

**SHERIDAN MEMORIAL HOSPITAL
BOARD OF TRUSTEES
JANUARY MEETING MINUTES
WEDNESDAY, JANUARY 26, 2011 2:00 P.M.**

MEMBERS PRESENT: Ron Mischke, Bill Huppert, Gene Davis, Dixie See, Gary Miller, Harlan Rasmussen and Michael Strahan, M.D.

MEMBERS ABSENT: None

Others Present: Mike McCafferty and Brad Hanebrink, D.O.

CALL MEETING TO ORDER

Ron Mischke called the meeting to order at 2:00 p.m.

APPROVAL OF AGENDA and MINUTES

The minutes from the December Board Meeting, held on December 22, 2010 were reviewed. After a call for clarification, a motion was made by Bill Huppert to approve the December 22, 2010 minutes as written. Dixie See seconded the motion. Motion carried.

There was one addition to the January 26, 2011 agenda. Mike McCafferty announced that Danae Brandjord, Marketing Manager, would be providing information to the Board under the Administration report. A motion was made by Dixie See to approve the agenda for the January Board Meeting with the additional report. Gene Davis seconded the motion. Motion carried.

PUBLIC COMMENTS

None

QUALITY COUNCIL REPORT

Lajune Bacon, Quality Services Manager, provided the Quality Council Report for January 2011. Review of scorecards indicated positive 4th quarter scores. The AVATAR overall score was 91.72 for the quarter and 90.82 for the fiscal year-to-date. The HCAHPS overall score showed an increase for the quarter with a score of 70.89. An AVATAR and HCAHPS overall score graph was provided and the scores for the last four quarters were included. Ms. Bacon noted that HCAHPS score is a percentage and AVATAR is a raw score. A new patient family issues bar graph was explained to show areas of focus and concerns. Discussion was held on how patient identifier errors are reported. CHF core measure has been a new focus and scores indicate very positive results. Ms. Bacon discussed the Utilization Case Management information for Medicare patients and medical necessity criteria.

MEDICAL STAFF REPORT

Dr. Hanebrink reported that the Medical Executive Committee recently met under the leadership of the new officers and looks forward to the upcoming year. Medical Staff recap for 2010 year-end was distributed and reviewed. The information included all of the new medical staff members and privileges granted during 2010. Dr. Hanebrink noted that he has met with most of the new medical staff. The recap presented also covered voluntary resignations of privileges and membership for 2010. Information incorporated on both forms included: name, title, specialty, practice name and date privileges were granted or relinquished. Gary Miller asked how the notification process worked as it relates to notifying staff that a physician no longer has privileges. Peggy Callantine, Chief Nursing Officer, stated that staff has a list of current physicians and that the list is reviewed by nurses on the floors. In the future, with the electronic medical record, the system would not allow the patient to be admitted under a physician not on the list. Amy Ligocki, Medical Staff Coordinator, also noted that there is an electronic privilege program available that was implemented January 2009. Staff can access the hospital web site to see physician privileging and to verify core competencies.

Dr. Hanebrink presented the following practitioners who are requesting Medical Staff membership and clinical privileges at Sheridan Memorial Hospital. The requests will be reviewed in Executive Session and brought back for a vote during the public meeting.

New Medical Staff Privileges – **Affiliated Health Care Professional Staff**

The following five (5) applicants requested Affiliated Health Care Professional Staff membership in the Department of Medicine at Sheridan Memorial Hospital. They are all employed by the Sheridan Northern Wyoming Mental Health Center and will serve Sheridan Memorial Hospital on an on-call basis for behavioral health consults.

JuDee Anderson, LPC, LAT, is a Wyoming Licensed Professional Counselor and Licensed Addictions Therapist. JuDee has been employed by Northern Wyoming Mental Center in Sheridan since August 2010.

Brian Sheremeta, LMFT, is a Wyoming Licensed Marriage and Family Therapist. Mr. Sheremeta is also the County Manager for the Sheridan Northern Wyoming Mental Health Center, employed since April 2010.

Carol Long, PCSW, is licensed in Wyoming as a Provisional Clinical Social Worker under the direct supervision of Brian Sheremeta, LMFT, at NWMHC.

