

**BOARD OF TRUSTEES
JUNE MEETING MINUTES
Wednesday, June 26, 2013 3:00 P.M.**

MEMBERS PRESENT: Gary Miller, Kevin Bailey, David Smith, Dr. Strahan, Gene Davis, and Dixie See

MEMBERS ABSENT: Ron Mischke

Others Present: Mike McCafferty and Dr. Cindy Sharp

CALL MEETING TO ORDER

Gary Miller, Vice-Chairman called the meeting to order at 3:05 p.m.

PUBLIC COMMENTS, INTRODUCTIONS

Mr. Tom Ringley invited the Board to the open house and ribbon cutting for the new location of the Sheridan Health Center (formerly the Free Clinic) today, Wednesday, June 26 at 4pm – 6pm at their new location, the lower level of the Sheridan County Public Health building on Main Street, across from the courthouse. On behalf of the County Commissioners, Mr. Ringley thanked the Board as they helped contribute to the Center's funding in October 2012 by waiving the one-time annual contribution of \$231,250.00 in order to provide support for the Sheridan Health Center to expand their services.

APPROVAL OF AGENDA and MINUTES

The agenda for the June Board of Trustees Meeting was available for review. Motion was made by Kevin Bailey to approve the June Board agenda. Dr. Strahan seconded the motion. Motion carried.

The minutes from the May Board Meeting, held on May 29, 2013 were reviewed. A motion was made by Dixie See to approve the May Board meeting minutes. Kevin Bailey seconded the motion. Motion carried.

OLD BUSINESS

None

QUALITY COMMITTEE REPORT

Mrs. Charlotte Mather, reported that the Quality Committee continues to become more familiar with how quality data is retrieved, documented and reported. The Committee is looking at the same data as in previous reports, but in a different perspective and format in order to help compare standards and other hospitals. The Committee also talked about core measures, medication errors and RAC audits.

MEDICAL STAFF REPORT

The Medical Staff report was given by Dr. Sharp, who introduced Dr. Barry Wohl, Chair to the Bylaws Committee. Dr. Wohl presented a report on substantial proposed revisions to the Medical

Staff Bylaws, Rules and Regulations. The Medical Staff Bylaws Committee and the Medical Staff, at the June 11, 2013 Quarterly Medical Staff meeting, is recommending strong consideration to the Board to accept the outlined proposed revisions of the Medical Staff Bylaws and Medical Staff Rules and Regulations. Copies of the draft proposals are available online and in hard copy format to all the Board members to review. Dr. Wohl noted that these important documents serve as a contract between the physicians and the hospital as well as obligation to the community to give the best quality care. Dr. Wohl believes this is the most thorough review that has occurred in over thirty years at Sheridan Memorial Hospital. Although not perfect, Dr. Wohl believes this is an excellent set of Bylaws, Rules and Regulation and a great improvement to the current documents. Drs. Bradley Hanebrink, Andrew Hall, Timothy Scott, Trey Gill, and Dr. Wohl, all former Chiefs of Staff, and Amy Ligocki, Medical Staff Coordinator, have met over a dozen times and have put many hours into this project, receiving legal guidance from Nick Healey, JD from the office of Dray, Dykeman, and Healey in Cheyenne, Wyoming. The Committee has also involved the CEO, Mike McCafferty, and Chair of Board, Ron Mischke in the review process on many discussion points. The Medical Staff is recommending action from the Board in an appropriately timely manner this summer in order to put improved quality and administrative processes into effect as recommended. The Board may adopt sections of the documents or else the full product, as they feel appropriate. A process is outlined within the Bylaws for those areas that the Board may not approve or table for further discussion. Mr. Mike McCafferty added that he and Amy Ligocki have met with Hospital legal attorney, Mr. Tom Klepperich, to review the proposed documents, in support of the Board's interests in the documents. Mr. McCafferty will ensure comments from Mr. Klepperich are reviewed with the Medical Staff and Board, as appropriate. Mr. McCafferty feels the documents reflect a great product for the present and future of Sheridan Memorial Hospital and he does not feel there will be any substantial concerns. Great appreciation was given to all the work the Medical Staff has put forth and a special thanks was given by Dr. Wohl to Amy Ligocki, Medical Staff Coordinator, for all of her support and administrative assistance throughout the project. The Board agreed to make special effort to address the project in a timely manner and have on the agenda for the next July 31, 2013 meeting for action.

