

**BOARD OF TRUSTEES  
MARCH MEETING MINUTES  
WEDNESDAY, MARCH 3, 2010 3:00 P.M.**

**MEMBERS PRESENT:** Harlan Rasmussen, Ron Mischke, Dixie See, Bill Huppert, Dr. Michael Strahan and Randy Bomar

**MEMBERS ABSENT:** Gary Miller

**CALL MEETING TO ORDER**

Harlan Rasmussen called the meeting to order at 3:05 p.m.

**APPROVAL OF MINUTES**

The minutes from the January Board meeting, held on January 27, 2010 were reviewed. A motion was made by Dixie See to approve the minutes; Bill Huppert seconded the motion and motion carried.

**PUBLIC COMMENTS, INTRODUCTIONS**

Mr. Graves was present to address the Board of Trustees regarding the Welch Cancer Center. Mr. Graves stated that his wife has been receiving treatment from Dr. Coe at the Welch Cancer Center. Mr. Graves explained that on February 19, 2010, he received a letter informing them that Tracy Coe, M.D. was no longer providing oncology services with the facility. This letter came with no warning and he explained that as a family member of a cancer patient, he wanted to express his discontent that this caused some trauma to patients who already have many health issues and concerns. Mr. Graves stated that he does not know what happened but asked if there was not a better, more humane way, to handle these issues other than just sending a letter. Dr. Coe, in this case, was also the primary care physician. Mr. Graves felt administration should be more caring about patients and their healthcare concerns. Harlan Rasmussen has received a letter from Mr. Graves stating these facts and will ask administration to address these with him. Mr. Rasmussen will also provide other board members a copy of the letter. Mr. McCafferty thanked Mr. Graves for coming to speak about his concerns.

**QUALITY COMMITTEE REPORT**

Randy Bomar introduced Jane Scott, RN Case Manager from Quality Services who was in attendance at the meeting to report in the absence of Lajune Bacon. Mr. Bomar reported that there was nothing new to report on the scorecard. The Intelligent Surveys summary showed an overall score of 88.75, which exceeded the expectation score of 87.19. Mr. Bomar explained that the overall score is an accumulation of all scores for every month from December 2008-December 2009. Harlan Rasmussen asked where the expectation number came from. Jane Scott explained that it was from patient expectations and to exceed was very positive. A packet of HCAHPS charts with AVATAR scores were reviewed. Data on each graph looks at monthly

scores compared to baseline and trend line from April 2006 – October 2009. Overall rating trend line is going up and is better than expected. Every indicator has gone up from baseline except for “Communications about Medications.” It was noted that this has been going down over 3 years and Ms. Bacon has been working very diligently and will be interested to watch the trend line over the next year. The Board agreed that it was nice to review the trends over an extended period of time. Ms. Bacon has someone working with explaining communication about medications. SMH hired a clinical pharmacist in 2009, to be directly involved and responsible for communication with patients. Currently working with both pharmacy and nursing to assure they are taking shared responsibilities for communication about medications with all patients. Jane Scott, Nurse Case Manager, works with core measures with both physicians and nurses. Mike McCafferty introduced Mrs. Scott, who in the past has worked in the Emergency Department, served 10 years as ICU manager and has been serving the last several years in the position of Case Manager in Quality Services. Mrs. Scott explained that core measures were implemented in 2002 and more measures have been added. Mrs. Scott further explained that Medicare has requested voluntary hospital participation with core measures but Medicare is now currently moving toward pay for performance. Mrs. Scott explained that we are improving and working on doing well. She explained that we have provided tools for physicians to help meet required expectations. Mrs. Scott has been distributing education on all core measures so the information is available to those that need it. Core measures are supported by evidence based medicine through research from various groups of physicians who determine how we can best improve quality of care for patients. Our challenge is that we have a small numbers of patients and core measure compliance may look low because of the number served in an area which will impact our data. Scorecard and measure targets are set at 100% and CMS recognizes that this goal will not be attained for all measures. There is no way to remove a patient from data but at the same time there may not be a way to meet the measure. Mrs. Scott further explained that within each measure there are multiple questions to answer to make sure that we meet the core measure. There is a large amount of data to support the measure and the challenge is to keep nurses and physicians educated. Randy Bomar thanked Mrs. Scott for her report.

