

**BOARD OF TRUSTEES
APRIL MEETING MINUTES
Thursday, May 1, 2014 3:00 P.M.**

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

MEMBERS ABSENT: Dr. Strahan

Others Present: Mike McCafferty

CALL MEETING TO ORDER

Mr. Ron Mischke, Chairman called the meeting to order at 3:02 p.m.

PUBLIC COMMENTS, INTRODUCTIONS

None

APPROVAL OF AGENDA and MINUTES

The agenda for the April Board of Trustees Meeting was available for review. Board Chairman, Mr. Ron Mischke asked to add Mr. Gary Miller to report from the nomination committee to the agenda under Section V. Old Business. Motion was made by Mr. Gene Davis to approve the AMENDED April Board agenda. Mr. Kevin Bailey seconded the motion. Motion carried.

The minutes from the March Board Meeting, held on April 2, 2014 were reviewed. A motion was made by Ms. Dixie See to approve the March Board meeting minutes. Mr. David Smith seconded the motion. Motion carried.

OLD BUSINESS

Mr. Gary Miller, Nominating Committee Chair, reported that the committee met last week and he has the following recommendation of officers to present; Chairman of the Board of Trustees to be Mr. Kevin Bailey, Vice Chairman to be Mr. Gary Miller, Treasurer to be Mr. Gene Davis and Secretary to be Mr. David Smith. A motion was made by Mr. Gary Miller to approve the slate of officers for the Sheridan Memorial Hospital Board of Trustees for fiscal year 2014/2015, effective July 1, 2014. Mr. Gene Davis seconded the motion. Motion carried.

QUALITY COMMITTEE REPORT

Dr. Addlesperger stated that he was unable to attend the last Quality Council meeting, but the culture of safety survey results should be in by the middle of month. TeamSTEPPS training conducted by Synensis will be on-site May 28 and May 29, 2014. Case management is doing a good job in finding out what we can do to prevent audits; they are identifying which physicians are doing things correctly and those who may need additional training. Changes to Cerner have accompanied this as well. There is a halt on RAC audits at this time while CMS reconsiders on the two midnight stay rule, which is being challenged. Dr. Addlesperger has a condensed version of the value based purchase report through the 3rd quarter of 2013 if any of the members would like to view it. The

data is outdated but we continue to develop reports that should get the information sooner so we are working with more current data instead of past data.

Mrs. Lukas-Asbury, Quality Systems Manager reported that the blood bank received their blood bank renewal accreditation. There was a mock surveyor here a couple of weeks ago in preparation for the actual Joint Commission survey next year. There were several opportunities for questions and answers. There were issues identified on documentation with Cerner and compliance related issues. The clinical care is being done well, but there is still a learning curve on the documentation piece. There are teams in place who are prepping for the Joint Commission visit. Mrs. Robin Horsley, RN is working in the intensive care unit (ICU) on clinical improvements. The national hand hygiene program has a 45% compliance rate. Sheridan Memorial Hospital falls into that same category. We will continue to work diligently to improve the hand hygiene program internally which will improve our overall scores.

MEDICAL STAFF REPORT

No report as Dr. Sara Smith is not in attendance.

EMR REPORT

Mr. Nyle Morgan had no report on the EMR at this time.

ADMINISTRATION REPORT

Mr. McCafferty has scheduled strategic planning sessions within the month of May 2014. There will be 11 sessions total with 2 directed towards the physicians, 5 for employees, 3 geared towards the public, and 1 directed towards the hospital managers. All of the sessions will be held off-site at the Best Western Sheridan Center and is organized in order to get people together to provide feedback on what the Hospital is doing well, what we can do better and what direction we need to go in the future, which would be best for the community and the patients. Ms. Laura Lehan with PeAk Consulting is the program facilitator at each session. Ms. Lehan has been working with SMH on service excellence training, which offers a consistent message in how we approach customers and how we treat one another. PeAk Consulting is a consulting management organization, with management and executive coach training. Mr. McCafferty will let those in attendance know what it is that the Hospital is doing and why we are doing it. This will be the starting point for the Hospital's strategic planning so we will have a new plan in place starting next year. Everything has been advertised well, so a large number of participants are expected.

