

Bartlett Regional Hospital

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**Bartlett Regional Hospital
Board of Directors
Minutes
September 23, 2014**

Called to order at 5:18 p.m.

Roll call

Present

Kristen Bomengen, President
Nate Peimann, MD
Mark Johnson
Nancy Davis, Secretary
Lauree Morton

Robert Storer, Vice President
Mary Borthwick (by phone)
Alex Malter, MD
Linda Thomas, Immediate Past President

Absent

None

Others present

Chuck Bill, CEO
Toni Petrie, Executive Assistant
Amy Dressel, Chief of Staff
Cynthia Brandt, Interim CFO

Billy Gardner, CNO
Dick Monkman, Hospital Atty.
Carlton Heine, M.D., Vice Chief of Staff

Public participation – Scott Ciambor, Planner for Alaska Mental Health Board and the Alaska Coalition on Homelessness came to discuss the Housing First Project. Pam Watts with JAMHI was also in attendance to support the project. He handed out an outline of what the project would look like. They are still waiting for a funding source from the state. The timeline is looking to be 2 to 5 years at the most.

Catholic Community Services - John Greeley, president of the Board of Catholic Community Services, attended to say they are facing some difficult decisions regarding hospice and home care in meeting their budget. They are currently running with a deficit. There are approximately 100 people a year that use their hospice care. CCS is asking BRH to be at the table in determining the future of these services.

Dr. Peimann said we currently have an agreement with CCS and we pay \$120,000 per year. Dr. Peimann recommended putting together a work group and then have CCS come back to the Board with suggestions.

Ms. Davis wanted it noted for the record that she hasn't been employed with Hospice and Home Care since August of 2013.

Approval of the minutes – Ms. Thomas made a MOTION to approve the minutes from the August 26, 2014 Board of Directors meeting. Ms. Morton seconded and they were approved.

SPECIAL ORDER OF BUSINESS:

Mr. Bill said Bartlett Regional Hospital was recognized by Mountain Pacific Quality Health as one of the top 6 hospitals in the state to score above 90% in quality, a great tribute to the staff Medical Staff.

STANDING COMMITTEE REPORT:

Executive Committee - Ms. Bomengen said in this meeting we were mostly updated on ER call issues, Meditech developments and moving forward to looking at our plans for the CAMHU project.

Finance Committee – Ms. Morton said Ms. Cosgrove updated everyone at the Finance Committee on the CFO candidate search.

Mr. Bill announced that the hardware for the Meditech implementation arrived in Juneau damaged. The representatives are coming to look at it to see what the extent of the damage is.

We have signed an agreement with the consulting vendor Santa Rosa and a schedule of work.

Ms. Brandt said since the Medicare audit, Bartlett owes \$230,000 for FY12 for PERS costs that have been disallowed under the cost reimbursement program. This will carry forward and the lost income from Medicare will continue to future years if not appealed, and other hospitals in Alaska have the same issue. We will be seeking specialized legal advice to appeal this.

Ms. Brandt gave an update on the August financials.

Excess of revenues over expenses for the month of August 2014 was \$1,245,657 which was \$464,365 better than budget of \$781,292.

Gross revenue for the month of August was \$12.0 million which was \$528,081 or 4.2% less than budget while contractual adjustments and bad debt expense were under budget by \$855,120 or 17.7%. As a result, net patient revenue was \$327,039 or 4.2% greater than budgeted which was largely driven by an adjustment to true up the contractual and bad debt allowances for the current fiscal year.

Patient days were 793 which were lower than the prior month but higher than budget of 771. Hospital admissions in August were 201 which were lower than the prior month and fairly equal to prior year. Mental Health Unit average daily census dropped over prior

month to 7.65 which was also fairly close to the prior year average daily census at 7.81. Surgical volumes dropped in August over July due to decreases in total surgery cases, consequently affecting the total surgery minutes, too. The drop in surgical volumes is mainly related to physician time off.

The total number of C-sections and other gynecological procedures dropped as well. Deliveries were 31 and C- sections were 5 which were lower than scheduled and expected. Emergency Department visits were 1,450 during the month of August which was higher than budgeted visits of 1,400. Ancillary volumes were similar to the month of July. CT volume was 340, Radiology was 809, Ultrasound was 526 and MRI was 139 in August.

Total Expenses were under budget for the month of August by 1.2 % and are right on budget year to date.

While finalizing the August, 2014 financials, the FY15 budget spread was reviewed and revised. As a result, revisions to the July, 2014 budget are reflected in the August, 2014 year to date budget amounts. Significant variances are listed below some of which are still under review:

- Salaries/Wages/Benefits are \$125,000 over budget.
- Fees Physician are \$92,446 under budget due to positive variances in the Emergency Department (JEMA contract) and Outpatient Psychiatric (physician vacancy).
- Fees Other are \$109,730 over budget due to contractual labor expense in several departments including RT, PTOT and OR.
- Supplies are \$149,755 under budget for the month due to positive variances in pharmaceuticals, food and computer software (reclassification of prepaid expense from July)
- Utilities are \$39,493 under budget driven in part by savings with new fuel oil contract.

