

BOARD OF TRUSTEES
SEPTEMBER MEETING MINUTES
Wednesday, October 3, 2012 **3:00 P.M.**

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

Others Present: Mike McCafferty and Dr. Addlesperger

CALL MEETING TO ORDER

Ron Mischke, Chairman called the meeting to order at 3:05 p.m.

PUBLIC COMMENTS, INTRODUCTIONS

Mr. Mischke introduced students from Sheridan High School (SHS) marketing class as follows: Chris Giorgis, Manuel Moreira, Nick Estes, Alexa Inchauspe, Nikki Copenhaver, Jamie Reece, and instructor, Kathleen Pilch. All students have been involved with SHSs Pink Bronc Day raising funds for The Link and learning about philanthropy and cause marketing. The designed pink Bronc t-shirts and have raised a total of \$3,846.50 by selling approximately 700 shirts. These funds have been granted to the Sheridan Memorial Hospital Foundation to put towards the continued cancer fundraiser and awareness program. Mrs. Pilch also described a pink glove flash mob that the students organized and participated in September 19, 2012 at SHS. The pink glove dance was videotaped and will be uploaded to the website <http://pinkglovedance.com/> that hosts a nationwide competition of pink glove dances. In addition, student, Jamie Reece has taken on her own fundraising efforts, driven by a history of cancer in her own family. She organized the first community walk held at the Sheridan High football stadium during halftime of a home game. Donations received totaled \$331.69 which was also given to the Hospital Foundation. Ada Kirven, Foundation Executive Director, thanked the students for their leadership and work in this project. It truly shows how the message of cancer awareness and philanthropy has spread throughout the community. Congratulations and thanks to the students were given by Mr. Mischke on behalf of whole Board for work and attendance.

APPROVAL OF AGENDA and MINUTES

The agenda for the September Board of Trustees was available for review. Motion was made by Kevin Bailey to approve the September Board agenda. Gene Davis seconded the motion. Motion carried.

The minutes from the August Board Meeting, held on August 29, 2012 were reviewed. A motion was made by Gene Davis to approve the August Board meeting minutes. Gary Miller seconded the motion. Motion carried.

OLD BUSINESS

None

QUALITY COMMITTEE REPORT

Dr. Strahan noted review of Quality scorecards and noted significant trends. It was noted that scorecard data will continue to improve over time with the implementation of Cerner reports. Information was given to the Board regarding new Quality processes to include a new SMH safety event reporting system that will classify and trigger occurrences to identify safety themes in a systems standpoint. Details will be available on individual occurrences, based on safety event classifications (SEC) in order to identify and eliminate trends. Overall this systems standpoint will improve patient safety and the accuracy of how the Quality Department does their job. A tremendous amount of work has been done by the Quality team and will continue to ensure a smooth system. In addition, a Hospital wide survey on patient safety will be distributed to all clinical staff and physicians late October, 2012. It will be an anonymous survey to drill down on how the staff views the organization's culture and how patient safety can be improved. This survey will allow the organization to review information from the employees who directly care for patients and focus on improvement. This information will be available for review to the Quality Committee and Board and be able to compare to other hospitals.

MEDICAL STAFF REPORT

The Medical Staff report was provided by Dr. Addlesperger. Dr. Addlesperger presented the Medical Staff Bylaws, Rules & Regulations recommended by the Medical Staff at their September 11, 2012 Quarterly Medical Staff meeting. These revisions have been recommended by Tom Klepperich, Hospital Attorney whose review was per request of the Medical Staff Bylaws Committee and Medical Executive Committee. Items of revision were available for review by all members. These current revisions are more maintenance updates with minor word changes and non-substantive. Dr. Addlesperger noted the Medical Executive Committee has requested a more substantial review by a Bylaws specialist and attorney from Cheyenne. A goal for these revisions to come before the Board by first of the year has been established. After discussion, Dr. Strahan motioned to accept the recommended changes as presented, Gene Davis seconded. Mr. David Smith asked to recuse from voting due to conflict of being incorporated with the same Law office of Tom Klepperich. Request was granted. Motion passed.

ELECTRONIC MEDICAL RECORD (EMR)

Mr. Nyle Morgan, Chief Information Officer, provided an update on the Cerner electronic medical record (EMR) progress.