Abigail Nelson, PCSW, is a Wyoming licensed Provisional Clinical Social Worker and is under the direct supervision of Brian Sheremeta, LMFT, at NWMHC.

Victoria Tellez, PCSW, is a Wyoming licensed Provisional Clinical Social Worker and is under the direct supervision of Donald Boone, LPC, at NWMHC. Victoria has been employed by Northern Wyoming Mental Center in Sheridan since August 2010.

Harlan Rasmussen moved to grant medical staff privileges to the above mentioned affiliated Health care professionals. Gene Davis seconded the motion. Motion passed.

New Medical Staff Privileges – Active Staff

Christopher Brown, MD, requested Active Staff membership in the Department of Medicine at Sheridan Memorial Hospital, specializing in Internal Medicine and Infectious Disease. Dixie See made a motion to grant Dr. Brown medical staff privileges as an active staff member. Bill Huppert seconded the motion. Motion passed with a majority.

New Medical Staff Privileges –Teleradiology Privileges (No Membership)

Dmitry Bolkhovets, MD, is an employed Radiologist with Virtual Radiologic Corporation and requested teleradiology privileges in order to provide interpretation services in the Department of Radiology at Sheridan Memorial Hospital. A motion was made by Dr. Strahan to grant Dr. Bolkhovets Teleradiology Privileges. Bill Huppert seconded motion. Motion passed.

Renewal of Medical Staff Privileges –Consulting Staff

Robert Stears, MD, requested renewal of diagnostic, nuclear medicine & vascular interventional clinical privileges in the Department of Radiology at Sheridan Memorial Hospital. A membership transfer from Active to Consulting Staff has been accepted by the SMH Medical Staff as well. Bill Huppert made a motion to grant consulting staff privileges to Dr. Stears. Gene Davis seconded the motion. Motion carried.

ADMINISTRATION REPORT

Danae Brandjord, Marketing Manager, reported on the Kozy Korner Gift Shop and the new Point of Sales system, implemented in July, 2010. Mrs. Brandjord presented comparison revenue figures between 2009 and 2010, when the system was implemented:

- ✓ In 2009 the total revenue was \$15,841. At the end of 4th quarter 2010, revenue was \$23,262. The huge difference is contributed to the new process.
- ✓ Credit card sales are a new payment option and from July-December 2010 generated \$6,752.
- ✓ Inventory process has been streamlined and now only takes 2 hours.
- ✓ Implementation was a smooth process for training all Volunteers.
- ✓ Volunteers use the system for purchasing merchandise, sales, balance reconciliation and reports.

The Hospital Auxiliary is very appreciative and thanked the Board for the approval of the system purchased. In 2009, the Auxiliary presented the SMH Foundation \$15,000. The SMH Auxiliary annual meeting will be on February 11, 2011, and they are looking forward to presenting an even larger contribution to help support hospital projects. Dr. Schultz was recognized for donating his time and materials to build the oak sales desk located in the Kozy Korner.

Mike McCafferty provided an update on the Welch Cancer Center expansion project. Mr. McCafferty stated that KWN Construction was expected to present a preliminary price for the project by February 14, 2011. Mr. McCafferty will have a recommendation for the Board at the February Board meeting for total project construction cost and equipment. Rob Forister, Facilities Services Manager, reported that KWN was going to present

preliminary drawings and then submit to subcontractors for preliminary pricing. Mr. Forister noted that the price estimate will not be a Guaranteed Maximum Price (GMP) and would be an estimate of construction costs within 10% (plus or minus) of the final GMP. Gary Miller asked about the design adjustments. Mr. Forister stated that building adjustments have been made to decrease the building approximately 1,000 square feet.

Mr. McCafferty provided an update on the Electronic Medical Record (EMR) project by stating that SMH continues to move forward with selecting a vendor. The search was narrowed down to two vendors. A team of 20 people, including department heads and physicians, conducted two site visits of hospitals that work with the two vendors being considered. Mr. McCafferty announced that one of the vendors has now withdrawn from the selection process. With the current vendor selection down to one, SMH is looking at what that vendor can provide and whether they can provide all of the services required by SMH. During the next few weeks, the EMR team will continue to determine if services can be met or whether other individual solutions specific to department needs should be pursued. Mr. McCafferty stated that he will provide an update or recommendation at the February Board Meeting.

