inpatient Revenue was 13.4% over budget while outpatient revenue was 9.9% over budget leading to total revenue 11% higher than budget. Revenue deductions were 9.8% over budget. Total Operating Expenses were 1.7% under budget. For September, Net Income of \$1,178,188 was \$857,551 over budget.

Year-To-Date for our Fiscal Year 2010

Financial

- Total Revenue of \$28,221,852 is 7.2% over budget
- Revenue Deductions of \$6,131,529 is 13.6% over budget
- Net Revenue of \$22,090,323 is 5.5% over budget
- Total Operating Expenses of \$19,347,759 is 2.8% under budget
- Net Income of \$3,150,653 is \$1,721,786 over budget

Statistics and Indicators

- Patient Days of 3,160 are 5.1% over budget
- Admissions of 619 are 11.7% under budget
- ER Visits of 3,716 are 0.7% under budget
- Staff Hours per Adjusted Patient Day shows a positive variance of 4.3%
- Net Margin is over budget by 7.44%
- Productivity is 102
- Overtime Percentage is 6.10%

“REACH Building” Demolition

The committee reviewed a proposal from Carson Dorn for consultant services for demolition of the “REACH Building”. There is over \$440,000 in Board restricted fund for the project. ***Kevin Sullivan made a MOTION to approve the expenditure of \$17,500 for the demolition of the REACH Building. The MOTION passed by a unanimous roll call vote.***

Mercer Study Costs

The Committee reviewed information on the cost of the Mercer Compensation and Benefit Study. An additional \$15,000 is requested for Mercer to come onsite to conduct educational sessions and to develop informational materials. ***Kevin Sullivan made a MOTION to approve the expenditure of the additional \$15,000 as requested for MERCER to come onsite for educational sessions for staff. MOTION passed by a unanimous roll call vote.***

Infinity Eye System / Phaco

The Committee reviewed information and a request from Ophthalmologists for Infiniti Eye System. Kevin Sullivan made a ***MOTION to approve the expenditure of \$57,000 for the purchase of the Infiniti Eye System. The MOTION passed by a unanimous roll call vote.***

RRC Assessment / Management

The RRC Advisory Board is considering recommendations as a result of Diamond Healthcare review of RRC operation. We are looking at 2 options for management of RRC

Loren welcomed Susan Christianson to speak in regards to the Rainforest Recover Center Management Contract proposals. Susan gave several examples of other treatment facility programs and fees and felt that BRH needs to step up and make RRC the best treatment facility possible for Juneau without awarding a management contract to anyone. Another gentleman spoke in regards to his recent stay at RRC and the problems he encountered there as far as the program being old and the center being unorganized and understaffed.

Linda made a MOTION to go into executive session to further discuss the management contract proposals due to the financial impact. Kristen objected to the

*motion and felt that more discussion should be held in open session. **The MOTION failed with three in favor and five against.***

Shawn gave an overview of the recommendation regarding the management services contract. He said it's at least a one to two month process once the Board approves Administration to move forward. No money needs to be allocated at this time and the contract will go through the Finance Committee once it gets further along and more information is gathered. Reed voiced his concern over the fact that we received a one page summary at the Board meeting with no prior Board committee work.

Kevin Sullivan made a MOTION to authorize Shawn to continue negotiating with NCADD regarding a possible management contract to include scope of work and responsibility, performance measures, staffing and staff responsibilities, clinical documentation, and other deliverables. Kevin stated that the MOTION was not to preclude Executive Staff from continuing its due diligence regarding other possible providers of management services that may be appropriate for Bartlett's needs. Kevin stated that the MOTION was intended to allow Executive Staff to continue its efforts to clarify and define the scope of a possible management services contract for Rainforest Recovery Center without prematurely narrowing our focus to only one provider of such services.

In addition to the MOTION, Kevin requested that Shawn educate the Board regarding this matter by giving a short presentation at the next Board meeting concerning Executive Staff's efforts to secure an appropriate provider of management services. The presentation should address the specifics expected to be included in such a contract, the efficiencies and improvements in services expected to be realized from such an investment, and if a particular vendor is recommended over its competitors, the basis for that recommendation. .

Dr. Peimann seconded the MOTION for purpose of discussion. Dr. Peimann asked about putting the education piece into a Committee, but Kevin felt it wasn't needed at this time pending Shawn's presentation on the matter at the next Board meeting. The MOTION passed with six in favor, one against and one abstention."

PHYSICIAN RECRUITMENT COMMITTEE – Kristen Bomengen reports:

Psychiatry: Dr. John Pappenheim will join the hospital in January, 2010 in the Medical Director role. Dr. Stillner will be retiring in May of 2010. Recommend that we continue the search for the second position with a desire to have them start in March. It took 7 months to successfully recruit. There is a possible candidate in the Seattle area. (Dr. Edward Birochak)

The Committee approved recruiting a second Psychiatrist.

Urology: Alaska Urological Associates announced that they are closing the Juneau office for financial reasons. Dr. Michael Singsass requested that the hospital employ him for the two years that he expects to continue practicing. He informed us that he also has a job offer from Alaska Native Medical Center in Anchorage. We discussed also the

possibility of clinic management by BRH with ownership of the practice by Dr. Singsass. He indicated to Shawn that he did not think he would do that.

The 2007 Medical Staff Development Plan shows: Urology

- Current supply is 0.5 FTE, compared to estimated demand of 0.9 for the PSA and 0.6 for the SSA.
- The current physician admitted 27 inpatients and performed 97 surgeries last year.
- The current physician is over the age of 60.
- Recommendation: Medium term recruitment priority

Discussion of urology recruitment and the interim plan for coverage once Dr. Singsass leaves Juneau.

OTHER BUSINESS

Calendar- The November calendar was reviewed, no changes were made.

The December calendar was reviewed and the Board of Directors moved from 12/22 to 12/15 @ 5:15 p.m. Finance was moved from 5:15 p.m. to 4:15 pm on 12/15.

Laundry Update – Debbi announced the staff is hired and the equipment is in and scheduling is on track. It will end service with Alaska Sterile Laundry on November 13th.

Linda asked when we would be getting more information on the child/adolescent building. Garth responded after the first of the year as they need to look at the financials and follow up with the architects.

Kristen made a MOTION to go into Executive Session at 7:25 p.m. to discuss issues concerning personnel of the hospital. MOTION passed unanimously.

The Board came out of Executive Session at 7:50 p.m. and action was taken.

Loren announced elections will be held in December and has appointed Lennie and Linda to the Nominating Committee.

Lennie complimented on a very nice article in the Capital City Weekly on the Mobile Mammography Van.

Meeting adjourned at 7:51 p.m.

Nate Peimann, MD
Secretary