

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900
www.bartletthospital.org

**Bartlett Regional Hospital
Board of Directors
Minutes
1/28/2014**

Called to order at 5:15 p.m.

Roll call

Present

| | |
|-------------------------------------|------------------------------|
| Kristen Bomengen, President (phone) | Bob Storer, Vice-President |
| Nancy Davis, Secretary (phone) | Linda Thomas, Past-President |
| Mary Borthwick | Lauree Morton |
| Mark Johnson | Alex Malter, MD |
| Nate Peimann, MD | |

Absent

None

Others present

| | |
|--------------------------|--|
| Jeff Egbert, CEO | Billy Gardner, CNO |
| Mila Cosgrove, HR | Toni Petrie, Executive Assistant |
| Jane Sebens, CBJ Law | Kendri Cesar, Sonosky, Chambers Law Office |
| Karen Crane, CBJ Liaison | Amy Dressel, Chief of Staff |

Public participation – Ron Gardner, community member. Mr. Gardner asked three questions about the article that came out in the paper on January 12, 2014, regarding some of the past Senior Leadership at BRH.

1. With so many people testifying, how can there be unsubstantiated evidence against Ken Brough, Chris Harff and Norma Adams.
2. We paid for the investigation as the city. We should all be able to see it. It's an open document. Anything paid for by the city is an open document. So, I guess we have to go get a judge to sign the paper and we will.
3. How could they possibly get paid a severance pay when it said right there in their contract they wouldn't be if they quit and the Board is telling everybody that they voluntarily quit. If they quit they shouldn't have got anything. If they were fired, then say they got fired and let's be done with it. Thank you.

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Mr. Storer asked the Board if they had any questions for Mr. Gardner and nobody did so he thanked Mr. Gardner for coming.

Mr. Storer added for the record, that he attended the Assembly meeting last night. The Assembly has invited the entire board to come before the Assembly to answer questions on what transpired and how the decisions were made, etc. He would also note that while spontaneous questions will occur, the Assembly intends to submit questions not necessarily for the Board's review, but for City staff, attorneys, etc. so that it can be determined what information can be discussed in public and what needs to be discussed in executive session. Mr. Storer emphasized that it will not be the hospital board or hospital staff that makes that decision. It will be determined independently by the City.

Approval of the minutes - Ms. Thomas made a MOTION to approve the minutes of December 19, 2013 board meeting. Ms. Morton made a correction to the minutes regarding the Sexual Assault Response Team training. It is the entire week of March 24th, not just a day as it said in the minutes. The minutes were approved as amended.

STANDING COMMITTEE REPORTS:

Ms. Bomengen reported on the Executive Committee meeting. There were two items that the committee brought forward recommending approval. The first item was the Memorandum of understanding for shared services between CBJ's HR and BRH. The second item was an agreement for Dahl Memorial Clinic to provide their clinic access to the hospital's PACS (Picture Archiving Communication System) so their imaging studies can be stored and interpreted by the clinic's radiologists.

Ms. Bomengen made a MOTION to approve the Memorandum of Agreement for shared services between CBJ HR and BRH. Ms. Thomas seconded. The MOU that was in the packet was incorrect and Ms. Cosgrove made the changes per the Executive Committee. The corrected document was handed out to the Board members for their review. ***Dr. Peimann asked to postpone the motion until later in the meeting so they have a chance to review it.***

Ms. Bomengen made a MOTION to approve the Dahl Memorial Clinic agreement. Dr. Malter seconded the motion.

Dr. Peimann said that at the Executive Committee meeting, a question was raised as to who would own the records and the committee asked Mr. Monkman to follow-up. Ms. Free, Director of Diagnostic Imaging,

addressed the Board and said the records belong to Dahl Memorial and they are just using our PACS for storage. The motion was approved by a roll call vote.

Board agenda format – Ms. Bomengen said the committee discussed moving toward a consent agenda format. This meeting was the initial step in the agenda change. Dr. Peimann suggested it might be best for the Executive Committee to propose to the Board to suspend the current agenda format in the Board Manual. **Ms. Bomengen made a MOTION to suspend the board agenda in the manual. Ms. Thomas seconded for purposes of discussion and made a friendly amendment to include a time certain and proposed no more than six months, so that by July we will be using the consent agenda format. Ms. Bomengen accepted the friendly amendment and the motion was approved by roll call vote of 8 in favor and 1 against.**

Finance Committee – Ms. Morton gave the financial report.