In addition, Dr. Sharp presented requests for membership and clinical privileges of the following provider credentials files recommended by the Medical Staff for Board approval. Credentials files were discussed first in executive session before reconvening into public session for action.

Luke Goddard, MD is requesting Active Staff membership in the Department of Emergency at Sheridan Memorial Hospital, specializing as an Emergency Medicine Physician. Dr. Goddard comes with high recommendations from his residency program, where he has served as Chief Resident from 2012-2013. Dr. Goddard will be an employee of Sheridan Memorial Hospital and a key provider in the urgent care and Sheridan Memorial Hospital Emergency Department. After review of credentials file in the Executive Session, Kevin Bailey made a motion to approve the requested privileges of Dr. Luke Goddard. Gene Davis seconded the motion. Motion carried.

David Nickerson, MD is requesting Active Staff membership in the Department of Emergency at Sheridan Memorial Hospital, specializing as an Emergency Medicine Physician. Dr. Nickerson has been Chief Resident from 2012-2013, serving as a resident supervisor and responsible for teaching curriculum for the EM program. Dr. Nickerson will be an employee of Sheridan Memorial Hospital and a key provider in the urgent care and Sheridan Memorial Hospital Emergency Department.

After review of credentials file in the Executive Session, Dixie See made a motion to approve the requested privileges of Dr. David Nickerson. David Smith seconded the motion. Motion carried.

Rebecca Franklund, MD is requesting Active staff membership and OB/GYN privileges in the Departments of Surgery and OB/Peds, specializing as an Obstetrician / Gynecologist and employee of Sheridan Women's Clinic and Sheridan Memorial Hospital. She will begin practice with Drs. Gill and McAdoo at Sheridan Women's Clinic at the end of August 2013, once she and her family are settled in Sheridan. After review of credentials file in the Executive Session, Gene Davis made a motion to approve the requested privileges of Dr. Rebecca Franklund. David Smith seconded the motion. Motion carried.

Amy Rabon, CNM, WHNPC is requesting Affiliated Health Care Professional status with Certified Nurse Midwife, Women's Health Nurse Practitioner, and Non-physician Surgical Assist privileges in the Departments of Surgery and OB/Peds. Mrs. Rabon will be working at Sheridan Women's Clinic part-time in order to assist Drs. McAdoo and Gill with patient care needs. She will work primarily under the direction of Drs. McAdoo and Gill and on occasion, Dr. Scott. After review of credentials file in the Executive Session, David Smith made a motion to approve the requested privileges of Amy Rabon. Dr. Strahan seconded the motion. Motion carried.

EMR REPORT

Mr. Nyle Morgan, Chief Information Officer, proudly announced to the Board that the Hospital has successfully attested to meaningful use criteria for stage one, year one for the period of March-May 2013 in order to apply for federal reimbursement funding since implementation of the electronic medical record. Mr. Morgan explained the steps necessary to complete each of the stages that the government (CMS) have implemented in order to receive the maximum reimbursement (~\$3 million). The EMR system, Cerner, has helped complete these requirements and has set the organization up to continue to meet the required criteria for further stages.

Mr. Morgan also reported a couple of expected hurdles on the horizon in terms of the electronic medical record document requirements being scrutinized by federal programs, one being coding upgrades that are necessary to comply with e-prescription standards. These take a lot more of the staff's time to ensure compliance. Also, effective October 2014 the Hospital will be required to go live with IC-10 coding system. Essentially, this new system is much more specific than the current system. Cerner has a built in crosswalk system to assist in this transition, but this will be a challenge for physicians who will need to comply with new documentation requirements on the front end. In this regard, education and training will be key for providers and staff.