Strategic Planning Guidelines for Sheridan Memorial Hospital were presented by Mr. McCafferty for approval. The strategic planning process will be used for the development and implementation of the hospital's Strategic Plan for July 2011 to June 30, 2014. Mr. McCafferty presented an outline of the proposed planning implementation schedule with planning functions and associated timelines. The guidelines were distributed and discussed. It was explained that Strategic Planning requires choices be made about the hospital's future. These choices concern our vision and mission, goals to be pursued, what services will be offered, the resources that will be needed and how they will be acquired. Mr. McCafferty explained that SMH has had a Board Committee entitled, the "Long-Range Planning Committee." For the future, Mr. McCafferty recommended renaming the committee, the "Strategic Planning Committee." The Board Chair would appoint members to serve on the Board Strategic Planning Committee. Strategic Plan is an action orientated four-year plan; Operational Plans are two-year plans and Department Plans are one-year plans. The content for the Strategic 2011 Plan has been developed during meetings held over the last year and growth priorities identified will be in the plan. Mr. McCafferty stated that he anticipates the Strategic Plan being presented at an upcoming Board Meeting for approval prior to the implementation date of July 1, 2011. After discussion, Dr. Strahan made a motion to approve the process for developing the SMH Strategic Plan and to rename the Board "Long-Range Planning Committee" to "Strategic Planning Committee." Bill Huppert seconded the motion. Motion carried. Ron Mischke asked if any Board Member is interested in serving on the Strategic Planning Committee to contact him.

Mr. McCafferty stated that associated with the Strategic Plan, there are several items/projects to be tracked and discussed how best to communicate to the Board in dashboard format. Discussion continued regarding putting information on a Gantt chart with time frame for starting/ending construction projects and services on a continuing basis. Mr. McCafferty asked for input as to what information the Gantt chart should contain; (i.e. construction, projects, services, areas on strategic plan, etc.). The Building Committee looks

at all projects for building, facility and could add services. Ed Johlman has financial information, time and description. After discussion, it was agreed that Administration will decide what is important and send that information to the Building Committee. The committee was asked to track all projects as well as services. The Board agreed that a quarterly update was sufficient. Mr. McCafferty will meet with Mr. Forister and the Building Committee. Information presented will include service lines and will be presented next quarter.

Mr. McCafferty provided an update on the Medical Office Building project. At a previous Board meeting, the Board approved for Mr. McCafferty to solicit proposals from firms to design another Medical Office Building for primary care and physician space for the Big Horn Mountain Medicine practice. Requests for proposals were sent out and interviews were held with three architect companies. Dixie See reported that the Building Committee would like to recommend to the full Board, TSP of Sheridan, as the architect for the project. Harlan Rasmussen stated that all three companies had an opportunity to make presentations. The presentations provided great variances, company histories were reviewed and the Building Committee felt confident they were recommending someone with experience and creativity. Mr. McCafferty noted that if the Board elects to move forward with construction, TSP's total fee will not exceed 6% of construction costs. Preliminary estimates for the cost of the proposed 30,000-40,000 square foot building are \$7.5M. Mr. Forister noted that this request is for design and feasibility; we don't have preliminary or feasible designs at this time.

Ron Mischke discussed the merit of broadening the scope of the project to plan for the future needs of the hospital. Mr. Forister explained that during the interview process, future expansion needs of the whole campus were discussed in conjunction with the design of the proper location for the building that would allow for campus growth. Discussion was held on moving forward with the contract, location options, structure types and scope of the work. Mr. McCafferty stated that this is for design only and we are not committed to building the building. Funding options were discussed. Mr. Forister stated that the project will be done in steps with basic design drawings and feasibility first. The next step would be construction documents. Harlan Rasmussen made a motion to authorize the employment of TSP as the Architect to design the building to cover time and materials not to exceed \$100,000 and to be applied towards the 6% of total project. After further discussion, Dr. Strahan seconded the motion. Motion carried.