Operating cash was \$27.2 million as of August 31, 2014 and Days Cash on Hand was 167 which was higher than prior month of 150. Cash receipts totaled \$8.4 million in August, cash disbursements totaled \$6.4 million, and net change in cash was \$2.0 million. Net A/R Days was 88 which were slightly lower than July.

Ms. Thomas said one of the things discussed was more education on the expectations of what the Board is looking to see come out of the stand-alone audit and that we will need to set aside time in the near future for that education.

Ms. Brandt said once the presentation is done, there will be an update and education on how it will unfold. The Board will be included in structure and information of the audit. The date of the final field work is scheduled for October 20th. The goal was to have the report within a month of that. It would make sense to have it wrapped up and included in our cost report which is due November 21st.

Mr. Bill suggested having Max Mertz from Elgee, Rehfeld and Mertz, to come back to the Finance Committee meeting in October. Ms. Thomas is hoping the report will identify what our financial high risk areas are and our methodology in contractuals that we are using and how it's working.

Ms. Brandt said she would be happy to do that education since its managements report.

Ms. Morton suggested we include this as part of the Board's education in October as well.

Quality Council – Ms. Davis reported that she is working with Ms. Rogers and Mr. Bill on the structure of the Quality Council.

BRH Foundation – Ms. Thomas reminded everyone of the Seafood Gala on September 27th. The Foundation held their annual meeting on September 15, 2014. There were two board members appointed, Beth Chapman and Emily Sharp. Maria prepared an annual report for the Board for 2013 and what they foundation accomplished. The Foundation provided 5 - \$5,000 scholarships and the Gift Shop extended their hours. The Foundation agreed to fund two CCU beds and hopefully raise enough to fun one or two more with the Gala.

Dr. Dressel added that the Foundation will help with the symposium for the All Alaska Pediatric Partnership.

Medical Staff report – ***Mr. Storer made a MOTION at 6:53 p.m., to go into executive session to discuss the Medical Staff report which is confidential by law. Ms. Davis seconded and it was approved.***

The Board came out of executive session at 7:07 p.m. No action was taken while in Executive Session.

Ms. Davis made a MOTION to approve the credentials report as amended by adding Dr. Strickler as active medical staff in radiology, with the caveat that Board Credentialing Member Ms. Davis reviewed the file and gave final approval. Mr. Storer seconded and it was approved.

Management report – Mr. Bill gave highlights to his report that was presented to the Board. He added we are looking at approximately \$40,000-\$50,000 to continue the current dialysis services we are getting. He said we are looking at all the options.

Mr. Bill indicated that it might not make sense to obtain Trauma Level 3. We have had an ongoing discussion on obtaining trauma level 3. Mr. Johnson asked if it would help to have a board member as a champion for obtaining this. Mr. Bill said yes.

Two psychiatrists are coming for a site visit. There hasn't been any luck on recruiting a pediatrician.

President report – Ms. Bomengen thanked Ms. Thomas and Mr. Storer to being attentive on the CAMHU funding issue. She reconstituted the committee and asked Mr. Johnson, Ms. Thomas and Ms. Morton to be on the ad hoc committee. We are hoping to have that well underway by the end of the year.

Ms. Bomengen has been in discussions with Mr. Bill to do board training as a whole, by possibly bringing someone in to do training or the Board going to training out of town. Currently we are on a case by case basis until the planning strategy meeting.

The October calendar was reviewed and changes were made.

Board comments:

Ms. Thomas asked who was responsible for responding on behalf of the hospital to surveys such as the Chamber of Commerce's current survey on the sales tax structure. Mr. Strader and Mr. Bill said we don't respond if it's political. The Board agreed.

Ms. Thomas asked about the nursing program looking for space. Mr. Bill said he was approached by Chancellor Pugh who said they are losing the space they are currently in and he's helping to canvas the area.

Ms. Thomas said as budgets are declining, we are perceived as the leader of healthcare in Juneau and there's an expectation in our community to help with projects related to healthcare and we should consider individual requests in a more holistic manner for the overall strategy of the hospital.

Ms. Thomas asked who was planning the agenda for the Board's Strategic Planning retreat and if we would get a copy of the agenda in advance of the retreat. Mr. Bill said Dennis McMillian with the Foraker Group was responsible for the agenda and planning.

Dr. Peimann encouraged the Board to continue to improve our relationship with the physicians. He said the cruise ship season is over and invited the Board to an end of the season celebration with the Emergency Department.

Ms. Davis brought up the email problem that continues with website email addresses not getting through to Bartlett staff and that having a designated Bartlett email might not be a bad idea.

Ms. Davis said the next time we are together the City will be entertaining applications for three board seats and that they should be thinking about that.

Ms. Bomengen said one of the reasons for the people that came to speak regarding the Housing First Project and Hospice and Home Care, is they are looking for board support. It was recommended this go to the Planning Committee. Dr. Malter said it would be more appropriate for management to bring recommendations to the committees.

Adjourned at 8:15 p.m.

Board Secretary