

**BOARD OF TRUSTEES**  
**MARCH MEETING MINUTES**  
**Wednesday, April 3, 2013                      3:00 P.M.**

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

**MEMBERS ABSENT:**

**Others Present:**                      Mike McCafferty and Dr. John Addlesperger

**CALL MEETING TO ORDER**

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

**PUBLIC COMMENTS, INTRODUCTIONS**

None

**APPROVAL OF AGENDA and MINUTES**

The agenda for the March Board of Trustees Meeting was available for review. Item “Payroll System Proposal”(ACTION) under the Finance Committee Report was requested to be taken off as an ACTION item, for information only on the agenda. Motion was made by Kevin Bailey to approve the March Board agenda as amended. Gene Davis seconded the motion. Motion carried.

The minutes from the February Board Meeting, held on February 27, 2013 were reviewed. A motion was made by Dr. Strahan to approve the February 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 and discussed incidents and the process by which they are broken down into a root cause analysis process. This will help identify what caused the incident whether it is related to a system failure, staff's lack of knowledge, computer error, or other. After the problem is identified, the group can begin working to fix and eliminate any patterns of reoccurrence. This is proven to be an excellent system on looking at details to help improve quality and to analyze near misses. Mr. McCafferty noted a job well-done by Charlotte Mather, CNO; Bonnie Rath, PI Analyst; and the Quality team in order to assist the committee in identifying this process, breaking down the issues, and implementing a solution. Laminated flow charts are available for the Committee and Board as a helpful guideline to ensure the process is consistent. A recommendation was made to have the electronic reports rotated so they are easily viewed.

## **MEDICAL STAFF REPORT**

The Medical Staff report was given by Dr. Addlesperger. Two credentialing items of the following practitioners will be discussed in Executive Session before action. Dr. Addlesperger also noted that the Medical Executive Committee will be discussing the current medical staff peer review process in order to improve its consistency, culture and goals.

Loren Budge, MD, is requesting Consulting Staff membership with Cardiology privileges in the Department of Medicine at Sheridan Memorial Hospital. Dr. Budge will be seeing patients at Big Horn Heart Center every other month beginning in April 2013. Patients who are referred for electrophysiology services, and live in Sheridan will be able to see Dr. Budge, rather than traveling to Billings. After review of credentials file in the Executive Session, Dr. Strahan made a motion to approve the requested privileges of Dr. Loren Budge. David Smith seconded the motion. Motion carried.

Dr. Addlesperger also presented Greg Marino, DO, Welch Cancer Center and Sheridan Memorial Hospital employed Medical Oncologist who is being recommended to the Board of Trustees by the Medical Executive Committee to move from Provisional to Active Senior Staff membership with Hematology/Oncology Medicine privileges at Sheridan Memorial Hospital. Dr. Addlesperger explained that The Department of Medicine and the Medical Executive Committee has reviewed his performance and credentials of Dr. Marino and recommends that the Board of Trustees confer Senior Staff membership of Dr. Marino. After discussion, Kevin Bailey made a motion to promote Dr. Marino from Provisional to Active Staff membership status. Dixie See seconded the motion. Motion carried.

## **ADMINISTRATION REPORT**

Strategic Planning Follow-up – Mr. McCafferty noted successful meetings with approximately 45 physicians on March 19 and 20, 2013. Discussions were held on strategic challenges in the community and how the hospital can best support the physicians and vice versa. There was good dialogue and actionable items taken from the meetings. Mr. McCafferty thanked Dr. Addlesperger for his assistance in encouraging attendance to all the medical staff. Dr. Michael Strahan thanked administration for holding this opportunity for the physicians as well.

Financial Planning – Mr. McCafferty continued conversations on how the leadership, managers, and staff are taking positive steps to address the hospital's financial concerns that have been reported over the past six months. Communication continues with physicians on the challenges regarding the changing practice of medicine and how we shall move forward in the local healthcare economy. Leadership has met with Department Managers on several occasions and Mr. McCafferty has held several employee forums with approximately 260 employees to talk about the specifics of healthcare challenges in our community as well as nationally. A few of the topics included: effects of national healthcare reform (Medicare/Medicaid); operational budget challenges; Wyoming Business Coalition pressures; National sequestration; bottom line impacts; SMH's vision; SMH's funding structure; how internal medicine and primary care providers are the gate-keepers of operational value and how we can support those entities financially; how we must be viable operationally in order to invest in people, equipment and technology. Quality care to our patients, supporting our physicians and

patient safety needs to stay our top priority. Mr. McCafferty shared with the group the Hospital's strategic plan and how we need to focus on reducing spending in areas such as supplies where we have lots of opportunities. In relation to staff resources, we need to manage overtime and attrition, ensuring that we match staff to activity and that we have the right people for each job. Leadership will additionally be evaluating the benefit package and the management structure, overhead and services we provide. A key component of our plan will be to continue to build strong relationships with physicians and confidence to community. The employees are vital resources for change to be accomplished where Mr. McCafferty has given the challenge to "own" their jobs. Mr. McCafferty feels these discussions with the employees were well received and there is energy from them to initiate change.