The financials that were reported included the summary pages from the CFO explaining the changes she made to the financial statements format so there was additional information included that most likely will not be included in future board packets (see attached).

Ms. Morton reminded the Board that we are getting close to budget time. At the February Finance meeting we will need to have a schedule for development of next year's budget. This is also the time in the spring where we present our budget to the Assembly. There is a very tight timeline to get this accomplished.

Marine Passenger Fees – We completed an application for the Marine Passenger Fees. The amount we asked for was \$273,618.

DSH (Disproportionate Share Hospital) payments – We received a contract from the state for FY14. Due to the reduction in Federal DSH money, the State has proposed to pay us for 700 days this year vs. the 900 days they did last year.

Ms. Morton made a MOTION to approve the financials. Dr. Malter seconded and they were approved.

Our audit is part of a larger CBJ audit and Max Mertz and Sara Griffith looked at our particular part, attend the Finance Committee meeting to go over the details.

Ms. Thomas said we might think about whether the hospital wants to have a stand-alone audit. We have done it in the past, but it's been a long time. The

Finance Committee and the Board might want to consider it. This audit would go into more depth at an additional cost for the hospital. The audit of CBJ as a whole, with Bartlett Regional Hospital, a City and Borough of Juneau Enterprise Fund, concentrates on certain areas that are important to the CBJ as a whole. It doesn't drill into the operations of the hospital.

Dr. Peimann said he would be interested in seeing a full audit, but he would like to see the cost and how it would compare to the last fiscal year. He asked if we should consider doing this at the end of our fiscal year this time, or should we be looking at it concurrently with our current fiscal year.

Mr. Storer questioned if we did an independent audit would we have to do an RFP. He would like the Finance Committee to look into that.

Ms. Borthwick made a MOTION to accept the audit. Dr. Malter seconded and it was approved.

Dr. Peimann said he thought the Board tasked the Finance Committee to do a cost comparison on our GPO's (units of cost to see if there's a change). Mr. Egbert said we need to do an assessment after a 6 month timeframe and we are just about to that point. Mr. Egbert will be working with Cynthia Brandt, Interim-CFO and the Materials Manager on the final selection of choosing one GPO.

Planning Committee – Dr. Peimann reported.

There was a presentation from Keith Ryan with Cornerstone Advisors at the Planning Committee meeting. Mr. Ryan went over 4 basic overall recommendations. It was attended by Medical Staff, Board Members and BRH staff. He encouraged everyone to look at all of the recommendations. He said we should have a recommendation coming either from the committee or the CEO. This item will also be on the Joint Conference Committee's agenda.

Quality Committee – Ms. Davis

They are working on developing a Quality Council Charter. The Committee did review and approve all 6 of the plans that are before the body for approval this evening. They include;

- A. Utility Systems Management Plan
- B. Medical Equipment Management Plan
- C. Safety Management Plan
- D. Security Management Plan

- E. Life Safety Management Plan
- F. 2014 Infection Control Plan

Ms. Davis made a MOTION that all of the Quality plans be approved. Ms. Borthwick seconded the motion and they were all approved by a roll call vote.

Ms. Thomas asked who reviewed the policies.

Ms. Davis said these are normal parts of the operations on how we achieve the goals of the hospital. These occur annually. They are part of record keeping. These are updates to the plans, not new plans.

Dr. Malter said he's comfortable approving, but is it typical that these types of policies would rise to a board level and not managerial. Mr. Egbert said the Board is required to approve them for The Joint Commission.

Ms. Davis invited the Board to attend the first Quality Summit on March 12, 2014 from 12-2:00. The committee would like to have the full Board attend if possible.

Continuation of the MOU discussion; the motion was made to substitute the corrected document for the one that was in the board packet.

Dr. Peimann asked what the "out" was on the MOU. Ms. Thomas said initially, the discussion was they wanted to give it time to work. Mr. Storer said his assumption is it would take a mutual consent. **Dr. Peimann proposed an amendment to evaluate the MOU at the end of December 31, 2014. Dr. Malter seconded.** Dr. Peimann said with the new administration that will be coming on, he feels it should be up to them to evaluate the services to decide whether or not they feel the relationship is working. Ms. Cosgrove said when these discussions first started; she laid out a variety of alternatives to the Board. Ms. Cosgrove said bringing together two entities, developing and educating existing staff to deliver the level of expertise, takes time and that a year barely touches the surface. A year was not enough time to effectively evaluate that much change.

