Board of Directors
July 23, 2013
Robert Valliant Center

Called to order at 5:20 p.m.

Roll Call

Linda Thomas, President	Alex Malter, MD, Secretary
Bob Storer, Past President	Mary Borthwick
Kristen Bomengen (by phone)	Lauree Morton

Absent
Reed Reynolds, Vice-President
Nate Peimann, MD
Nancy Davis

Also present

Chris Harff, CEO	Ken Brough, CFO
Norma Adams, HR	Billy Gardner, DON
Dick Monkman, Esq.	Toni Petrie, Executive Asst.

Janice Sheufelt, MD (reporting for Chief of Staff)
Karen Crane, CBJ Liaison

Approval of Minutes – ***Dr. Malter made a MOTION to approve the minutes from the May 21, 2013 (date was changed from the 28th to the 21st) Board of Directors meeting. Ms. Borthwick seconded and they were approved.***

Ms. Morton made a MOTION to approve the minutes from the June 23, 2013 Board of Directors meeting. Mr. Storer seconded and they were approved as presented.

Public Participation – Ron Gardner attended the meeting to ask the Board a question. "Now that the investigation is about over and I know you have received part of it, I want to know what's going to be done and how long before a decision is made." Ms. Thomas asked for Board comments/questions. There were none, so she thanked Mr. Gardner.

Dr. Strickler, one of the Radiologists that represent Diagnostic Radiology Consultants that provides the images and interpretations at BRH. He had two requests he wanted to make tonight.

1. There were some proposed changes on the liability indemnification language that was done by the City Attorney. Dr. Strickler forwarded it to his counsel who has not gotten back to him yet, so his request is until his attorney gets back to him the ok, that we postpone any potential contract renewal tonight.
2. The second request is, the radiologists have been here for five years. His request is if they can ask for an extension to their contract to be a five year contract as opposed to what it is currently (three years.)

CEO Report – Chris Harff reports
Dr. Lopez-Coonjohn is retiring October 31st, 2013. Ms. Harff has communicated with Juneau Youth Services and Johnson Youth Services to make them aware we may be terminating our contracts with them. We will try to work with them and provide the service if we can.

Radiation Oncology – We are working through requirements for our CT scanner and billing procedures to prepare for radiation treatment planning with a potential oncology group.

President's report – Ms. Thomas will meet with Amy Mead and Dick Monkman on Friday to go over some ideas they have on how to better facilitate how our legal services and risk management issues work between BRH and CBJ. Ms. Thomas will bring the information to the Executive Committee and then to the full Board.

Executive Committee – Ms. Thomas highlighted the following items from the minutes.

- Answers to the questions that were asked at the June Board meeting were addressed.

- Compliance training will be moved to August by request of the committee. Mr. Wray will be hosting group classes that will be able to get the Board through those policies with a more thorough understanding.

- Part of the Board's three year goals, they planned on having more of a stakeholder engagement, which included community members working with Wild Flower Court, SEARHC, our alumni, prior Board members and just general community involvement. Dr. Peimann and Mr. Reynolds will work with Administration to have an open meeting/reception with the above mentioned in September. This will give an opportunity to let them know what's going on in the hospital, do a tour of services we provide, etc. Mr. Reynolds has agreed to research information on the hospital Board makeup of membership. Especially, Governmental models and things like what type of member should be on the hospital board, the skill sets, the number of members, etc. he will be bringing that information to the next Executive Committee meeting for consideration. Our goal is to help provide research and best practices and information to the CBJ Assembly Members so they have that information available when they make their decisions and to hopefully help the long term sustainability of our community hospital in having the right skillsets on the Board.

- Ms. Thomas noted that under every committee report, there will be the strategic report that will be gone over each month discussing the status on the goals/objectives.

Planning Committee – Mr. Storer reports
Mr. Storer went over the Planning Committee report from July 11th. There was an update on the potential partnership with Oncologists that are trying to put in an "air condo." They were supposed to be up and running. It was reported to Ms. Harff that the air condo concept is probably ok within the city permitting, but not sure if the city would be interested in participating in one of those with their property. There will be more details to follow.

There was more discussion on the same day surgery center. The Committee looked at that and asked the City Attorney to look at the concept of the construction and to see with how the Davis Bacon rules have to apply in terms of construction. We need to look at all options and make an informed decision. There a number of legal issues to look at.

