

**BOARD OF TRUSTEES
MAY MEETING MINUTES
Wednesday, May 29, 2013 3:00 P.M.**

MEMBERS PRESENT: Ron Mischke, David Smith, Dr. Strahan, Gene Davis, and Dixie See

MEMBERS ABSENT: Gary Miller, Kevin Bailey

Others Present: Mike McCafferty and Dr. Cindy Sharp

CALL MEETING TO ORDER

Ron Mischke, Chairman called the meeting to order at 3:00 p.m.

PUBLIC COMMENTS, INTRODUCTIONS

None

APPROVAL OF AGENDA and MINUTES

The agenda for the May Board of Trustees Meeting was available for review. Motion was made by Gene Davis to approve the May Board agenda as presented. David Smith seconded the motion. Motion carried.

The minutes from the April Board Meeting, held on May 8, 2013 were reviewed. A motion was made by David Smith to approve the April Board meeting minutes. Dixie See seconded the motion. Motion carried.

OLD BUSINESS

None

QUALITY COMMITTEE REPORT

Dr. Michael Strahan, Quality Chair, reported that the Quality Committee met this month as scheduled. He noted Sheridan Memorial Hospital's numbers continue to look good when compared to other hospitals in the region. Mrs. Charlotte Mather is impressed with the productive conversations that are occurring at the meetings as well. The taxonomy code templates help to identify system and failure modes. This process also allows the group to identify any areas where the system and culture can be changed and proactively encourage accountability where appropriate. We are not only collecting data but solving problems.

Mr. McCafferty noted a large part of Dr. Addlesperger's Chief Medical Officer role is to ensure quality monitoring in all the different systems throughout the patient care process. As Dr. Addlesperger transitions more into this role, he will be in charge of working with the Quality Committee and the Quality Department staffs' operational duties. He has already been involved with the submission and review of Hospital Quality data, for example with the outside reporting agency, Truven, who will help generate specific quality data reports for the Committee and Board to review.

MEDICAL STAFF REPORT

The Medical Staff report was given by Dr. Sharp. Dr. Sharp noted that the Quarterly Medical Staff meeting will be on June 11, 2013 at 6pm. The main agenda item will be the discussion of the recently proposed revised Bylaws, Rules and Regulations that Bylaws Committee has been working on for the past several months. All members should have received a copy of these proposed revisions for review. Thanks were given by Dr. Sharp and the Board members to the Medical Staff Bylaws Committee members: Drs. Wohl, Hanebrink, Scott, Hall, and Gill for all of their work in the past few months on this project.

ADMINISTRATION REPORT

Financial Planning – Mr. McCafferty continues to keep the Board members informed on the work that the Hospital management undergoes to finding a “new normal” financially. Managers continue to analyze labor and supply expenses to find ways to cut back and save. Declining reimbursements and costs on operational systems affect the budget significantly. At this time, managers are looking at where the budget will be for next fiscal year and taking all of these issues into consideration. The Hospital is still looking at about a \$1.5 million loss for the upcoming fiscal year. Even though there are many financial strains upon us, we are working very hard to maintain a strong and healthy culture. Mr. McCafferty emphasized that as the Finance Committee discussed in today’s meeting, the losses are equal to the bad debt and charity care that the Hospital has accumulated (approximately \$4.4 million). This bad debt and charity care are defined as services that the Hospital has ultimately provided that will never be paid for. The Hospital does their best to collect as much as possible in these circumstances. Mr. Ed Johlman reported that at this point next year we may be seeing a turnaround.

WHA/Best on Board – Mr. McCafferty emphasized the importance and usefulness of the Best on Board educational opportunity for the Board members to take advantage of. Mr. McCafferty has also recommended the education to the Hospital Foundation members and looks to introduce the idea to the Medical Executive Committee as well. This education will help members to understand and navigate healthcare issues as well as help become a great board member. There has been great participation throughout the State so far. Mr. Ron Mischke agreed with Mr. McCafferty and encourages all members to become certified through the program. New modules to include Quality and Finance will be available soon. In this regard, Mr. Mischke presented the Best on Board certificate to Mr. David Smith as he has completed the online education.

Medical Office Space – Mr. McCafferty reported how the Hospital is looking at the best long term strategies to offer more space for Big Horn Mountain Medicine internal medicine office in order to make room for the three (3) incoming new physicians this fall. Options in regards to renting and lease holding improvements have been discussed. This is separate from any of the conversations on building a new Medical Office Building (MOB). Mr. McCafferty continues to assess what is best for the community as well as what is best financially.