Mr. McCafferty offered his views on planning for our future facility needs. There was a master plan put into place back in 2006/2007. Since that time, we need to look at what we have done and what is on the horizon for the facility. Over the last 8 years things have changed; 8 years ago 60% was inpatient business and today 60% of our business is outpatient visits. The method of delivery is changing and we need to look at the facility and how to best utilize our facility in the future. TSP will look at our current circumstances and services provided; as well as ICU needs and new HVAC updating needed. TSP will then come back to Mr. McCafferty with recommendations to accommodate the Hospitals long terms needs. Mr. McCafferty is being cautious by doing a cost efficiency study for future plans and needs, such as the ICU project with an estimated cost of \$5.5 M.

Cancer Center Plans ~ Dr. Stamato's last day at the Welch Cancer Center is today, May 1, 2014. He has moved his practice to Gillette with Campbell County Memorial Hospital. Effective May 2, 2014 there is an alternate plan in place for radiation oncology services for the Sheridan community. Dr. Schallenkamp and Dr. Goulet with the Billings Clinic will be providing services 2 days a week for all current and any future patients at the Welch Cancer Center. The WCC will continue to offer high quality of care for all patients. When asked why to partner with these oncologists Mr. McCafferty reported that partnering with the Billings Clinic offers the potential for long term care for our patients. Additionally, quite a few Sheridan residents see physicians in Billings offering continuity of care and the referral networks go in that direction. The Mayo Clinic is similar with the Billings Clinic relationship. We will continue to evaluate the relationship with the Billings Clinic to make sure it is a good fit or make the determination that the Hospital should go in another direction. Billings Clinic is excited for the opportunity to be at the WCC. The agreement with the Billings Clinic is on a daily rate basis. We will do all the communication, billing, and record keeping for the patients. Dr. Stamato was an independent contractor for 18 years and having him here as a full time provider was something we were fortunate to have.

Hospice Discussion ~ Mr. McCafferty stated that Hospice is looking at the future of the services provided. Currently, Hospice goes into peoples home and offers respite care. Looking at the aging population of the community we serve, we need to look at different opportunities on how we provide our services. We will begin to explore the potential for a hospice house. The Foundation has been contacted to get a model for the community and discuss how it would be operated. Mr. Tim Belton with Malone Belton Abel P.C. has put together a hospice house for other communities around the region. Mr. Belton will be contacted and a plan of action will be put in place. Mr. McCafferty will get back with the Board regarding the potential to proceed with a hospice house in the near future.

Chief Financial Officer Announcement ~ Mr. Johlman approached Mr. McCafferty and has resigned his position as Chief Financial Officer, with his last day being June 27, 2014. Mr. Johlman has accepted a position as CFO at a critical access hospital in Rifle, CO. Mr. Johlman came to Sheridan Memorial Hospital 7 years ago providing strong, hospital accounting leadership. The Board mentioned that Mr. Johlman has done a great job and he will be missed. Mr. Mishcke stated that Mr. Johlman has worked hard for Sheridan Memorial Hospital and he was a nice addition at a critical time within the hospital. Mr. Johlman had a knack to turn a financial statement into an understandable narrative and he will be missed. Mr. McCafferty stated that the Hospital will put together a national search with the recruiting firm of BE Smith doing the search for us. We are working with the search firm for a compliance officer as well.

Quality and Performance Improvement ~ Dr. Addlesperger reports that there is no way to spend enough time on this journey talking about quality and performance improvement. This is the future of health care. The infrastructure in place is well set up; we have great leadership and a talented quality manager in Mrs. Maria Lukas-Asbury. There needs to be an understanding as an organization, on what we need to do, how to execute, and how transparent we need to be. Taking a culture from operations to culture of learning and improving our systems is important. People need to have an environment that quality must be at the forefront in everything we do. Mr. McCafferty stated that the Board has to be in a leadership role in quality; to understand what it is and how it will

take us to the next level in the organization. Taking it to the next level for the hospital means there needs to be a culture in treating one another right. The message is as an organization and leadership [perspective](#); everyone needs to think of quality and the role as a leader in the community. We need to focus our energy and attention on what can change the culture; we need the right people in place to execute the strategy. There is a leadership conference with the Governance Institute September 14, 2014. The membership will meet in Colorado Springs, CO and time would be spent as a leadership group focusing on those topics. The Governance Institute meeting is high quality per Mr. Mischke. The last one he attended reassured him that our hospital is doing things that others haven't even talked about doing yet. Mr. Mischke encouraged the Board members to attend this conference.