Ms. Borthwick asked if we have given any thought on how this service will be evaluated. Mr. Storer opposed the amendment because he believes it takes time and we are developing a relationship with the City. If we have a CEO in place, they will only have about 3 months to evaluate the service. The criteria on evaluating the service should be determined by the permanent CEO.

Ms. Crane said there were some comments at the City level with concern that CBJ will be putting a lot of work into this.

Ms. Thomas strongly opposes the amendment. She said Bartlett is CBJ and CBJ is Bartlett. Ms. Thomas said we are getting great benefit from this arrangement and at a cheaper cost.

Dr. Malter said he thinks the service we are getting from CBJ is excellent. He hopes our new CEO would like to keep the traditional oversight.

Dr. Peimann said he respects the points the Board has made, but there is no criteria in the MOU. If something was to happen and Ms. Cosgrove couldn't do the job in six months, we have no out.

Mr. Johnson said the MOU says both parties can mutually agree to terminate the agreement.

Ms. Thomas with CBJ's "sunset provision" the criteria is not established up front. It's established at that point in time as things change.

The amendment to the MOTION failed by 2 in favor and 7 against.

The original MOTION to approve the substituted MOU was approved by a roll call vote of 8 in favor and 1 against.

Ad Hoc committee reports – Ms. Thomas reports

The committee met on January 17, 2014 with committee members, Linda Thomas, Bob Storer and Mary Borthwick present;

In addition, board members Lauree Morton, Kristen Bomengen and Mark Johnson were in the meeting;

Jeff Egbert & Mila Cosgrove were in attendance on behalf of management.

The following actions were recommended by the Committee:

1. **Expand the committee** beyond the 3 Board members to include 2 leaders from the community, and 2 doctors recommended by the Chief of Staff. This would provide more input from the beginning of the process of the CEO Selection. The committee members provided suggestions, and Kristen and Linda were going reach out to the Assembly Liaison, Karen Crane and the Mayor for suggestions. Three members have been contacted and agreed to serve on the committee including:

1. Donna Pierce, former Asst. City Manager and strong background in public executive hiring;
2. Rosemary Hagevig, former Assembly member, Executive Director of Catholic Community Services;
3. Dr. Urata, former BRH Hospital Board member and longtime community leader in healthcare

Dr. Dressel will be providing the name of one additional physician for the committee within the next week.

2. Clarify the role of the Committee to two primary purposes:

- a. Narrow the candidate selection to 3-4 finalists for the Board to consider;
- b. Develop compensation plan alternatives for the Board to consider

They also discussed the following:

Candidate Screening update:

Mila has received over 40 applications but only about 8 that she would suggest moving further in the process. The application period is still open.

Linda emailed a few articles to committee members on CEO hospital hiring. There was one article regarding hiring outside of the health care industry. The committee discussed consideration of candidates from outside of healthcare with very strong leadership experience. Our skill set requirements are structured so that we can and will consider applicants outside of healthcare with broad enough leadership experience to manage a hospital.

Linda urged committee and Board members to circulate any information they feel is relevant to the executive compensation structure. Also, Linda asked Toni/Mila to setup a folder on Egnyte for the CEO Recruitment Committee where articles can be filed.

There was only 1 candidate at the time that had applied from Alaska but Mila indicated during the Board meeting that there were more applicants now.

Compensation Research Plan:

Mila brought the ASHNA 2013 “Total Compensation Survey” and the survey was discussed by the committee. While this is not a complete picture of what is going on in healthcare and is very limited in the number of respondents, because of being only in Alaska...it was noted that the 75th percentile of compensation (base salary) for hospitals under \$100 million was at \$292,500 (rounded), and salaries maximum was \$314,000. This does not include benefits or bonus structures. Mila will reach out within her network of HR professionals across the country to obtain additional authoritative compensation information, plus Bob Storer will contact ECG Consulting. The committee will be tasked with reviewing all data presented to come up with a competitive salary/incentive structure and presenting to the Board of Directors for approval. Mary also asked to review the salary history from prior administrations at our next board meeting.

Timetable:

We discussed the timetable for hiring, and seems as if it will still be on track with a selection phase in March 2014, and a candidate start date of May.

There are some applicants from Alaska. Ms. Cosgrove brought the ASHNHA compensation survey. There will be a folder developed in Egnyte for the CEO Recruitment information.

There was a timetable presented to the board and we should still be on track. The ultimate goal is to hire the best candidate for our hospital.