Emergency Department Fast Track – Mr. McCafferty noted conversation with key players continue with no action by the Board to occur at this time. Discussions involve working out financial models and planning for space and patient flow logistics. Dr. Addlesperger, Emergency Director, has been a part of the initial conception of the ED fast track model and explained to the group the goals to include being able to provide fast, inexpensive, and quality care for those patients who have urgent, but not necessary emergent needs. The Department plans to staff a midlevel provider as well as extra physicians to deal with traumas that come in. Len Gross, Coordinator of the project, noted a survey put out to the hospital staff, determined the preference of the urgent care would be available 10 hours a day 7 days a week. Patients will have the opportunity to self-select the fast track once entering the Emergency Department and thereafter be assessed by medical personal to determine if a higher level of care is necessary. Data shows that approximately 25 patients, with non-emergent concerns come through the Emergency Department per day, would benefit from the fast track model and allow more resources to those traumas that come in. The Board noted that the number of patients that have come through the Emergency Department has fallen below 700; the first time in two years. It was additionally noted, that the Hospital is not trying to compete with other urgent care centers in the community; just trying to take care of the patients at SMH in an efficient, convenient, and quality manner.

### **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 February 2013. SMH posted one of its strongest revenue months of this fiscal year, but unfortunately, Medicare and Medicaid made up over half of those revenues, which caused total third-party adjustments to end the month over budget. In addition, total operating expenses were over budget, principally in salaries, supplies and professional services. The result was a consolidated net operating loss of \$467K and a net loss of \$438K. Accounts Receivable reported good news below 60 days and dropping which is seeing substantial progress and turnaround. Mr. Johlman stated the big operating bright spot for the month came from the newly opened Cardiac Cath Lab. In its first full month of operation it had 20 patient visits where only 8 had been expected, which allowed it to produce a solid contribution to income. The service is bringing solid financial contributions to the facility much faster and stronger than projected and we are ahead of the game in the projected breakeven point. Mr. Gross also noted,

beginning April 8, 2013, the Cath Lab will provide STEMI procedures, which typically are flown out of the state. On-call services will be provided by the cardiologists and Cath Lab staff in order to service the community and emergency department needs.

Further discussion was held on the discussions being held with Leadership and Department Managers in regards to the operational budget concerns. Over the next 15 to 18 months research will be done in detail on supply costs. The plan is to reduce the supply cost to 16%.

Payroll System Proposal (Information) - Mr. Johlman reported information on the expected transition of the payroll and attendance electronic systems. Our current system, Keane (NTT Data) has given us notice that they will be sun-setting our current system on June 30, 2013. We currently utilize Keane for GL, Accounts Payable, Material Management, A/R, Asset Management, Payroll, HR, and Time/Attendance. A select group of employees from Finance and HR have been looking at and researching alternatives for several months. To replace the complete system would be cost prohibitive. Therefore, the team has recommended replacing only Payroll, HR, and Time/Attendance at this time. The team believes that the other financial functions can be supported by sub-contractors after June 2013. Members discussed the selection process. Mr. Johlman discussed the importance of finding a system that would someday easily interface with the rest of the financial modules. It was felt that Payroll was mission critical and that is why it needed to be changed now. Mr. Johlman explained that he would be returning to the Finance Committee and thereafter to the full Board with a recommendation and request for funding at the next meeting.

Board Resolution (Action) – Mr. Johlman requested action be taken on the distributed Board Resolution, which enables the transfer of funds and authorizes the appropriate people to move money from accounts. It was noted that that the resolution does not have anything to do with line of credit. After discussion and review, Dr. Strahan motioned to accept the Board Resolution. Dixie See seconded. Motion passed.

## **FOUNDATION COMMITTEE REPORT**

Mrs. Ada Kirven, Executive Director, noted a reminder and invite for the 11<sup>th</sup> Annual Sheridan Memorial Hospital Foundation Benefit featuring WREN on Saturday, April 20, 2013. A pre-concert reception will be held at King's Museum at 6 pm and the performance will follow at 7:30 pm at the WYO Theater; \$50 for both events or \$30 for just the performance. Funds raised will support SMH critical care including the recently completed Cath Lab and the planned Intensive Care Unit expansion. Mrs. Kirven also noted upcoming event planning to begin for the Annual Golf Tournament and Link-Partners in Pink. On behalf of the Board, Ron Mischke thanked the Foundation for all the projects and events they organize to raise funds in continuing the education of community health. The hospital is in the situation of no debt due to community's generous donations where the Foundations efforts go a long way.

## **BUILDING COMMITTEE REPORT**

Rob Forister noted the Building Committee met this month and reported the completion of the expansion to make work more efficient at Welch Cancer Center. The Cath Lab equipment in the Interventional Radiology room has been installed and the first procedures are being scheduled. The

Committee has held meetings with the stakeholders of ICU remodel project. They have begun working on preliminary design plans for that space. Once funding is attained, the project can move forward.

### **OTHER BUSINESS**

Invitation was made to attend a presentation, following the Board Meeting, in the Conference Rooms A&B, by Gregory Marino, MD Medical Oncologist & Lekan Ajayi Pharmacist on New Treatments for Cancer Patients - An informative overview of new cancer treatments of 2012, with a preview of new treatments and developments for 2013.

### **EXECUTIVE SESSION**

With no further business, the meeting moved into closed session at 4:03 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

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Michael Strahan, M.D., Secretary