It has been seven weeks since go-live and staff continues to work through issues, but continues to improve in functioning within the new systems. Focus on more in depth processes and re-education of necessary components is top priority. Cerner staff has begun to make their scheduled return visits to receive updates from leadership on how things are going on a global look and offer assistance with post go-live processes. Cerner staff continues to offer support, sending staff onsite when necessary as well as at a distance. Mr. Morgan believes the staff is in a good place and is very satisfied with outcomes thus far. He feels that staff have their feet under them in acceptance of the system and are over the "trauma" hurdle. Drive and work by all staff continues with good momentum. Mr. Morgan noted there have been great physician leadership and an exceptional IT crew working hard. The time period at which the hospital will submit data for meaningful use begins

October 1, 2012 through September, 2013. Mr. Mischke thanked Mr. Morgan, physicians, and staff for all their hard work on the project.

ADMINISTRATION REPORT

MAC II Building

Mr. McCafferty introduced a summary from TSP Engineering Company outlining the scope of work, schedule and compensation details to advance the planning and design of the new MAC II project to the next logical milestone. A request from Administration and the Building Committee is to advance the building and site to a level of design detail associated with **schematic design (SD)**.

This will be separate from the site design, as the hospital may authorize one component at a time.

The following deliverables generated in the SD phase for **site improvements** include the following:

- Site layout plan depicting new building, walks, drives, parking and adjacent existing structures, site improvements, selective demolition and property lines
- Preliminary site grading plan depicting new and existing contours
- Preliminary utilities plan depicting new, existing and relocated on-site utilities
- Outline specifications of construction costs, using up to 32 divisions of work

Schedule to complete SD phase for site improvements is 4 weeks from authorization to proceed.

Compensation to complete SD phase for site improvements is equal to \$33,000.

The deliverables to be provided at the completion of SD phase for the **new building** include the following:

- Floor plans generated for each level depicting interior partitions and exterior walls, tenant support spaces (toilets, custodial, storage and building systems), major structural framing components (columns), exterior and interior fenestrations, and special features.
- Exterior elevations depicting building height, width, floor to floor levels, fenestrations and use of materials.
- Selected building sections to convey floor to ceiling heights and interstitial spaces.
- 3D color exterior sketches depicting building massing, character and context with existing adjacent structures.
- Outline specifications of new building materials and systems.
- Preliminary estimate of construction costs, using up to 32 divisions of work.
- Schedule to complete SD phase for the new building is 8 weeks from authorization to proceed. Compensation to complete SD phase for the new building is equal to \$140,000.

To date, A summary of TSP compensation working with Sheridan Memorial Hospital on this MAC II planning and design were outlined as follows:

- Master planning and conceptual design compensation: \$150, 000 (less unpaid April 10, 2012 invoice of \$16,412).
- Mr. McCafferty additionally noted that in March 2012, TSP offered a credit of \$75,000 of the \$150,000 investment to date, applied to forthcoming MAC II design services of TSP, calculated as follows: \$25,000 during SD phase, \$25,000 during design development phase and \$25,000 during construction documents phase.

Mr. McCafferty further explained that the building will be located on the east campus and there are plans for a 3-story building level with lower-level parking. Approx. 41,300 sq. ft. of the building has been accounted for in occupying expansion for the hospital and 15,000 to 17,000 sq. ft. will be shell space to grow into at a later date.

In review of this information, Mr. McCafferty requested authorization of \$150,000 to cover site planning expenditures of the schematic design as discussed above. Mr. McCafferty clarified this phase does not include the building phase. Administration wants to ensure that if we invest in this facility, we do it right the first time so there is no request for approval to build at this time, only recommendation that TSP and Administration move forward with the planning phase of the **schematic design** site plan for the building.

After discussion, Dixie See made a motion to authorize the recommended amount not to exceed \$150,000 for schematic design planning phase expenditures. Gene Davis seconded motion. Motion passed.

Big Horn Mountain Medicine (BHMM) Office Space

Mr. McCafferty presented potential expansion plans for the current BHMM practice to include moving into the space of the current Sheridan Health Center (formerly, the Free Clinic of Sheridan County / Saunders building) at 1428 West 5th Street. This expansion will offer space to newly recruited providers beginning in 2013. The Sheridan Health Center is in the process of making plans to move into an office on South Main Street of Sheridan. Minimal renovations will be necessary before housing the BHMM Internal Medicine providers. Estimated costs are unknown at this time, but will come before Board at appropriate time. Mr. McCafferty solely reported plans as information only.

East Campus Long-Term Plans

As information only, Mr. McCafferty additionally discussed potential long-term plans for the east campus once the MAC II construction begins. Mr. Forister has obtained building quotes on the maintenance building currently on the east campus that houses the hospital maintenance staff workers. A possible move for that building would allow more space for the MAC2 building. In addition, plans are in the works to move the hospital garden to the northeast location of the Welch Cancer Center so that patients can view from the infusion center. Comments were on how nice the landscaping looks at the new Welch Cancer Center; a true benefit for the patients and families who are there.

