

Bartlett Regional Hospital

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Board of Directors meeting September 24, 2013 Robert Valliant Center

Ms. Thomas called the meeting to order at 5:15 p.m.

Roll Call

Linda Thomas, President	Reed Reynolds, Vice-President
Alex Malter, MD, Secretary	Bob Storer, Past President (by phone)
Mary Borthwick	Nancy Davis, (by phone)
Nathan Peimann, MD	

Absent

Kristen Bomengen

Also present

Christine Harff, CEO	Dick Monkman, Esq.
Karen Crane, CBJ Liaison	Toni Petrie, Executive Assistant
William Gardner, CNO	Amy Mead, CBJ Attorney
Jim Strader, Community Relations	

Approval of the minutes – **Ms. Borthwick made a MOTION to approve the minutes from the August 27, 2013 Board of Directors meeting. Dr. Malter seconded and they were approved.**

Joint Commission requirement - Bethany Rogers, Quality Director, attended the meeting to discuss a Joint Commission requirement for a quality evaluation of Contracted Clinical Services. What she is proposing after discussion with legal counsel, is to create a somewhat generic clinical service monitoring process where on an annual basis a Bartlett staff employee who is familiar with the operations of that clinical service contract will evaluate the contracts and make sure they are meeting the terms of the contract and that they are meeting the needs for Bartlett from a clinical perspective. Included in the Board Packet were monitoring forms. Ms. Borthwick and Ms. Davis who are on the Quality Committee are aware of this. **Ms. Borthwick made a MOTION to accept the Annual Evaluation Form and the Addendum. Mr. Reynolds seconded and it was approved by a roll call vote.**

CEO report – Ms. Harff reports

There is a new inpatient prospective payment rule. It's known in the industry as the "two midnight rule". Bethany Rogers and John Wray are following up on this new rule with staff. They will also be attending the Medical Staff meeting on October 1, 2013 and provide information.

Dr. Carrick, the psychiatrist we were recruiting has accepted our offer.

Bethany hosted ASHNA Lean training this month. One of the goals with the training is to use this methodology to improve the documentation process. Billy Gardner is leading that initiative.

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Enroll Alaska is an organization that will be working to enroll eligible recipients after the Affordable Care Act takes hold. Their primary objective is to get the word out that over 66,000 people will now have access to coverage. They have requested a place to work out of the hospital and access to the internet.

Dr. Peimann asked if Enroll Alaska will be onsite for enrollment. Ms. Harff said they will be in all the hospitals in Alaska.

Public participation – Greg Merrill, COO with Southeast Oncology Clinic came to update the Board on the progress of the Oncology Clinic. He thanked the Board for moving forward with the CT upgrade so that it will be ready when they see their first patient. They have completed the paving today. They are working on the interior of the building. Their goal to be open is December 11, 2013. They will be having a grand opening tentatively December 12th. Dr. Gene Huang will be their physician. They will have two therapists, Kelly Smelser, and Alex Goneson. They are currently looking for a front office coordinator.

President's report – Ms. Thomas reports

Board Self-evaluation – The summary of this review will be sent out over the weekend. Ms. Thomas would like to schedule a Board retreat in November.

Executive Committee – Ms. Thomas reports

Ms. Thomas reported that last month the Board approved moving forward with a shared legal services agreement with CBJ Law. We asked CBJ Law to provide us with a Memorandum regarding the services provided with a time certain for the review and discussion for services between the Board and CBJ Law. The Memorandum was received and is in the Board Packet and the time certain for review was set at December 31, 2015. In addition there was a discussion from Administration on a couple of legal issues that are in process with other firms and there was discussion to continue working on those to completion with CBJ Law oversight. Also emailed out today was a letter for continuing legal services with Mr. Monkman's firm, Sonosky, Chambers, Sachse, Endreson & Perry, LLP. This agreement has been approved by CBJ Legal. The retention fees proposed are similar to those for general matters in the past. This will be reviewed by the Executive Committee and brought back to the Board for approval in October.