Ms. Adams gave her quarterly HR report to the Planning Committee.
The status of the CAMHU was briefly discussed. Ms. Bomengen wanted to see more of the financials, which the Committee agreed to as well. An analysis still needs to be done.

The balance of the committee meeting was to discuss the Board Self Evaluation and the Board's CEO Evaluation.

Dr. Malter asked if Administration has formally asked the City to change their regulations thinking we are pretty interested in participating (in the air condo Oncology project,) or was Ms. Mead just conveying that if down the line we wanted to partner with this group that it would be feasible to change the regulations. Ms. Harff said the City is working it out with how they will deal with one of these types of buildings in the future. Ms. Harff also said when speaking with Ms. Mead, there are a lot of concerns and issues with the City as far as a partnership go. The likely options would be

to build it and let someone else run it. Dr. Malter asked if there has been a recommendation by leadership yet about whether or not we would take part in this. Ms. Harff responded it would be pretty difficult to partner with them unless we wanted totally take on the building and that would be a large cash consideration. She recommends walking into this very carefully.

Special Planning Committee – Linda Thomas reports
Board Self Evaluation and Board CEO Evaluation was the focus on this special meeting.

Ms. Thomas made a MOTION on behalf of the Planning Committee, to approve the Board Self Evaluation form. Mr. Storer seconded. This report is being requested to be complete in July so it can be brought back to the August Board meeting. ***Motion passes.***

The Board CEO Evaluation form was reviewed. The goal is doing the evaluation form and setting up a goal review form as well as have Ms. Harff complete a self-evaluation. ***Ms. Thomas made a MOTION to approve. Dr. Malter seconded the motion.*** Ms. Borthwick asked if we are approving this for one year. Ms. Thomas replied yes. Ms. Bomengen added a comment that this form was designed based on what was viewed as the job description and basic focus of what we asked Ms. Harff when she started work at BRH. ***MOTION passes.***

Finance Committee – Dr. Malter reports
Dr. Malter went over the June financials. The preliminary net income is ahead of budget. We will make approximately 4 million dollars from the fiscal year that ended June 30th. The cash summary was also reviewed. The most notable point in the dashboards is we have been plugging away at the accounts receivable days. Early in the year before we started our auditing process, we got a little behind in our A/R. We are still down, but substantially better than where we were nine months ago.

The strategic planning update was in the packet for review.

The Juneau Medical Building leases were discussed and the Finance gave Administration to determine the fair market value for the lease rates for the upcoming years. Ms. Harff said she spoke with both CBJ and the hospital's legal counsel and they would both prefer the Board has input and approve them.

There were three contracts discussed for preliminary approval.

1. Catholic Community Services Memorandum Agreement is a renewal contract and was recommended for approval by the Finance Committee. This agreement provides financial assistance to the Hospice and Home Care Services provided by CCS. The thought behind this is it allows us to discharge patients sooner and prevent readmissions. The support for CCS is $120,000 annually.
2. Amy Mead and Tim Allen from the city have reviewed this contract and requested the insurance requirements required by the city be added. Dick Monkman was asked for input as well. ***Mr. Storer made a MOTION to approve the Catholic Community Services Contract. Ms. Borthwick seconded and it was approved by roll call vote.***

3. Macro Helix – This contract is to purchase 340b software for pharmacy, that will provide BRH the ability to bill the appropriate patients the appropriate amount under this complex program. BRH can save significant dollars and is eligible to participate in this program but again it is a complex regulation. Other Alaska healthcare providers are using this same software. The installation cost is not to exceed $5,000. One person will come for two days for the installation and training. The monthly cost for this program will be $1,225 monthly or $14,700 annually. Ms. Mead and Mr. Allen from CBJ have reviewed this contract and requested the insurance requirements required by the city be added. Mr. Monkman was asked for input as well. Mr. Monkman said when the attorneys are asked to review contracts such as these, it would be helpful to know the purpose is and the history with the vendor. The summary information provided tonight was useful. He said it would be helpful to get some context from Administration in advance so they know what exactly they are being asked to review. Mr. Monkman also said that there are still some issues with this particular contract that need to be resolved.