FINANCE COMMITTEE REPORT

Gene Davis reported the Finance Committee met and acknowledged that the vouchers and Mr. McCafferty's MasterCard had been reviewed and were sufficient.

Mr. Ed Johlman reported on the August financial analysis. Hospital revenues totaled \$9,183M, topping \$9 million for the first time in our history, which made August one of our biggest months for a fourth consecutive year. Total consolidated revenues reached \$9,944M. Overall, patient activity was very strong.

Mr. Johlman explained how costs associated with the EMR project affected the expenses for the month. Mr. Johlman explained that along with the EMR conversion, we converted the patient billing system to Cerner. With the activation of the EMR on the August 20, 2012, AR ballooned to \$15.8M by month end as we struggled to correct various information flows to create clean, billable claims. Also due to the EMR activation, expenses were very high. Hospital expenses were \$525K over budget, largely due to nearly \$500K in one-time EMR-related costs.

Capital equipment request:

Mr. Rob Forister was in attendance to discuss a \$13,400 request for a FY2012 Capital item. With the installation of the EMR, the computer servers and server room has become more compact. This has created a tremendous amount of heat; the room now needs its own cooling system. During last year's Capital Budget process \$60,000 was approved for this equipment. The total cost of the project is now \$73,400. The increase in the project is due to the need for more equipment to cool the room than first anticipated.

Mr. Johlman explained how important this request is for the cooling equipment and keeping the EMR project running. After discussion, Gene Davis made a motion to approve the increased expense as reported. Kevin Bailey seconded motion. Motion passed.

Other business:

Mr. Johlman noted the "line of credit" item listed as an action item on the agenda has been tabled in order to retrieve additional information requested by the Finance Committee.

Mr. Johlman also noted that Jerrel Tucker, CPA, external auditor visited the Hospital the last week of September for the annual audit and will return for the November 1, 2012 Board of Trustees meeting to give his report.

FOUNDATION REPORT

Mrs. Ada Kirven, Foundation Executive Director, noted that The Link ~ Partners in Pink planning committee is underway for the Saturday, October 20th fourth annual Breast Cancer Awareness Event (10K run, 5K run/walk, 1.5 mile) event beginning at Whitney Commons. All funds raised will support cancer diagnostic projects at Sheridan Memorial Hospital. Goal is to beat last year's attendees of over 740 registrants. Mrs. Kirven noted that Sheridan Women's Health PC is the major event sponsor.

Mrs. Kirven also noted an open house for the New Welch Cancer Center will be held Friday and Saturday, November 16 & 17, 2012. All donors will be invited and tours of the new facility offered. Many thanks again to the many donors and for The Helmsley Charitable Trust grant which funded the new treatment equipment.

BUILDING COMMITTEE REPORT

Mr. Forister, Facilities Manager, provided the following Building Committee report.

- ✓ Welch Cancer Center (WCC): The progress on the landscaping is looking great. A certificate of occupancy has been granted from the City of Sheridan. Plan of Corrections have been

submitted upon request to The State of Wyoming inspector. After submission final permission will be granted to begin treating in the new with in the coming week.

- ✓ Cath Lab: Construction is underway after delay of three (3) weeks due to an unknown concrete column found during the demolition process. Mr. Len Gross, Cath Lab project leader, ensured all planning is running smoothly. Contingent plans for equipment are in the works as well as education and hiring of staff. All staff is encouraged to receive their Montana licenses so they are able to conduct additional training in Billings.

OTHER BUSINESS

Mr. Mischke, Mr. Bailey, and Mr. Smith reported on their recent visit to the Wyoming Hospital Association (WHA) Annual Conventions held September 26-28, 2012 in Cheyenne, WY. All members attended a variety of presentations on leadership, patient safety, Board education, and many presentations regarding the future of healthcare in Wyoming. They also enjoyed being able to meet and network with many other healthcare professionals from neighboring hospitals around the State. In particular, Mr. Mischke noted meeting with the Best on Board education committee and participated in a presentation by Connie Curran, Chief Executive Officer of Best on Board. Mr. Mischke would like to invite Ms. Curran to visit Sheridan and present to the SMH Board of Trustees and the Medical Executive Committee.

Mr. Mischke reminded the group that the October Board Meeting will be held on November 1, 2012 in order for the year-end audit to be presented.

EXECUTIVE SESSION

The meeting moved into closed session at 4:17 p.m. for discussion of personnel and legal matters. The meeting then reconvened into public session at 4:45 p.m.

David Smith made a motion to ratify the assumption of Dr. Batty's practice as discussed in executive session. Kevin Bailey seconded. Motion Passed.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 4:50 p.m.

Recorder,
Amy Ligocki

Michael Strahan, M.D., Secretary