Mr. McCafferty stated that the WY Department of Health visited the hospital the past week on a patient's right issue. The WY Department of Health notifies us of that general information only. The auditors were on site Monday, Tuesday and Wednesday. During the exit interview on Wednesday, we were notified that no information was found to support the concern and the concern will not be pursued. However, the auditors did note an inconsistency on our informed consent forms that are used throughout the hospital, which will be addressed.

FINANCE COMMITTEE REPORT

Mr. Davis opened with saying he will miss Mr. Johlman upon his departure as he had a real gift for making things understandable. Mr. Davis indicated that we are now 9 months into fiscal year, with only a 2% loss in operations. Last year at this time we were at 10%. We have seen an increase in revenue without an increase in expenses. We have a reimbursement from the Cerner expense. It appears that people are committed to supporting our local hospital. Our discounts have gone up and our bad debt is up. Our top line revenue is not coming from an increase in charges but from volume and scope. The increase in net revenue is incredible. Mr. Johlman and Mr. McCafferty have met with the Sheridan County Commissioners on a preliminary budget for the upcoming fiscal year. Mr. Johlman will be a part of that development prior to his departure. The past fiscal year, we suspended pay increases to all employees. For the upcoming year we will reinstate the 3% increase for employees; management level staff and above, and contracted staff will not be eligible for any pay increases. The increases will be a part of budget for the fiscal year. The Board stated that being able to reimburse employees for job well done is important. This has been a tough economy; so a 1 year suspension is not bad when it could have been for 4 or 5 years. There are opportunities for growth in the future.

FOUNDATION COMMITTEE REPORT

Mrs. Ada Kirven reported that they had a great evening Saturday night at the Foundation's donor appreciation dinner. It was a great opportunity to visit and to introduce different groups to each other. The dinner was a great way to showcase the philanthropy in our community and within the hospital and the importance on what happens with us affects the community and patient care. The Welch Cancer Center staff met with Ms. Jana Goldhammer and students from the Coffeen Elementary School. The students did a little fundraiser and wanted the money to go towards patient care improvement. Mrs. Kirven stated that the Foundation has received many memorial gifts for hospice. She is looking forward to working with Mrs. Ann Aksamit, the Hospice/Home Care

Manager on a hospice project. This will have a huge impact on the care received by people in our community.

Mrs. Kirven also gave an update on the pledges for the Welch Cancer Center. We are really close in receiving outstanding pledges. The Welch Foundation, Watt Foundation and Griffith Foundation are at 90% in completing their pledges to the Welch Cancer Center. The donors in our community are a big part of the growth of our hospital and we all receive great care in Sheridan.

BUILDING COMMITTEE REPORT

The Board members offered Ms. Dixie See congratulations once again on the Keystone Award and on the wonderful job she does for the community. The Board is proud to have her receive the award and for her commitment to the Hospital Board as well. The Building Committee did meet this month and Mr. Rader reported that the emergency power upgrade is still a work in progress; data collection is still ongoing. He should have numbers to present by the next meeting.

The re-roofing project on the third floor, above Admissions and the connecting hallway between the patient lobby and the front of the hospital has been completed. There are some funds still available in the "work in progress" account. Mr. Rader will need to determine what area is the highest risk and get those sections taken care of. Some may tie in with the strategic planning happening this month.

OTHER BUSINESS

There is a Trustee Education Program in Casper May 16, 2014. No fee for registration. A registration form was provided to each Board member. Mr. Mischke will be a presenter at this meeting.

The Foundation Employee Partner breakfast will be May 13, 2014 from 7:00 am to 9:00 am.

Mrs. Mather reminded everyone that next week is National Nurses Week. Nurses are the largest segment of the healthcare work force. If you see a nurse say thank you and job well done.

EXECUTIVE SESSION

With no further business, the meeting moved into closed session at 3:52 p.m. for discussion of personnel.

The meeting then reconvened into public session at 4:30 p.m.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 4:30 p.m.
Recorder, Patty Forister

Michael Strahan, M.D., Secretary