

Bartlett Regional Hospital

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Board of Directors

April 23, 2013

Robert Valliant Center

Called to order at 5:15 p.m.

Roll Call

Linda Thomas, President	Reed Reynolds, Vice-President (by phone)
Alex Malter, MD, Secretary	Mary Borthwick
Nancy Davis (by phone)	Kristen Bomengen
Lauree Morton	Nate Peimann, MD

Absent

Bob Storer, Past President

Also present

Chris Harff, CEO	Ken Brough, CFO
Norma Adams, HR	Billy Gardner, DON
Dick Monkman, Esq.	Toni Petrie, Executive Asst.
John Wray, Compliance Officer	Janice Sheufelt, MD, Secretary of MSEC

Linda Thomas called the meeting to order at 5:20 p.m.

Public Participation – None

Approval of Minutes – *Ms. Bomengen made a MOTION to approve the minutes from the March 26, 2013 Board of Directors meeting. Ms. Borthwick seconded the motion and they were approved.*

Ms. Bomengen made a comment that the Board's past practice has been for the current President not to be the maker of a motion from any sub-committee. Ms. Thomas thanked Kristen for her insight.

John Wray – Mr. Wray had a letter in the packet for the Board to review. CMS has revised their stance related to compliance programs from voluntary to a mandated function for health care entities. Within these revisions are requirements for increased Board of Directors oversight of the compliance program and mandated Board education on Compliance.

Dr. Malter made a MOTION to delegate the Compliance Committee the tasks addressed in the letter and inform the Board. Ms. Davis seconded the motion.

Discussion:

Dr. Peimann said he felt due to some of the content in the letter; he felt it best to be discussed at the Executive Committee level.

Dr. Peimann asked for clarification if previous Board education would count towards this. Mr. Wray believes these requirements start on January 1, 2013, so it would not count.

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Mr. Wray also said the Federal Government reported they expect to see documentation that hospital boards are receiving compliance training.

Ms. Davis said that in the strategic goals/objectives for Planning, Board education falls under that category and perhaps compliance education should be addressed there.

Dr. Peimann said the education piece for the Board falls under Planning, but some of the other issues such as the corrective action plan should be at the Executive Committee level. He asked who the Board wants to drive this plan.

Dr. Malter made a motion to refer this to the Executive Committee to come back with a recommendation to the Board to move forward on compliance education. The tasks that Mr. Wray has recommended to be put to the Compliance Committee could be acted upon tonight. Specifically, the risk assessment and effectiveness review can be referred to Compliance Committee. **Dr. Malter accepted that as a friendly amendment. The motion passed by a roll call vote.**

CEO Report – Chris Harff reports

The Pathologists contract is coming up for renewal. Mr. Monkman wrote an extension agreement for 6 months, during which time the Pathologists and Administration will meet and discuss future options for services.

The BRH Foundation is doing their annual retreat April 29th. They are asking for Bartlett staff to come talk about items BRH is requesting.

Executive Committee – Linda Thomas reports

Ms. Thomas reported that she, the CEO and CFO met with the, Assembly on Monday, April 22, 2013 to discuss items that could affect the finances of the organization. Due to the financial impact, details of this discussion will be held in executive session.

The bylaw revisions were reviewed by the Executive Committee and passed to the Board for approval.

Ms. Thomas asked Chris to give the update provided at the Executive Committee on the Mobile Mammo services that were being provided to SEARHC patients. We will no longer provide those services in certain communities due to budget constraints SEARHC is facing.

Ms. Thomas reported she has and Dr. Malter met with the CBJ Finance Director, Dr. Malter, Ms. Harff, Mr. Brough and the hospital attorney/CBJ attorney, to discuss the budget presentation to the Assembly.

Strategic Goals/Objectives – Ms. Thomas recommended that at our monthly Board meeting, each Chair report where we are at (progress, action) Dr. Malter recommended separating the goals/objectives out by committee.

Planning Committee – Dr. Peimann reports

1. The HR Quarterly report was reviewed. Dr. Peimann asked for Board acceptance for the report as presented – **accepted**
2. CEO Succession Plan – **Dr. Peimann made a MOTION adopt this as a policy and adopt it into the manual, with the change that anywhere it says CBJ Administrator or City and Borough Administrator should be CBJ City Manager or City and Borough City Manager. Dr. Malter seconded and it was approved by a roll call vote.**
3. The Committee discussed patient centered care and ways the Board can envision moving forward. There was a suggestion of having patients attend Board meetings to share their personal stories of their experience. This is something that is happening with Boards across the country. Dr. Malter reported his preference is to have Administration involved and bring details to the Board. Ms. Bomengen feels if the Board adopted this new mission statement, they need to show real leadership to see that it's being done.

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The objective is to provide the leadership that is appropriate on focusing on patient care. The Board agreed to have Planning continue with this discussion.

Finance Committee – Dr. Malter reports

Highlighted items include; we were behind last month in terms of revenues, but we are 2 million dollars ahead for the year.

Other items discussed – Medicaid appeal mediation to recoup money the state owes us for taking care of Medicaid recipients in terms of appropriate billing. We did not come to conclusion during the first set of mediation, but there is another mediation scheduled in a month.