ADMINISTRATION REPORT

Mr. McCafferty presented the following recognitions to the Board and public audience, in addition to the regular agenda items.

Mr. Gene Davis was recognized for his hard work and dedication to relocating and building the Hospital garden next to the Welch Cancer Center. Many volunteers and staff put a lot of time into the project, where Mr. McCafferty encouraged all to take some time to check out. Mr. Davis noted he had received a nice email from Welch staff thanking him as well, speaking of their excitement to

see the garden view and participate in the growing to take place. Mr. McCafferty also gave thanks to Mrs. Ada Kirven and Mrs. Tina Mediate from the Foundation for their participation in the project. Mr. McCafferty gave recognition to Mrs. Dixie See and Mr. Gene Davis on receipt of a letter from the County Commissioners announcing their reappointment to the Sheridan Memorial Hospital Board of Trustees for another 5 year term to be effective July 1, 2013 through June 30, 2018. Mr. McCafferty recognized this as a huge commitment to the Hospital which is greatly appreciated.

Mr. McCafferty also gave recognition to Mr. Gary Miller, Vice Chairman, for completing his Best on Board online training module.

Mr. McCafferty recognized Mr. Rob Forister and announced as previously noted in a memo to the Board and staff earlier in the week that effective July 19, 2013 Mr. Forister is resigning his position as Facilities Director of SMH and will be taking on a new challenge as the Facilities Director for the hospitals in Riverton and Lander. Rob has served SMH in an exemplary fashion since 2005 and his leadership and dedication will be sorely missed. Effective immediately, Mr. James Rader, Facilities Compliance Specialist, has agreed to assume the role of Interim Facilities Director over the next several months. James joined SMH in 2011 and brought a wealth of experience with him in Facilities. Mr. Rader was recruited by Mr. Forister and has worked closely with him and the Facilities staff over the last two years as Facility Compliance Specialist and has developed an extensive knowledge of our facility. Mr. Forister is confident he is leaving the position in good hands.

Mr. McCafferty recognized Ms. Mary Kaercher who has been hired by Mr. McCafferty to assist with marketing strategy planning specific to the Big Horn Health Network clinics. She will help determine how we best utilize the Hospital vision and carry through in our strategic planning. Ms. Kaercher comes to Sheridan will over twenty years work at the Billings Clinic. Mr. McCafferty admired the work she accomplished over the years and saw how effective her work became. Ms. Kaercher will bring a different style and approach to the Hospital, where Mr. McCafferty is excited to have her here. Ms. Kaercher noted that the admiration goes both ways as she recognized the great healthcare and physician community that has been established over the past fifteen years at Sheridan Memorial Hospital. She looks forward to assisting in the strategic planning and vision of SMH and helping them improve the bottom line and revenues as well.

Mr. McCafferty recognized Mrs. Kelly Lieb, Physician Assistant and coordinator of the Urgent Care program at Sheridan Memorial Hospital. Her background in the urgent care clinical role will assist the Hospital on the right track to a successful service to the community. Mrs. Lieb noted preliminary planning taking place in regards to working with the building committee on construction needs as well as working with marketing to assist the community in announcing the new service. Mrs. Lieb noted her anticipation and excitement for the project and much needed service to the community.

Mr. McCafferty recognized the great loss to him and the Hospital of Roxanne Araas, Executive Administrative Assistant, on Saturday, June 22, 2013. Mrs. Araas passed away after battling pancreatic cancer for the past 18 months. A Memorial Presentation and Rosary will be held Thursday, June 27 at Kane Funeral and Funeral Services will be held on Friday, June 28 at Holy Name Catholic Church at 10am.

