

Bartlett Regional Hospital

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**Bartlett Regional Hospital
Board of Directors
Minutes
July 22, 2014**

Called to order at 5:18 p.m.

Roll call

Present

Kristen Bomengen	Robert Storer, Vice President
Nate Peimann, MD	Mary Borthwick
Mark Johnson	Alex Malter, MD
Nancy Davis, Secretary (by phone)	

Absent

Linda Thomas, past President
Lauree Morton

Others present

Chuck Bill, CEO	Mila Cosgrove, HR Director
Alan Germany, CFO	Billy Gardner, CNO
Toni Petrie, Executive Assistant	Dick Monkman, Hospital Atty.
Amy Dressel, MD	

Public participation – None

Special order of business – Mr. Bill introduced Cliff Hendren, who is in Juneau interviewing for the Chief Financial Officer position.

Approval of the minutes – *Ms. Borthwick made a MOTION to approve the minutes from the June 24, 2014 Board of Directors meeting. Mr. Johnson seconded. The minutes were corrected to reflect Ms. Davis was in attendance, not participating by phone and the approval of the minutes from the June 17th meeting, not the 7th.*

NEW BUSINESS: A list of CBJ Law projects from June was reviewed. Mr. Bill said we are working on streamlining the legal review process.

CONSENT AGENDA: None

STANDING COMMITTEE REPORTS:

The Executive Committee minutes were reviewed. Ms. Bomengen noted that there was final action taken on the Orthopedic ER call and the Hospitalist ER call agreements at this meeting.

Dr. Joanne Gartenberg's Physician Employment Contract was reviewed. This is a renewal contract. **Mr. Storer made a MOTION to approve the contract as presented. Mr. Johnson seconded and it was approved by a roll call vote.**

Dr. Ben Miller's Physician Employment Contract was reviewed. This is a renewal contract. **Mr. Storer made a MOTION to approve the contract as presented. Mr. Johnson seconded and it was approved by a roll call vote.**

Dr. Pam Gruchacz's contract amendment to allow her to continue to provide services to the Wrangell hospital, in addition to the hours she will be providing at BRH, was reviewed.

Ms. Borthwick made a motion to approve the amendment. Mr. Storer seconded and it was approved by a roll call vote.

Finance report – Mr. Germany reports.

There are two items for capital purchase up for approval. One is to upgrade three of our existing ventilators and to add one additional in the amount of \$54,980. Mr. Storer said he owns stock in Covidian, which is where we got the quote from, so he is recusing himself from the discussion and any consideration. We will be saving money from the previous quote which will be used to help purchase two CCU beds. **Dr. Malter made a MOTION to approve upgrading three existing ventilators and adding one additional ventilator. Mr. Johnson seconded and it was approved by a roll call vote.**

The other capital item is for two CCU beds. The quote is for \$85,741.48, which part of the savings from the ventilators will be used so we are able to purchase both beds. The plan is to replace the two oldest. They are 20 years old.

Dr. Malter made a MOTION to approve the purchase of the two CCU beds. Mr. Johnson seconded. The motion passed by a roll call vote.

Mr. Germany went over a pricing analysis re: the Medicare fee schedule. Our pricing for some items was lower than the fee schedule, therefore we were not being reimbursed as much as we could have been.

Mr. Bill said it was reported to him at an ASHNHA conference that the charges at Bartlett are quite a bit lower than anywhere else in the state.

Ms. Crane said that's not the public's perception and if that's true, the public needs to be made aware somehow.

Mr. Germany announced we signed the Meditech 6.1 contract. He showed pricing for the FY15-17 capital budget for the Meditech upgrade which includes the software, hardware, content vendors quality reporting tools, tablets, consulting and implementation fees.

We are hoping to get the RFP out next week for a consulting firm to help with implementation. We are still on track for our software delivery date of September 30, 2014.

Mr. Germany gave the June financial report;

Excess of revenues over expenses for the month of June 2014 was a negative \$1.28 million which was \$1.86 million worse than the budget of \$578,000. The reason for this significant loss in June was primarily due to a \$2.0 million write-off related to prior year Cerner fees (as Bartlett has decided to implement Meditech instead). The hospital's June performance brings the fiscal year actual to \$5.07 million which exceeds the budget of \$3.33 million by \$1.74 million or 52%.

Hospital volume saw an average of 26.7 patients per day in June. Rainforest Recovery Center's average daily census in June was 13.4 patients. Of the hospital census, the Mental Health Unit census averaged 9.3, a slight increase over May. Surgical cases totaled 267 in June, 38 cases lower than May. It appears that part of the reason surgical volume was lower in June related to vacation time/physicians away from the hospital. Emergency Department volume was strong in June at a total visit count of 1,400 or 46.7 average visits per day, the highest since last July.