Dr. Peimann asked if in the area of union/labor negotiations there was a plan moving forward that we used Sonosky, Chambers. Ms. Mead said HR usually negotiates the union contracts. There usually isn't an attorney involved. There was an attorney that helped BRH in the past. The suggestion was to do as CBJ has done in the past and have HR negotiate the contract to the extent the CEO is comfortable.

Renal Dietician Services Agreement – This agreement was forwarded last month to the Board for approval. There was some confusion if the version in the packet was the correct one so it was held until the September Board meeting for approval. ***Ms. Thomas made a MOTION to approve the Renal Dietician Contract. Dr. Malter seconded and it was approved by a roll call vote.***

Ms. Thomas informed the Board that there was an item that needed to be expedited before the Board meeting and approved by the Executive Committee for upgrades to the CT scanner not to exceed \$60,000 in order to meet the timing for the opening of the oncology center in order to provide therapy in a timely manner. Administration has been working on this purchase for several months and have negotiated the cost down. There were questions at the Executive Committee whether this was a Capital Budget item and fell under the Boards requirement for capital approval or whether it was an operating budget item. The question came up if it would cause a delay in approval. The Executive Committee approved the expenditure, in order not to delay in therapy with the oncology clinic on behalf of patient care. It was subsequently verified with our CFO that it was an operating expense, not a capital expense.

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Board agenda format – The Executive Committee recommends giving the consent agenda a try, and to have each of the committees weigh in on items that they consider appropriate for a consent agenda. This will be brought back to the Executive Committee to recommend final approval to the full board. Dr. Peimann asked if the compliance report could go on the consent agenda. Mr. Wray said yes. Ms. Morton said a consent agenda would only work if the documents come early enough, not received the day of the Board meeting. Ms. Thomas is going to ask each committee to discuss this and then report back to the Executive Committee. The intent is to improve efficiency at the Board meetings and free up time to focus on issues. Ms. Thomas will refer this to each committee to discuss.

Strategic Goals – The updated goals were handed out. They will be reviewed at the next board meeting. Ms. Thomas reminded everyone that the Alumni reception will be held Friday, September 27th at 6:00 p.m.

Board composition – Mr. Reynolds did a lot of research and work on board makeup, board size and skill sets. The Assembly asked to provide information to help them while interviewing for future board members. **Ms. Thomas made a MOTION to provide the CBJ assembly with the research and recommendations which indicate that our current Board size and term limit are appropriate and to provide the Assembly with recommendations for skill sets when there is an open position on the Board. Dr. Malter seconded the motion.**

Discussion:

Ms. Davis asked if the Board is prepared to give skill sets recommendations. Dr. Peimann asked if it could be placed on the Executive Committee to provide that information to the Assembly.

Mr. Reynolds said it was intended for each vacancy, the Executive Committee would review the skill sets of the existing Board and any deficiencies in skill sets might suggest be filled with the new appointments.

The motion was approved by a roll call vote of six in favor and one against.

Finance Committee – Dr. Malter reports
The August financials were reviewed. See attached.

Dr. Malter made a MOTION to approve the financial report. Ms. Borthwick seconded and they were approved.

Mr. Reynolds brought up a question regarding patient days statistic. Ms. Thomas asked Dr. Malter to look into the patient days and bring further information to next month's meeting.

Dornoch Fluid Waste Management System – These are suction machines that are used on a daily basis. The systems we are currently using have been recalled and will be shut down this Spring. This item was not in the capital budget because the recall notice came out after the budget was submitted. Ms. Thomas asked Ms. Conway to present a short written summary of the item and the reason that it was unbudgeted for the Board meeting.

Mr. Malter made a MOTION to approve this capital expenditure not to exceed \$87,200. Ms. Borthwick seconded. Motion passed by a roll call vote.

Dr. Malter made a MOTION to approve the following support service contracts;

Philips: This package is for support/service for the c-arms (mobile fluoroscopy units) that are used in the OR. There are two c-arms and each has a separate contract. CBJ legal has reviewed and requested changes which have been accepted. The contracts are

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for five years and are \$49,500 each at \$9,180/year.