Mr. McCafferty referred to the hard copy packet of financial documents items that have been distributed to the Board members in regards to the expanding expenses of the three following upcoming projects: The Urgent Care in the Emergency Department expansion, the Big Horn Mountain Medicine expansion into the old Saunders/Free Clinic building to house the incoming new Internal Medicine physicians, and the expansion of the Sheridan Women Clinic to house two new incoming OB/GYN physicians. Mr. McCafferty reviewed the figures to include equipment costs and construction needs of each project. He is not asking for action from the Board on these items at this time. He would like the Board to have sufficient time to review the documents and come to him with questions as necessary before a decision is made. Mr. McCafferty would like to have a special Board meeting scheduled in the next week or so to discuss with appropriate leadership of each project and take action on in this regard. Members agreed with the outlined plan and will take the documents into consideration.

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.

Mr. Ed Johlman discussed the following information for the month of May 2013. Our highest revenues of the year, favorable contractual write-offs and reasonable expense management produced our first operating gain of the year of \$338K; welcomed news after ten straight months of operating losses. Total net income was \$367K.

Gene Davis presented the proposed FY 2014 Operational Equipment Budget. Mr. Davis commended Mr. McCafferty, Mr. Johlman and their staff on producing a very complete report, which made the Finance Committee confident on its decision to recommend the budget as presented. The Hospital is tackling the problems in the best manner possible and looking at the savings to address the expenses. Members agreed it is helpful to see the Big Horn Health Network's financial separate from the Hospital's. Mr. McCafferty commented on the hard work being done on cuts in spending rather than increasing costs of services that many comparable hospitals are deciding to do. We continue to be competitive in our industry without taking advantage of consumers. Mr. McCafferty further emphasized that we need enough physicians to take care of the people in our community. This is something that Sheridan has not had in the past where with enough providers for the population, an increase in activity and utilization of services will occur and the better the Hospital will do financially as well as physicians' productivity as well as the community's needs will be met. After discussion, a motion was made by Gene Davis to approve the FY 2014 Operational Budget. Dr. Strahan seconded the motion. Motion carried.

The FY2014 Capital Equipment Budget included a list of items for a total of \$909,515. One item in specific was the replacement of many areas of the Hospital's roof that needed immediate repair. Life span and warranties were discussed by the group. This particular project will be bid out and the Board has been asked to approve not to exceed. Mr. McCafferty also noted that each item on the capital equipment budget will be presented individually to the Board prior to its purchase, noting any changes as necessary. After discussion, Dr. Strahan made a motion that the FY2014 Capital Equipment Budget be adopted as proposed. Kevin Bailey seconded the motion. Motion carried.

FOUNDATION COMMITTEE REPORT

Mrs. Ada Kirven, Executive Director, reported continuing organization of the July 30, 2013 Annual Foundation meeting. Board members are invited to attend, as well as community members and Hospital staff. Mrs. Kirven and the Foundation are grateful to announce the Foundation Donor boards have been updated with over 150 new donors in addition to the 120 plus established donors.

BUILDING COMMITTEE REPORT

Mr. James Rader reported that the Building Committee continues to work on plans for the three projects previously discussed by Mr. McCafferty: expansion of the BHMM Clinic into the Saunders Building, the Urgent Care expansion, and the needed construction of the Sheridan Women's Clinic. The Committee awaits final designs on the ICU remodel in order to set the ground work and be ready to go once funding is in place. Dr. Sharp expressed the importance of ICU care and keeping it in the Sheridan community.

Mrs. Lieb, Physician Assistant and Urgent Care coordinator added that the Emergency Department construction should begin in early July along with the marketing. August 5, 2013 is the expected go-live date. In the meantime, communication between the Medical Staff will be a key factor. The Hospital will connect with the primary care offices of Sheridan to ensure provider support and promote how the service can provide better access

OTHER BUSINESS

None

EXECUTIVE SESSION

With no further business, the meeting moved into closed session at 4:10 p.m. for discussion of personnel matters. Medical staff privileges were discussed. Please see the Medical Staff report for action taken. The meeting then reconvened into public session at 4:40 p.m.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 4:45 p.m.

Recorder, Amy Ligocki

Michael Strahan, M.D., Secretary