4. BRH Renal Dietician Agreement - BRH provides approximately 10 hours per week of dieticians services to the Dialysis Unit. Many of these patients are on very restricted diets. Dialysis units are often owned in large groups by large companies because of the tight reimbursement with Medicare and a highly regulated regulatory environment. It is very common if they are in isolated or rural communities to contract with the local hospital to provide these services as they do not justify even a part time employee. It is helpful to BRH because to provide dietician services to inpatients within 24 hours we can employee more than one. We are increasing the rate to $45 an hour for a potential 450 weekly income but this income is dependent on the need and I used an average for this rough calculation. There is little risk with this as many of the patients are chronically ill and the risk is during the dialysis run or procedure. Often many of these patients are at end of life. Amy Mead and Tim Allen have requested the insurance requirements required by the city be added. Dick Monkman was asked for his input as well.

Ms. Thomas asked Ms. Harff if there is any risk of waiting on the Marco Helix and the Renal Dietician contracts. Ms. Harff responded that with the Renal Dietician Contract it would allow us to earn a higher rate. With the Macro Helix, they won't commit to an installation date until they have an approval and right now they are looking out to October before they can come.

Mr. Storer said he had issues with some of the language in the Macro Helix contract. He would like to discuss Ms. Mead and Mr. Monkman before this contract gets approved. Mr. Storer also expressed his frustration with not receiving contracts with sufficient lead time so if they know there are problems they can deal with them patiently, systematically and initiate whatever they decide in a logical manner.

Funded depreciation – ***Dr. Malter made a MOTION on behalf of the Finance Committee that the funds get moved from the general operating account to the funded depreciation account in an amount not to exceed the annual fiscal year audited depreciation. Ms. Morton seconded the motion and it was approved by roll call vote.***

Bond Reserve - Mr. Brough reported that there is $302,000 left in our old bond account, which is no longer needed since we set up our new bond account. The funds need to move from that account back into general operating funds. ***Dr. Malter made a MOTION on behalf of the Finance Committee to move the funds from that account to the general operating funds account. Ms. Morton seconded and it was approved by roll call vote.***

Dr. Malter reported the Finance Committee discussed approving funds for the following;

- Lab analyzer
- 2-vehicle purchases
- Cardiac rehab monitors.

***Dr. Malter made a MOTION on behalf of the Finance Committee to approve up to $88,000 for chemical lab analyzer that was originally included in ou*r budget. Mr. Storer seconded the motion and it was approved by a roll call vote.**

Dr. Malter made a MOTION on behalf of the Finance Committee to approve up to $50,000 for the purchase of two vehicles for use by Bartlett staff for courier services and for locums, travelers, etc. Ms. Borthwick seconded and it was approved by a roll call vote.

Dr. Malter made a MOTION to approve expenditure not to exceed $32,032 for cardiac service monitors. Mr. Storer seconded and it was approved by a roll call vote.

The Recovery Audit Contractor "RAC" audits were discussed at the Finance Committee. The audits are known for being done incorrectly in billing/charging. Mr. Wray, BRH's Compliance Officer, gave a report to the committee on the findings from the auditor. The RAC has approached us to reimburse CMS approximately $88,000. Mr. Wray said Administration is going to appeal approximately 1/3 of those. 2/3 will be accepted by the auditor.

Dr. Malter made a MOTION on behalf of the Finance Committee to approve a limit of $50,000 for capital expenditures that have been approved during the prior year that would

allow Administration to move forward without having to come to the Board for approval. This would only be for already budgeted capital expenditures and not with new operational expenditures or items that weren't previously budgeted for. ***Ms. Borthwick seconded. Ms. Thomas recommended tabling this motion until it can be worded more carefully. Dr. Malter accepted tabling this motion until August.***

Quality Assurance Committee – Mary Borthwick reports
The committee discussed some strategic plan goals. The discussion was opened on standard optimal order sets and the committee agreed to start with pneumonia as its core measure. The evidence was solid and there's agreement, however, there has to be some champion through the Medical Staff so they are collecting the process steps first from other institutions that have successfully implemented and we will seek medical staff changes to move these forward.