### **MEDICAL STAFF REPORT**

Dr. Hanebrink presented Jeremy Zebroski, M.D. for additional Clinical Privileges in the Department of Surgery in Orthopaedic Surgery. Dr. Hanebrink further explained that these added privileges were an oversight and the appropriate boxes were not checked during the application process. Dr. Zebroski was fully recommended to the Board to have these added privileges for use of fluoroscopic imaging for musculoskeletal procedures and percutaneous interventional spine procedures. Dr. Strahan moved to approve the additional clinical privileges for Dr. Zebroski; Bill Huppert seconded the motion. After no further discussion, the motion carried.

Dr. Hanebrink noted that he has been working with physicians on assuring that all medical orders that are phoned, faxed or written are complete with signature, explanation of the procedure or what the test is for, diagnosis and dated. Discussion was held on legibility of physician handwriting and that he is continually working with them to meet these requirements.

Dr. Hanebrink informed the Board, that the Medical Staff will be presented with proposed Bylaw changes regarding the elimination of the Courtesy Staff Medical Staff category and revisions to

the qualifications of membership for the Active and Consulting Medical Staff category's at the Quarterly Medical Staff Meeting on March 9. If approved, he will bring the proposed changes to the Board for consideration at the March meeting. Dr. Hanebrink extended an invitation to the Board Members to attend the Quarterly Medical Staff Meeting when Dr. James Bush, the Wyoming Department Health Staff Physician would be a guest presenter. Dr. Bush will be speaking on The American Recovery and Reinvestment Act: Incentives for Health Information Technology for Physicians. Medicare and Medicaid will be contributing money directly to the physicians' offices and hospitals beginning in 2011 based on their use of EMR and HIR systems. Specific stipulations and per specialty guidelines will be explained.

### **ADMINISTRATIVE REPORT**

Mike McCafferty announced that six strategic planning meetings were held this week for staff and community members. The sessions were well attended and good insight was shared. Topics for discussion included the future of Healthcare and addressed national and local observations facing the patient, physician and hospital and how they impact us in Sheridan. Opportunities were also identified for the types of services needed for growth and other areas of concern were discussed. Mr. McCafferty will take information from the meetings and meet with local physicians in the near future. All information will be compiled and presented to Board Members to help prioritize the direction of the hospital for our 2011 strategic and operational plans. The Board Members were thanked for their participation and presence at the planning meetings they were able to attend.

Mr. McCafferty stated that physician recruitment continues for Internal Medicine. Mr. McCafferty reported that we are looking for one more internist at Big Horn Mountain Medicine. We are also actively recruiting both a Psychiatrist as well as an ENT. All of these needs were presented in recent planning discussions. The physician model is different today and we need to recognize ways to partner in a community hospital. Mr. McCafferty will keep everyone posted on future recruitment activities.

Mr. McCafferty addressed Mr. Graves' concerns and noted that he had also talked with him last week. Mr. McCafferty stated that he is compassionate about patient medical oncology needs and that he is working with Dr. Fehir to be available for additional physician time needs. He is working closely with the Hematology Oncology Group of Dr. Marchello and Dr. Cobb to help ensure there is no gap in transferring patient care or choosing another physician. Mr. McCafferty stated the Welch Cancer Center is committed to taking care of patients and apologized for the circumstance and extra worry that affects the lives of the people that we serve. Mr. Graves again noted that it would have been easier with notice to make the transition.

Lee Ingalls presented the Annual Home Care and Hospice of The Big Horns Report. Mr. Ingalls stated that it has been a great year for Home Care with an increase in both volume and referrals and quality improvements indicated from Medicare report. There have been a few changes in documentation due to Medicare requirements and there will be more specific changes in the future with a greater idea where to improve outcomes. H-HCAHP scores were incorporated into patient satisfaction survey. By July, the H-HCAHP scores will be included in the monthly report for Home Care. Harlan Rasmussen asked Mr. Ingalls to explain the services available for people

in the community. Services rendered require physician order and the patient must be home bound needing nursing skills, PT, Speech, Home Health aids in order to regain independence or to train the caregiver. Length of stay in the home is about 30 days for 3-4 days depending on need and follow-up when leaving the hospital. Services were explained and how they differ from other community agencies providing daily living services. Mr. Ingalls reported that 22 families were served by Hospice during the last year on an average of 39 days. This is a Medicare program for patients that have life expectancy of less than 6 months. Everything is done per physician order plan and patient must have a primary caregiver at home. Service is provided in the home to help with education, social, clergy, and daily living aids. H-HCAHP scores will also be incorporated for Hospice and will be compared nationally with other Hospice programs. Quality outcomes will be reported in September to include core measures. There is no one else in our county that provides Hospice. Lee Ingalls and Becky Anthony are working on a plan that will help those who don't have primary caregivers in their home. Board Members stated how appreciative they are for this service. Board of Trustees thanked Lee Ingalls and acknowledged the receipt of the 2008-2009 Home Care and Hospice reports.