Mr. McCafferty stated that while he does not have an update, he continues to support and work on recruitment with pediatric practices in recruitment of a pediatrician. Other recruitment efforts continue for a medical oncologist with some positive leads and he will keep everyone notified of status. Mr. McCafferty explained that he is working on a full range cardiology plan for our facilities with service expansion. In order to expand the service, we will be looking to add an additional Cardiologist. Dr. Laura Ferris has been working with SMH on recruitment for a Cardiologist to explore cardiology in the region. Discussion was held on equipment and physician needs to build a long-term Cardiology practice. SMH is committed to the practice and the services that are great for our community. Mr. McCafferty stated that the Board would be asked today to consider unbudgeted equipment requests for \$181,250 for the Big Horn Heart Center.

FINANCE COMMITTEE REPORT

Harlan Rasmussen reported that the Finance Committee met today and approved the vouchers and credit card statement for the month. Mr. Rasmussen stated that December was another financially positive month. The consolidated net income for the month was \$688K due in part to very favorable contractual write-offs and an extreme reduction in Accounts Receivable. Mr. Rasmussen noted that the over 180 days, outstanding Accounts Receivable was at its lowest point of \$440K. Contractual write-offs were under budget and expenses were over budget by \$42K.

Ed Johlman presented capital equipment requests. The items included the following FY2011 approved budgeted expenses and were presented for informational purposes only:

- ✓ OEC 12" C-arm is a budgeted item with estimated cost of \$125,000; however, with trade-in savings of \$21,000, the total cost is \$101,000. Chris Bilyeu, Radiology Manager, explained that the request is from the surgeons for the purchase of an additional 12" C-arm. The equipment will aid surgeons during advanced vascular surgeries and intricate spine surgeries. Dr. Hanebrink stated that due to the increased demand for imaging within the operating rooms, physicians compete for the use of current C-Arm. Patients will benefit from the increased images and decreased wait times.

- ✓ Telemetry hardware & software upgrade in the Med Surg/TCU area is budgeted under the FY2011 capital budget. This item was originally budgeted at \$50,000 and the total cost is still \$50,000. Mr. Johlman reported that our current hardware and software is obsolete. The manufacture no longer supports our current system nor are we able to repair the system if a breakdown occurs. The upgrade will interface with the future EMR.

- ✓ Steris System IE Sterilizer is a high-level disinfectant. The equipment was budgeted to replace our current sterilizer and is under the FY2011 capital budget. The equipment uses parasitic acid to sterilize equipment instead of steam, since some equipment is heat sensitive. The item's original budgeted cost was \$25,000 and the actual cost is \$17,037, a cost savings of \$7,963.

Mr. Johlman explained that there was one non-budgeted capital equipment request to present for action. He stated that the Echocardiology Improvement Project for Big Horn Heart Center includes: a new Ultrasound, TEE probe and reading station, which are all separate pieces of equipment for Dr. Brennan to provide Echocardiology care to patients. The combined purchase amount for the three pieces of equipment is \$181,250. Chris Bilyeu, Radiology Manager, explained the equipment as follows: Echo Reading Station (\$111,000) allows physicians' flexibility to read studies from other locations and for the performance of back-to-back studies without interruption for a more efficient use of time. This equipment would allow for a volume of echo's to be performed in the practice, resulting in increased physician time with patients. Mr. Johlman reported that he estimates an increase of 240 echos per year due to efficiencies from the equipment in conjunction with the proposed cardiac cath lab for a net revenue gain of \$188,900. It is projected that within 10 months, the equipment will pay for itself. The TEE Probe or heart scan with endoscopy (\$13,000) is a probe that is useful in evaluating patients, who have had mini or major strokes as a result of blood clots. The probe is versatile and can be used on both SMH ultrasound machines.