Agfa: This is a support/service contract for the readers/servers and related equipment that converts the digital image on the cassettes to the image that is viewed on PACS. We need Agfa's support to keep this equipment running smoothly; if we don't have it we cannot produce x-rays. The contract is for four years and is \$163,201 or \$40,800/year.

Siemens: This is a support/service contract for the MRI unit. The pricing is actually quite good considering the age of the MRI (seven years). We have had very good support from Siemens and anticipate that we will continue to do so. The current contract expires at the end of this month and we will need cryogen fills (for supercooling the unit) and PM's, so we would like to see this contract approved as soon as we can. The contract is for five years and is \$658,155 or \$131,631/year. There was a discussion at the Finance Committee that support services contracts don't need to come to the Board for approval.

Dr. Peimann said at one point we had a document that showed the MRI machine would be up for replacement around 2013/2014. Have we looked at if this is a better decision than to replace it? It is the understanding of the DI Director that this is the best route to go.

Ms. Borthwick seconded and they passed by a roll call vote.

Electronic Medical Records System update – Ms. Palicka attended the meeting and discussed the plan in moving forward with our EMR. There are significant financial disparities between Meditech and counterparts, Cerner and Epic. She also commented on the following:

- Not enough time and not necessary to complete full scale demonstration that was done in the past.
- Cerner was chosen by a small margin previously, but both products were considered acceptable solutions and far better than the current system.
- We only have a 2-3 month timeline at most to make this decision if we are looking for full Meaningful Use incentive money for stage 2 and before we must begin work on ICD 10 and other regulation changes.

Plan for Moving Forward

- Share plan to move forward with a decision with staff and leaders.
- Begin by looking at Meditech and the enhancements they have added to their proposal.
- Acknowledge that cost is a factor in the decision this time.
- Hold high-level "day-in-the-life" demos for leaders and other designated clinical staff.
- Consider site visit with a small number of staff.
- Identify any serious deficiencies in Meditech product.
- Prepare a summary of findings and present to BOD.
- BOD and CBJ have final decision.

Dr. Peimann said when talking about Meditech vs. Cerner in the past that the information or data set that Meditech generates essentially locks and you can't get at that data without using their proprietary products. Mr. Brough said that will be included in evaluating the products when moving forward.

Mr. Reynolds asked if we could find out what the structure is for each database. Do we have any understanding what the patient side would look like? A patient portal is stage 2 meaningful use requirement. What does this do to the physician office practices? We thought at the time the Cerner office product didn't work at all. The interfaces are completely different. They have shared database, but they (community works) don't have any advantage.

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Dr. Malter made a MOTION to approve the Psychiatry Contract for Dr. Janice Carrack. Ms. Borthwick seconded the motion.

Discussion:

Mr. Reynolds was concerned about a paragraph in the contract that said we aren't adequately protected. Ms. Mead said if the termination is for cause, then this paragraph does not apply. The intentional destruction of hospital property could be grounds for discipline up to termination.

The motion was approved by a roll call vote.

Ms. Borthwick made a MOTION that support and maintenance contracts covered in the operating budget which had been reviewed by legal staff, may be approved by the Senior Leadership team. Dr. Malter seconded the motion and it was approved by a roll call vote.

Mr. Brough supplied some charge data information that compares charges between Alaska and Washington hospitals. This information shows we are very competitive with other Alaska hospitals.

HR/CBJ integration – Ms. Thomas made a MOTION to accept Option 4, the Integrated Shared Services Model conceptually, with a written letter of agreement that has a time certain date for re-evaluation of 12/31/2015 to be brought back before the Board for final approval. Mr. Reynolds seconded.

Discussion:

Ms. Cosgrove gave an overview of the preferred option.

Description of Services: CBJ and BRH HR functions are fully integrated. Staffing would include a high level HR professional at BRH who would be available to provide daily consultative services to BRH staff and who would supervise the day to day operations of the BRH HR Department. It is anticipated, that the current staff would remain in place.

The current CBJ HR Director would be responsible for providing tactical and strategic direction to the BRH HR department including supervision and management of staff, managing labor management relations including contract negotiations and administration, and working with Executive level staff on human capital management issues including organization development, staffing, and workforce planning and development.