### **FINANCE COMMITTEE REPORT**

Bill Huppert reported that the Finance Committee met today to review vouchers and all were approved. Mr. Huppert also reported that the committee was presenting five capital equipment requests today; three were approved budgeted requests and two were non-budgeted items. Interesting changes for the month of January included: total revenue was \$7.9M and below budget by \$527K, patient days were down and expenses topped \$5M and over budget. The month ended with an exceptionally strong financial result for two reasons: a smaller contractual adjustment (reflecting the Medicare rebased rate that SMH began to receive last July) that was adjusted in January and an adjustment to the Gainsharing Liability to reflect a closer actual amount. Expenses were over budget in Salaries, Benefits, Supplies and Bad Debt. Supplies continue to be high and Mr. Johlman explained it is due in part to fixed costs associated with doing business regardless of revenue. Ron Mischke asked Mr. Johlman to define what "discounts" on the income statement are and if they are higher than what we had budgeted. Mr. Johlman will research the data. Accounts Receivable totaled 54.7 gross days. January finished with net Operational Income of \$445K and a Net Income of \$769K and Year-to-Date Net Income at \$2.8M. Mr. Huppert presented the following capital requests:

#### **Capital Equipment Requests –**

- Retail Register and Inventory System – Not a budgeted item. Cost \$15,000. New software system to help manage both inventory and sales in Hospital Gift Shop. Since 1990, Sheridan Memorial Hospital Auxiliary has given SMH over \$320,000 for various causes. Over that period of time, the Auxiliary has also given over 95,000 hours of their time. Danae Brandjord explained the current system used by the volunteers and that there is no inventory system in place, no capability to use credit or debit cards for staff or public and that the volunteers are very excited about this potential. Harlan Rasmussen asked for more discussion as he felt it was very expensive. Nyle Morgan further described the inventory tracking, credit card component, and the cash register function.

Mr. Morgan explained that it will also interface with finance system out of employee payroll and that the price includes on-site training. Discussion was held on cash flow profit and efficiency. Mike McCafferty explained that we need a system that works and connects with everything we have for structure consistency. Dr. Strahan moved to approve \$15,000 for the Retail Register and Inventory System that is a non-budget item; Dixie See seconded the motion. After further discussion Dr. Strahan noted that Teresa Dewald has dedicated a lot of hours to the Hospital Gift Shop and would like to see that a thank you is extended from the Board for her efforts over the years. Motion carried.

- ABN Software System – Budgeted Item. Cost \$54,000. Ed Johlman provided an overview of the request from the Admissions department for the purchase of the Passport Health Communications Advance Beneficiary Notice (ABN) Software System. CMS requires that hospitals perform a medical necessity test and issue Medicare patients an ABN form prior to rendering medical services by 3/21/2009. The purpose of an ABN is to inform a patient whether or not the ordered services will be paid for by Medicare. If not, the patient will be responsible for the cost. The patient can then choose whether to receive the service(s) or not. Mr. Johlman explained that this process is government mandated and our current manual system is not working well nor accurately. It is a complex system for medical necessity on physician orders for a patient to understand that they may be liable. Mr. Johlman stated that we have been working for a couple of years to see if could be done successfully without the software and then it has taken time to find the right software. Dixie See moved to approve the \$54,000 purchase of the ABN Software System; Randy Bomar seconded the motion. Motion carried.
- GE Marquette MAC 5500 ECG EKG Machine – Budgeted Item for \$10,406. Physician request for this hospital equipment by Dr. Hunter and Dr. Sharp. The new machine will help capture, analyze and communicate ECG data with greater speed. This machine will replace an existing machine that is 10 years old and this then will improve patient safety. Dr. Strahan moved to approve the \$10,406 budgeted GE Marquette MAC 5500 ECG EKG Machine; Randy Bomar seconded the motion. Discussion was held and it was noted that this will integrate with EMR within physician offices. Motion carried
- Pathology Microscope and Digital Cameras with software – Budgeted Item for \$20,538. Physician request by Dr. Doughy and Dr. Schreffler. Mr. Johlman explained the purpose of the equipment is to provide pathologists with state of art microscopic interpretative capability and enables digitization of microscopic images from histopathological, cytopathological and hematological patient samples. Software has recoded keeping capability. Dr. Strahan moved to approve the budgeted \$20,528 for the Microscope and digital cameras with software; Dixie See seconded the motion. During further discussion, Dr. Strahan asked if this would interact with the PAC system on the network and Nyle Morgan acknowledged that it would. Motion carried.
- Nutritional Services - Kitchen Hood/Duct replacement project – Not a budgeted item. Unfunded cost \$7,336. Mr. Johlman explained that SMH is currently in violation of code for the type of cooking and services that are provided using the grill. SMH has a Type 1 hood that only allows cooking that produces water vapors. That does not meet code for cooking any food that produces grease-laden vapors. The Hood must be a Type 2 hood to meet code. Staff is currently cooking outside to allow time to address the need. The estimated purchase price for this non-budget item is \$130,000 but Mr. Johlman explained that several other previously approved capital items were not going to be purchased