Current employee health plan costs – the hospital's portion of the CBJ plan is a little bit more expensive per member than other portions for other City members. Informal discussion at the Finance Committee was that once we are in the plan, we are part of the entire plan and it would be inappropriate for the City to think that we should bear a disproportionate share of the share of the premiums, even though our employees in the plan might have been incurring greater costs for many reasons

Mr. Brough presented to the Finance Committee the preliminary plans for the budget presentation to CBJ on May 8th. The Finance Committee scheduled another meeting on May 3rd to go over the presentation.

Mr. Brough added we did lose some money in the month of March. Our volumes were down. We are currently at a positive bottom line. The cash increased at the end of the month since we were able to collect \$1.5 million from Medicare to settle on our cost report. We are still struggling with our A/R days and still working on the Xtend project to get the A/R days down.

Ms. Davis noted that the Charity Care and Bad Debt looked really different from what was budgeted. Mr. Brough responded that it has to do with the methodology that was adopted when the interim CFO was here. We use our A/R aging to decide out breakdown on a contractual level of bad debt. Dr. Malter said his take on this is that one of the reasons it's so tough getting our A/R days down, is because we are spending so much time on the back end trying to get the charges right. That's why it is so critical for the nurses to get the charges in correctly on the front end.

Ms. Thomas reported that at the meeting with CBJ Finance Director they report their capital items differently from what normal hospital accounting reporting is. The CBJ Finance Director said they are continuing to further define a capital project that needs to be presented to the Assembly and approved by them. Items of a capital nature that are highly unusual and large need to be run by the Assembly and every day recurring operating equipment that is not a construction project or large dollar cost is listed as a separate line item such as equipment and supplies on the budget Mr. Brough is working on a list of items we have already approved so the list will be slightly different. The operating budget will be larger, capital budget less, but the overall dollar amount will remain the same and the items will remain the same. Mr. Brough clarified that this is a budgeting presentation designed based upon CBJ guidelines and will vary from hospital accounting and financial reporting guidelines.

Dr. Peimann asked where we are on the bond defeasance. Mr. Brough reported this has been completed and we fared well. The projected present value was approximately 13-14% savings.

Dr. Peimann asked Mr. Brough if there have been any hidden costs since we have moved to this new GPO or are things going along as we expected? Mr. Brough reported things are going well thanks to a lot of staff. Vendors have been very cooperative. We are seeing some cost saving opportunities.

Quality Committee - Ms. Davis reports

There will not be a meeting in May due to staff and members being out of town. The Committee followed-up on the mammogram recalls which has improved since it first arose as a problem that people had to come back for a repeat mammogram. The next meeting is June 26th.

Bylaws Committee – Ms. Borthwick reports

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Ms. Borthwick made a MOTION to accept all of the proposed bylaw changes including the section on Board education. We will exclude the changes for section 132. Dr. Malter seconded. Ms. Borthwick made an amendment to the motion to say, we accept as first reading, the bylaws in substantive form after having discussed necessary changes regarding board evaluation, education, code of ethics and expansion of hospital executive sessions. Dr. Malter seconded the motion. Ms. Borthwick will check with City Law to make sure we are in sync with them before bringing it back to the Board. The motion passed by a roll call vote.

The Board took a recess at 6:40 p.m.

The Board came back in session at 6:50

BRH Foundation – Ms. Bomengen reports there was no meeting due to their annual retreat meeting April 29th.

RRC Advisory Board – Chris Harff reports

Sandi Kohtz announced her resignation. Jennifer Brown will be overseeing the Administrative duties of RRC as well as MHU. We are looking at integrating the services. There is a new clinical supervisor at RRC to help with the day to day operations. The group talked about what their priorities should be. There was a request from the fire chief how they could join forces with the staff at RRC during catastrophes.

Dr. Malter made a MOTION at 7:05 p.m., to go into executive session to discuss items that could impact the reputation of the hospital or individuals. Ms. Borthwick seconded and it was approved.

The Board came out of executive session at 7:10 p.m. No action was taken.

Medical Staff – Dr. Sheufelt reports

Dr. Sheufelt recommended approving the Credentialing report. **Dr. Malter made a MOTION to approve the Credentialing report as presented. Ms. Borthwick seconded and it was approved.**

Dr. Malter made a MOTION to approve the 6 month extension for the Pathology Contract. Ms. Bomengen seconded the motion and it was approved by a roll call vote.

Other Business

The May and June calendars were reviewed. The Board of Directors meeting was moved to May 21st at 5:15 p.m.

Board Comments:

Ms. Davis reported she will be traveling most of May; she will call into meetings when she can.

Dr. Peimann wanted to note that it is important for the Board to work as a team, to communicate well together and involve others in their decisions.

Ms. Thomas reported she would like to work with the Finance Committee on a general discussion of the Board's involvement in systems and controls on purchasing and payments.

Dr. Peimann made a MOTION to recommend we renew our Foraker membership to help in developing the CEO and Board self-evaluation for \$1,500 a year. Kristen seconded the motion and it was approved.

Ms. Borthwick made a MOTION to go into executive session at 7:20 p.m., to discuss matters which could affect the finances of the hospital. Ms. Davis seconded and it was approved.

The end of the agenda was met and the meeting adjourned at 8:10 p.m.

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Bartlett Regional Hospital — A City and Borough of Juneau Enterprise Fund