Dr. Peimann asked if there is any staff involved in the meetings. Ms. Thomas said that’s a good discussion for the Board. Ms. Cosgrove said once they have finalists, the Board should have some level of input from staff.

Bylaws – Ms. Borthwick reports;

The changes have been reviewed by CBJ Law and the hospital attorney. This is for the first reading and not to be approved until the February board meeting.

OLD BUSINESS:

Board Education Plan – Mr. Reynolds put together a Board education plan that was to come to the Board this month.

Ms. Borthwick feels this plan is incomplete. Mr. Storer suggested we defer this to the Executive Committee to spend more time on it and then this will be brought back to the full board in February.

Call Strategy and recommendations – Mr. Egbert reports;

One of the first priorities the Board gave Mr. Egbert was to work with the specialty groups on the call coverage. It's taking some time and history learning on his part. He has reached agreement with two of the three groups. He recommends we do pay for onerous or excessive call with these groups at this time. It's reasonable and customary to pay Pediatrics, 5 days per month or 15 days in a quarter and anything in excess of that be paid at \$500 per day.

General Surgeons, 6 days per month or 18 days per quarter and anything excessive will be \$1,000 per day.

He has also proposed that to the Orthopedics, but has not heard back from them yet. The following is the breakdown of uncovered days and how much it will cost to cover them by paying for call;

Pediatrics - 144 uncovered days = \$72,000 annually

General Surgeons - 144 = \$144,000

Orthopedics - 72 days = \$72,000

For a total of \$288,000 for all three annually.

The requirements for level 4 trauma designation and the anticipated work to get to level 3, means increasing requests for attendance at meetings, continuing medical education in trauma for these specialty groups. Mr. Egbert requested the Board approve this concept so he can continue to work on the agreement with the physicians.

Dr. Peimann said he would be interested to know if the hospital is still going to help pay to recruit another pediatrician. He also said there could be other providers that feel they should get paid that spend a significant amount of time at the hospital. Mr. Egbert said this is one component that the Medical Staff asked us to work on. The physicians have also asked for a Hospitalist Program, which is another component. Mr. Egbert said he is working with ER group on algorithms to try and lessen the burden on physicians. There will still be a lot of work to do on improving these relationships. Mr. Egbert said there will still be help in recruiting a pediatrician.

Ms. Borthwick asked if it will be a contract. Mr. Egbert said yes, anytime we pay a physician we have to have a written contract.

Mr. Johnson asked if we agreed to pay for call would the pediatricians in town be willing to work those extra days. Mr. Egbert said one may be interested in a locum's role. Mr. Johnson also said a recent bill that passed in the Alaska Legislature included funding for implementation for the trauma level committee he sits on. It should help pay for call, so some of these funds can be offset.

Ms. Thomas made a MOTION to conceptually approve excessive or onerous call for the purposes of developing contracts in the amounts recommended by management of \$500.00 per day for Pediatricians and \$1,000.00 per day for Surgeons. Ms. Borthwick seconded. The motion passed by a roll call vote.

If there are issues, we can deal with them as they come up. Dr. Peimann supports the motion, noting that the call issue with orthopedics isn't resolved. They are continuing their engagement with Administration and they have agreed to cover the call.

Mr. Egbert said this is a perfect topic for the Joint Conference Committee to continue the dialog.

The Board took a recess at 7:00 p.m.

Back in session at 7:12 p.m.

INFORMATIONAL:

Mr. Egbert followed-up on a question asked at the last board meeting regarding Clinical Microsystems changing to Bartlett Microsystems. Clinical Microsystems was renamed to Bartlett Microsystems. It's our performance improvement framework. There is no cost to it.

Electronic Medical Records System – Mr. Egbert asked the Board if we want to buy Meditech 6.1 or pursue meaningful use and upgrade Meditech Magic. The cost for updating Magic to get to phase one, year 2 is \$745,000. This includes upgrading the hardware. To get to where we can make meaningful use phase two which would need to begin this fall is approximately \$1.5 million. The challenge for us is we will never be able to put this together a request, get this body to pass it and then submit the need for \$1.5 million to the City to get it approved in time for us to get on Meditech's timeframe and be able to install, train on it and attest to it. For the phase one dollars, we would have to be live June 30, 2014, so that we can be using it July, August and September and attest

to it for phase one, year two. Then we would have to install phase two level components by the same time period and be functional and live effective

October 1, 2014. Mr. Egbert said he feels the “meaningful use boat has passed for us.” Dollar wise, what that would mean for us is we would have the opportunity to spend approximately \$1.5 to get up to speed with our existing systems, we would then get approximately \$1,250,000 in meaningful use dollars between phase one, year two and phase two year one. We would still have the older format, Magic.