Staff Reporting Relationship: The HR Director would continue to report to the City Manager with significant input on direction from the BRH CEO, who would also participate in the evaluation of the HR Director. HR staff at both organizations report directly or indirectly through subordinate supervisors, to the HR Director.

Ms. Cosgrove discussed the 4 options. We have entered into an interim agreement. Three other options: CBJ could operate at an appeal level, it could provide administrative oversight, or it could be a fully integrated model (Option 4). Ms. Cosgrove said the decision should consider whether people are comfortable with CBJ being directly involved with HR oversight.

Ms. Davis asked if we choose option 4 would BRH give up any flexibility around hiring or personnel issues that might be important to hospital operations. Ms. Cosgrove said no. Under the current CBJ model, they provide integrated HR services for other enterprise functions. As an example, they work with Eaglecrest Ski Area.

Ms. Mead said the hospital administrator retains the right to do the hiring and firing and choosing of personnel.

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Dr. Peimann, asked why wouldn't we stay with option one, and then look at the other three options, then that would be the due diligence on what's brought back to the Board to delineate these four options out and decide which one fits us best.

Dr. Malter said Administration was supportive of Option 4 approach, therefore, he was supportive.

Ms. Cosgrove added a note of caution entering into the interim agreement. . We can do that for a short period of time, but to really recognize the fully functioning benefits of going towards an integrated option as well as the administrator efficiencies we can achieve, we need to take a look at our current structure and determine staffing assignments, policy review, etc. She wouldn't be able to step in to see how to make the organization more effective.

Dr. Peimann asked what the advantages of integration are.

Ms. Cosgrove said what you are getting is some oversight in staff expertise about functioning within the public sector environment. The community and political environment that we find ourselves operating in. Ms. Cosgrove brings 30 years of experience working within Human Resources, most of which has been in the public sector. She is very well grounded in a wide variety of HR issues including collective bargaining, organizational development, etc. Outside consultants don't always understand that. Ms. Thomas said from her perspective, we are CBJ, we already have a shared risk management model and if there are any legal issues, they will have CBJ Law involved up front, which should help reduce risk.

Dr. Peimann – in an integrated model there would essentially be a CBJ satellite HR office in our hospital that would be run through CBJ, but would it have its own staff and would that staff be hired and fired by the department administrator or by Ms. Cosgrove?

Ms. Cosgrove said that would still have to be worked out, but the way she would envision it is, BRH would have its own HR office much like it does now. She doesn't anticipate any change in staff that is currently there. In terms of the supervision or replacement of existing employees if that becomes necessary, she would want to rely on the HR Director.

Mr. Reynolds asked if CBJ provide such services as job descriptions, job analysis job alignment wage analysis, etc. Ms. Cosgrove said yes in conjunction with the Bartlett staff.

Dr. Peimann – construction projects that are engineered by the City add significant costs to the project, but then we don't necessarily see value or responsiveness through that service that's given to us and it costs us significantly. Would there be costs associated with an HR Department that would be managed through the City, do you know approximately what that would be and how do we negotiate real value both for us through service by you?

Ms. Cosgrove said given the expenditures BRH currently has at the HR level, if you take those funds and redistribute them we could provide an improved level of HR services within that container. When you take a look and see what impacts, contract attorneys for labor negotiations, and higher level employment law issues, she thinks it would be a reduced liability in terms of employment practice type of issues. She thinks it will be a reduced cost to the hospital.

Dr. Malter shared concerns, but he looked to Ms. Harff for her recommendation and she thought this was a good model for us.

The motion passed by a roll call vote.

Quality Assurance report – Ms. Borthwick reports

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We should be aware that the Affordable Care Act reimbursements from the Federal Government start October 1, 2013. The financial impact on us will be small this first year, but it will be important to keep our Core Measures scores and our patient satisfaction scores high. Quality care will become not only our mission, but a financial requirement.