Mr. Johlman estimated that with the TEE probe, an additional 24 procedures can be performed per year, for net revenue gain of \$19,800. Phillips iE33 ultrasound system is the third piece of equipment and will provide greater image clarity to provide better diagnostic images. This machine is an upgrade from the ultrasound purchased when Dr. Brennan opened his practice. The actual cost is \$65,250 and with a trade-in savings of \$8,000 the total cost is \$57,250.

In summary, Mr. Johlman estimated the cost of the three non-budgeted pieces of equipment at \$181,250, but noted that the equipment will enhance patient care, increase patient volumes and produce new annual net revenues of \$208,700. Mr. Rasmussen stated that a lot of discussion was held in the Finance Committee meeting on the equipment request and the substantial investment into Big Horn Heart Center. Mr. Rasmussen made a motion for the acquisition for the three pieces of equipment for a total of \$181,250. After further discussion, it was expressed how this equipment will support the cardiology program and provide needed services for people in our area. Dr. Strahan seconded the motion. Motion carried.

FOUNDATION REPORT

Ada Kirven, Foundation Director, reported that January was a very productive month for gifts. Foundation members are renewing annual memberships. Hospital strategic plans were presented to the Foundation Board members at the January meeting. They are excited to be involved with upcoming projects. Dr. Hanebrink noted appreciation from the physicians for the nice Foundation event that was held to recognize our community physicians.

BUILDING COMMITTEE REPORT

Dixie See provided project updates. Ms. See reported that the kitchen hood project is going smoothly. Some extra work has been required for the room service project. Mr. Forister has approved these changes, it may change the price allotted. Design possibilities for the Cath Lab were discussed at the last meeting. Ms. See also stated that design concept for Big Horn Surgical and other interior projects are on-going. Mr. Forister reported that he has received some concepts for the canopy project. Some changes have been narrowed down and sent back to the architect.

Rob Forister was appointed to serve as the hospital-wide Safety/Security Officer by Mike McCafferty and Chief of Staff, Dr. Hanebrink. The delegation of authority as the facility Safety officer is for the period of January 31, 2011 to January 31, 2012.

Mr. Forister presented the 2010 completed Environment of Care plans. The plans have been approved by the Safety Committee and the Environment of Care Committee. The Board was asked to review the plans and approve for Joint Commission requirements. The plan is a good tool to review to ensure a safe environment of care for patients and staff while helping to plan for any potential disaster. Mr. McCafferty asked Mr. Forister what the plan is to help decrease falls on our campus and what we are doing as an organization to address this risk. Mr. Forister explained to assist employees with safety; SMH Facilities purchased

WinterTrax (similar to Yaktrax) a device that is made up of steel coils for grip and an elastic material to stretch around various shoe sizes. The WinterTrax are provided at the two back entrances for any and all employees to take and use. Annette Kassen, Facilities Administrative Assistant, was instrumental in the research and purchase of the product. Ron Mischke suggested that they would be a good item to sell in the hospital gift shop. Mr. Forister noted that he will discuss the suggestion with the Volunteer Services Coordinator. After further discussion, there were no changes noted to the Environment plan document. Dixie See made a motion to accept the Environment of Care plans and the appointment of Mr. Forister as the Safety/Security Officer at Sheridan Memorial Hospital. Bill Huppert seconded the motion. Motion carried.

OTHER BUSINESS

Mike McCafferty reported on a Nutritional Services project. Stephanie Buehler, an employee in the SMH Lab, presented a concept of sending patients home with chicken soup after their discharge from the hospital. Mrs. Buehler understands how disruptive surgical procedures can be for patients and families and felt that chicken soup would be comforting as their first meal home. Homemade chicken soup is now made and frozen in the SMH kitchen. The program has been implemented in our Outpatient Surgery area. Upon discharge, patients receive a container with a generous serving of frozen homemade chicken soup with cooking instructions. Once the kitchen remodel is complete, the concept will be implemented in other areas of the hospital.

EXECUTIVE SESSION

The meeting moved into closed session at 4:45 p.m. for discussion of personnel matters. The meeting then reconvened into public session at 5:15 p.m. Medical staff privileges were discussed, see the Medical Staff report section for action taken.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 5:30 p.m.

Recorder,
Roxanne Araas

Michael Strahan, M.D., Secretary