Urgent Care – Mr. Len Gross, Project Manager, reported the recent progress on the Urgent Care plans. In the effort to make it as simple as possible, the services will be based out of the Emergency Department with separate entrances. Opening day is projected to be around August 1, 2013. The

Urgent Care option will help treat non-critical patients quickly, efficiently, at a less expensive rate. The Building Committee will see drawings at their next meeting in regards to necessary construction needs. Currently a group of key players are talking through the billing process of the services rendered. Hours of operation are tentatively set for the Urgent Care center to be open 10am-8pm, Monday-Saturday with projected numbers of around 25 to 30 patients seen per day. These numbers will stay agile as appropriate. An additional midlevel and ED physician will be added to the staff in order to run the service efficiently.

FINANCE COMMITTEE REPORT

Mr. Gene Davis, Committee Chair, reported the Finance Committee has met and acknowledged that the vouchers and Mr. McCafferty's MasterCard had been reviewed and was sufficient. Year to date loss is approximately \$4.4 million which is equal to the Hospital's bad debt. Mr. Davis noted there has been a lot of growth in past few years, where the Hospital is now getting hit with its expenses right now. After these expenses are taken out of the equation, the Hospital's financially shall level off and adjust to a "new normal". Mr. Johlman will hold many budget planning meetings and Committee meetings to dive into next fiscal year's budget in the next few weeks.

Mr. Ed Johlman discussed the following information for the month of April 2013. April brought very positive news for patient revenues for both the hospital and BHHN. The hospital experienced its third highest revenue total of the year and the BHHN produced its highest total revenue ever at \$1.37M. Members further noted that the Big Horn Health Network has more than doubled in the past two months in patient visits. Total hospital revenue was over budget and BHHN revenue was over budget. That could have set the table for strong financial month but bad debt write-offs and expenses did not cooperate. Bad debts were \$200K over budget. Expenses were over budget in depreciation, insurance and maintenance expenses. Either of those factors alone would have allowed a successful financial month, but together they put a strain on net revenue that led to a hospital operating income of only \$15K. The BHHN lost \$309K. The month ended with a combined net loss of \$293K.

PADnet Vascular System Proposal (ACTION) – The purchase of the PADnet (peripheral artery disease) equipment is a request from Dr. Jost, SMH Vascular/General Surgeon, for the replacement of an existing machine that has stopped working and support is no longer available. The PADnet equipment supports the vascular service line by testing for blockage or poor blood flow in the peripheral arteries. Early detection of such conditions can help to prevent more serious conditions, such as heart attack or stroke. Different patient care and financial values of the equipment were discussed. After review and discussion, Mr. David Smith motioned to accept the recommendation from the Finance Committee to purchase the PADnet System at a quote of \$25,447.00. Further discussion noted that proper analysis and shopping around has been conducted to get the item at comparable price. Dixie See seconded motion. Motion passed.

FOUNDATION COMMITTEE REPORT

Mrs. Ada Kirven, Executive Director, first thanked Mr. McCafferty for presenting the opportunity to participate in the Best on Board education. The Foundation Board is interested and will take advantage of this. Mrs. Kirven announced the Foundation is gearing up for their annual meeting on

Tuesday, July 30, 2013. The Board Members will receive a mailed invite as the date nears closer. Community members and hospital partners will also be invited. Mrs. Kirven also announced that Cloud Peak Energy will be the main sponsor for this year's Link, Partners in Pink fundraiser to be held in October. In other event news, the Foundation is also working with the Powderhorn to organize a women's golf tournament for September. Funds will help raise awareness of women's cardiac healthcare in Sheridan and encourage hometown care options. In other business, Mrs. Kirven also mentioned having assistance from legal counsel to review the Foundation's Bylaws.

BUILDING COMMITTEE REPORT

Rob Forister reported that the Building Committee continues to discuss Urgent Care construction needs and space solutions for Big Horn Mountain Medicine.

OTHER BUSINESS

None

EXECUTIVE SESSION

With no further business, the meeting moved into closed session at 3:35 p.m. for discussion of personnel and real estate matters. The meeting then reconvened into public session at 4:05 p.m.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 4:06 p.m.

Recorder, Amy Ligocki

Michael Strahan, M.D., Secretary