Bylaw Committee – Ms. Borthwick reports

Ms. Mead told Ms. Borthwick the Bylaws have been sent off to the legal department and the City Manager to look over the Bylaws. Sometime next month they should be before the Borough Assembly in a resolution for approval.

Dr. Peimann made a MOTION to go into executive session at 6:53 p.m., to discuss items which are confidential by law. Ms. Borthwick seconded and it was approved.

The Board came out of exec session at 7:20

Mr. Reynolds made a MOTION to accept the Credentialing Report. Ms. Borthwick seconded and it was approved.

Medical Staff Report - A Letter from the med/staff was included in the Board packet. Dr. Ben Miller reported the Medical Staff agreed on a list of essential services for the Board to review. They also agreed to 15 days per quarter to help cover the on call schedule. There will only be a few services where this will be an issue. Then they would seek help from the Board to cover the other days. They recommend bringing in a hospitalist.

Ms. Borthwick said we discussed the Hospitalist Program a few months ago, it was discussed that not everyone would participate, has something changed? Dr. Miller said he thinks more people are interested now. The participation would be higher than initially indicated. He thinks it will work well for others.

Dr. Peimann said he would agree with some of those points. He doesn't think in the long term it would be a money loser, but he does think in the short term 2-3 year plan he could anticipate it being a money loser. He also thinks that in the bigger picture, in terms of a Hospitalist, we always need to be concerned about and need to focus on a decrease in inpatient revenue. Currently our environment, the patients are impacted by the level of service that's being provided by the provider on call. The best way to say that is that if we make this a win-win situation, we will see an increase in utilization of our inpatient services. Currently we may be losing some of these inpatient services simply because of burn out call fatigue and the inability to provide a full range of coverage that may be increased with some adequate hospital service. He doesn't think anyone is being un-served, but he thinks some services are being sought at other places or being taken to other places for those reasons.

Ms. Thomas said Dr. Peimann has been tasked with putting together an ad hoc committee to discuss the on call issue. Dr. Peimann said he envisioned Ms. Thomas appointing members to this ad hoc committee and the goal of the ad hoc committee working with Administration, and together will bring an operational plan for fixing the call issue and an overall strategic plan for the Board to approve. The idea is that it will only serve that specific point. That goal may actually include a recommendation for a Hospitalist. Ms. Thomas said she and Dr. Peimann talked about the makeup of the ad hoc committee. Ms. Thomas proposed that we develop that ad hoc committee within the next two weeks. She would like to have a recommendation within the next month or two.

Dr. Miller suggested asking the orthopedic group to not group all their call in blocks but space it out so we aren't going without coverage for five days at a time.

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Dr. Peimann said we could recruit an orthopedist that would cover call. The disadvantage with that is competing with the current group. He also said the orthopedic surgeon that has decreased his participation in the call would like to sit with the Board leadership and discuss the call dilemma. He would like to meet with Ms. Thomas and Mr. Storer and Dr. Peimann.

Dr. Malter said he feels negotiations with the Medical Staff should be done through the hospital Administrator.

Dr. Malter asked if these services were appropriate for essential services for a hospital our size. Dr. Malter would like to say the Board has not officially accepted this list of essential services. He would like to get Ms. Harff's recommendation on the list.

Dr. Malter made a MOTION to go into executive session at 7:45p.m., to discuss personnel matters that are confidential by law and to discuss items which could have an adverse effect on the finances of the hospital. Ms. Morton seconded and it was approved.

The Board came out of executive session at 8:15 p.m. to extend the meeting until 9:30 p.m.

The Board went back into executive session at 8:15 p.m.

The Board came out of executive session at 9:15 p.m., no action was taken.

Board comments:

Ms. Morton made a comment that she disturbed about the on call situation.

Ms. Thomas would like to have the Board address an issue that was raised by the Compliance Officer re: compliance and financial issues with Medicare not approving reimbursement for patients that they consider should be considered observation patients instead of inpatient. This is becoming more and more of an issue as patients who may have nowhere else to go are turned away for care. The Board needs to address this in the near future. Dr. Malter said Finance could put a report together in Finance Committee.

Meeting adjourned at 9:20 p.m.

Secretary