Joint Conference Committee – Linda Thomas reports
The committee met and mainly discussed the on call situation. ***Ms. Thomas made a MOTION on behalf of the Joint Conference Committee to recommend to the Board to set up an ad hoc committee of board and medical staff to address the call issue in a timely manner and set a time certain for addressing it. Dr. Malter seconded for the purposes of discussion***. Dr. Peimann indicated that he would spearhead the ad hoc committee. Ms. Thomas said the committee will be comprised of physicians and Board members. Dr. Sheufelt said it's a difficult issue and the medical staff hasn't been able to resolve it. The Board should define what needs are important to have 24/7 coverage. Dr. Malter wanted to clarify "holes" in the schedule. The family practitioners are trying to cover pediatric call when there are dates where the pediatricians aren't on call. They are focusing on pediatric call as the emergent issue right now, but overall call is a concern. Administration has agreed to find an interim solution for neo-natal resuscitation. The Joint Conference also recommended providing financial assistance for recruitment for pediatricians which will be covered under physician recruitment.

Physician Recruitment – Kristen Bomengen reports
The discussion continued from the Joint Conference Committee regarding pediatric recruitment. There was also a discussion on psychiatry recruitment. One candidate for psychiatry will come up in August. They are trying to get another up later (possibly September.) They reviewed a letter from Glacier Pediatrics requesting help with recruitment. They also discussed if the other practice is seeking support for help in the recruitment of a pediatrician. Dr. Malter asked Ms. Harff the following questions;

- Would it be appropriate to tie recruitment funds to the incoming physician to cover calls a certain number of days a month? Ms. Harff said that is the recommendation from the committee. We are currently down four pediatricians.
- Do we have language in the contract for the physicians we employ that specify how many days of call they have to take a month? Ms. Harff said no we do not.

Bylaw Committee – Ms. Borthwick presented the first reading of the Bylaw amendments. She focused on three major changes that she wanted the Board to consider:

- Section 0123-we added on advice of Ms. Mead, City Attorney. Ms. Mead suggested the last sentence and Ms. Borthwick would like to know what the implications are.
- Section 0131.2 Dr. Peimann suggested that rather than putting in the Bylaws the recommendation for Bylaw Changes will come at the November meeting, they shall make that recommendation to the Executive Committee (don't put a date).
- Provisions for executive sessions for med/staff review in case there are questions that needed to be asked not publicly. She asked Mr. Monkman for advice.

There are a few other suggestions with physician discipline area. Mr. Storer wanted to know if it's possible that CBJ ordinances or law would be in conflict with either State or Federal. If that happens what's the resolution. There could potentially be a conflict, but the CBJ law says it has to be in compliance with the law. It would need to go to the City Attorney if it should be more memorialized.
Discussion on Section 123-Dr. Malter spoke to the last sentence in 0123, but he thinks as he observes the Board's process over the years. They have felt obliged to give operational input. They have gotten pulled into management and operations. He thinks this is so complex to run this hospital; we should strive to move management and operational stuff away from the Board and allow the CEO to sign the contracts. He feels the Board won't be able to think about strategic

issues that will be coming our way. It would be appropriate to put what is appropriate to delegate in the board manual. Ms. Morton recommended adding or designee in case that person that is listed as the signer is out of town. Ms. Borthwick wanted input for thoughts on 0123 within the next 10 days.

BRH Foundation – Ms. Bomengen reports
Ms. Bomengen said the Foundation is moving forward to prepare for the event on September 7th. There was significant discussion for the need to recruit new Foundation members. They are down 4 members. She encouraged the Board if they knew anyone who wanted to get involved to apply.

Ms. Borthwick made a MOTION to go into executive session at 6:55 p.m., to discuss matters which are confidential by law and that could have an adverse effect on the finances of the hospital. Dr. Malter seconded the motion and it was approved.

The Board came out of executive session at 7:55 p.m. No action was taken.

Medical Staff – Dr. Janice Sheufelt reports
Dr. Sheufelt recommended approving the Credentialing report as presented. ***Ms. Bomengen made a MOTION to approve the Credentialing report as presented. Mr. Storer seconded and it was approved.***

Other Business

The August calendar was reviewed.

Board comments:
Ms. Morton said it would be helpful when calling voice votes, to switch the order around so it's not always the same person going first and last. The rest of the Board agreed.

Mr. Storer voiced his concern over the Cerner approval process. He would like to look back at the minutes from when that was approved by the Board.

Dr. Malter thanked Ms. Petrie for all her work with the Board. Dr. Malter said he was less concerned about the Cerner Contract issue.

Ms. Bomengen said she will be relieved when we get the new contract process down so things flow smoothly.

The end of the agenda was met and the meeting adjourned at 8:12 p.m.

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Board Secretary