Total operating revenue was \$7.3 million in June, \$162,000 less than budget. For the fiscal year, total operating revenue was \$86.82 million, \$3.29 million over budget. This included the impact of the unbudgeted electronic medical record incentive funds received in December 2013 of \$898,000. Higher than budgeted total revenue for the year also includes the impact of a reduced bad debt level than originally budgeted. Bad debt was \$1.69 million lower than budget for the year.

Total expenses were over budget for the month by \$2.1 million and includes the impact of the \$2.0 million Cerner write-off. For the fiscal year, total expenses were \$1.9 million over budget. Excluding the Cerner write-off, expenses for the month and total year were in line with budget.

Expense variance detail for the month of June includes:

- Salaries/Wages/Benefits: \$8,251 over budget, a variance of less than 0.2%
- The Cerner write-off directly impacted Supply Expense in the amount of \$2.42 million, specifically Computer Software which rolls up into the Supply Expense category. Prior to FY14, \$400,000 in Cerner fees had been previously written off to Software Maintenance. Reversing that caused Repairs & Maintenance to show negative \$191,000 for the month.
- Interest expense: \$61,000 over budget as the FY14 interest expense related to the Bond Defeasance was not known in time for inclusion in the budget
- Other expense: \$42,000 over budget due to physician clinic lease income (reduction in expense) not meeting budgeted expectations



Operating cash was \$25.0 million as of June 30, 2014 and Days Cash on Hand was 168.

From an overall cash receipts and disbursements standpoint, for FY14 in total, cash was managed well, with receipts exceeding disbursements by \$7.8 million. Receipts totaled \$88.6 million versus disbursements of \$80.8 million.

June Net A/R Days was 90 and includes the impact of a slow-down from the state Medicaid program which is causing Medicaid Days in A/R to be 21 days higher than normal.

Audit update – Ms. Knock reports.

Ms. Knock gave an update on the stand alone audit. The audit will start on August 4th. Ms. Knock also informed the Board that we are also involved in a Medicare audit that started in March. There will be a pre-exit conference call for the Medicare audit on July 28th.

Dr. Peimann said it's not clear what the Medicare audit is. Mr. Germany said this goes back to fiscal 2011 and it relates to the pension supplement payment of the hospital employees through the State of Alaska PERS program.

BRH Foundation – Mr. Bill reports

They will be having a black tie gala in September. They approved the purchase of the climbing wall and children's entertainment carts. They are also approving to continue help funding the S.A.N.E. training. Mr. Bill announced that he recommended Rustan Burton from the Juneau Empire to be on the Foundation board, which he has accepted. There are still vacancies on the Foundation board.

Dr. Malter made a MOTION to go into executive session at 6:20 p.m., to discuss matters which are confidential by law. Ms. Borthwick seconded and it was approved.

Out of executive session at 6:24 p.m. No action was taken.

Dr. Peimann made a MOTION to approve the credentialing report as presented. Ms. Borthwick seconded and it was approved.

MANAGEMENT REPORT:

CEO report – Mr. Bill said that he has received a proposal from the company Focus and Execute that will be providing education at the Board's strategic planning retreat in October. He wanted to remind the Board that Dennis McMillian from The Foraker Group will be here on August 4th and invited any of the Board members that wish to participate in that meeting to attend. Mr. Bill is scheduled to speak at the Juneau Chamber of Commerce on Thursday, July 24th.

Mr. Bill asked the Board, with him being the face of the organization what they wanted as part of our involvement in community events.

Dr. Peimann said it's important for the hospital to promote health like we do with the blood draws, etc.

Mr. Storer said the Board needs to be sensitive because there are board members on this board that are on other boards, so think carefully when choosing organizations to help promote so it's not a conflict for the hospital.

Mr. Johnson said he feels the hospital should be involved in things that include health related things. He served on the school district budget and they talked a lot about cutting the nurses at the schools, so if Bartlett could look at those types of things as well.

Dr. Peimann said this discussion should start at the Executive Committee level. The hospital does a lot for the community, but we still have room to improve promoting what we offer to the community.

Mr. Bill said we had a visit from the Joint Commission and they found that the hospital was in compliance.

We recently received a program on a thumb drive from The American Hospital Association regarding Eliminating Harm and Improving Patient Care, and a Trustees Role in that process. Mr. Bill will take a look at it and let the Board know if he thinks it has value.

Mr. Bill announced we will have two CFO candidates onsite this week.

President's report – Ms. Bomengen said July was a busy month for board members and staff, so there were no meetings held other than this one, but she looks forward to having a very productive August.

August board calendar was reviewed – The Planning Committee was moved to August 21st.

BOARD COMMENTS:

Dr. Peimann said it's important to recognize we are halfway through cruise ship season and the staff are doing a great job of working hard and he wanted to thank the staff and Administration.

Adjourned. 6:50 p.m.

Board Secretary