With that being said, effective October 2015, when penalties kick in for Medicare reimbursement. We need to work with our IT Steering Committee for good representation in order to develop our strategy as a hospital moving forward.

The consultant that came to the Planning Committee, Keith Ryan, recommended we go with Meditech for our hospital with our current strategic direction. Mr. Ryan will be making a couple more trips to Juneau and he’s working on an IT Departmental assessment.

Dr. Peimann said that he doesn’t think that Meditech, in our current form supports ICD10 coding and it needs to. That might be another important piece to figure out because October 1, 2014, we are all going to ICD10.

Ms. Palicka said it needs to be looked at more and she’s waiting for them to get an answer to her.

Mr. Egbert said the servers need to be replaced. It will be approximately \$370,000 to replace them. That will not be a cost that will have to be repeated again whether we upgrade Magic or went with Meditech 6.1.

Mr. Johnson asked what are the next steps and the timeframe for those steps. Mr. Egbert said the next step he will be talking with Keith Ryan complete the assessment and then we need to get the steering committee restarted to begin planning.

Mr. Johnson asked if they refer to acronyms, please spell out what they are.

BRH Foundation – They are still looking for another board member and for an Executive Director.

The Foundation members asked Mr. Egbert and the Board to consider out of our capital expenses, what might be appropriate for them to use for purposes of

fundraising and to help the hospital. They wanted something very public relations oriented that will attract the public and that touches the heart. One item that was mentioned was the Front Street Clinic.

RRC – Mr. Egbert gave an overview of the RRC Advisory Board meeting. He said the group talked about the smoke free campus. Currently, there is a spot behind the RRC building that clients are going to smoke. There was a discussion about standard practice or evidence supporting addressing all addictions simultaneously. Jenn Brown, Director of RRC is working on developing a plan to bring back to the RRC Advisory Board in April. There was a discussion about measuring outcomes and understanding our success rate.

Dr. Malter made a MOTION to go into executive session at 7:30 p.m. Dr. Peimann seconded and it was approved.

The Board came out of executive session at 7:35 p.m.

Dr. Peimann made a MOTION to accept the Credentials Report. Ms. Thomas seconded and it was approved.

Committee assignments – Ms. Bomengen discussed the committee appointments. Ms. Davis will not be able to be as active on as many committees, so Dr. Peimann offered to help on the Bylaws review.

Ms. Bomengen addressed a letter that was sent to the Board regarding a patient who had a difficult medical event on Christmas Day. Ms. Bomengen sent the family a thank you letter from the Board. Ms. Bomengen also addressed thank you letters that were sent out today that recognize individual staff members. Ms. Bomengen would like to see that these staff members receive appreciation and gratitude for being so professional and compassionate.

February calendar – The February calendar was reviewed. There will be no Planning Committee meeting in February.

Board comments:

Dr. Peimann – This is the meeting where we should be doing succession planning, so it needs to be added to the annual calendar.

He was hoping to at least put the idea out there to who has been dealing with people in end of life situations and the hospice care the hospital could be

providing. We could be meeting the need at a higher standard with hospital based hospice care.

We need to start thinking about Hospitalists in moving forward. He would be pleased to see the CEO Recruitment have staff present.

Ms. Borthwick – She is concerned about the budget and is looking forward to receiving a normalization schedule to take those one time things and set them aside.

Mr. Johnson – He talked about success stories from the trauma fund. He would like to share the letters with the legislature and governor’s office and he thinks it would be helpful to have these funds continue. The funds aren’t in the governor’s budget. He will be talking to them next week about continuing these funds.

Mr. Storer asked the City to check to see if this is appropriate.

Mr. Egbert will talk with the City Manager and our Lobbyist.

Dr. Malter said we should check into ASHNHA’s support. Dr. Peimann still thinks we should also pursue this. The City as well should support this. Mr. Storer will notify all the board members on the status.

Ms. Davis – She just attended the Harty Springer Credentialing Clinic. She said it’s so important for the Board to realize their role in this.

Ms. Morton – Since we don’t know what we’re doing legislatively, maybe it would be helpful if we had some discussion between now and February. Mr. Egbert will follow-up with the City and our Lobbyist.

Meeting adjourned at 8:00 p.m.

Board Secretary