during the FY2010 budget year and would help off set the price. Unfunded cost is \$7,336. Randy Bomar asked if this is an estimate. Rob Forister stated that the Engineer estimate was \$130,000 but not a formal bid; he is ready to go to bid to obtain firm numbers in 45 days and then could start construction 60 days. Harlan Rasmussen stated that if the variance is \$10,000 or more it must be brought back to board for further discussion. Capital equipment items being delayed are things that can be put off until next fiscal year and won't lessen the quality of service to patients. C-arm in surgery looking at capital equipment budget for next year and Mike McCafferty will follow-up on need. After no further discussion, Dixie See moved to approve the Kitchen Hood/Duct replacement project, for \$130,000 with 10% variance of bid brought back to Building Committee; Randy Bomar seconded the motion. Mr. McCafferty will report by e-mail or by next meeting on C-Arm status and assure that it is on next budget cycle. Motion carried.

Harlan Rasmussen reported on the Governance Institute Leadership Conference that was attended by himself, Mike McCafferty, Ron Mischke and Dr. Hugh Batty during the last week of February. Mr. Rasmussen asked for feedback from the Board Members on the sessions that they attended at the conference. Ron Mischke appreciated the fact the hospital sends Leadership to participate in these programs, which is critical for a county hospital. Mr. Mischke takes the opportunity seriously and sees it as a necessity to attend to get with other hospitals to see what is happening outside of Sheridan and noted that our administration is doing an outstanding job. Some of the comments and take-away points from the conference included: written definition of charity care, IRS guidelines, conflict of interest on agenda items at every board meeting, 33% of Board Meetings should be on strategic planning, and quality is board responsibility to make sure it is performed. Other important discussions included development of CEO succession plan, disaster plan, Board succession planning, Board Chairs' responsibility, how that Board chairmen should be rotated and the importance of physician leadership. Mr. McCafferty discussed the changing model of healthcare delivery across the county, future new models of health services and how private practices are reducing in numbers. The conference had over 75 hospitals represented and the investment was well worth the information that was gathered. The culture and importance of having a successful hospital is not all about clinical care or dollar but is it the culture of the people there that creates a successful organization. Mr. McCafferty went on to explain how the speaker viewed and addressed the Sheridan Memorial Hospital website. The speaker commented that it was better if not the best website of other hospitals that she had worked with over the last couple of years. Speaking of the SMH website she stated that the message was one of consistency. Thanks were given to Danae Brandjord and her staff for the development and upkeep of the website and information presented about our services. Mr. Rasmussen also stressed the value of the training. He then discussed the complex subject of the economics of healthcare in US. Explaining that, either there will be a major change in health care or a major change in economics to prioritize how to pay for services. Further discussion continued on several factors, which included Substantial Growth Rates (SGRs) for physicians; cuts in payments; one payment source / all payments bundled together; and reimbursement issues. Mr. Rasmussen said that Board Members are like gardens with weeds, daisies or orchids. Out of the 3 you want to have members that are like weeds that grow and survive. Daisies need watering and mentoring and won't survive without training; orchids are delicate with limited range or productivity. One final note - that as a Board Member or member of the hospital it is the

accountability that we personally take on for the services that we provide. The less guidance we need to get a job done is due to the culture we develop due to personal accountability.

### **FOUNDATION REPORT**

Ada Kirven, Foundation Director, gave an update on a \$25,000 gift received for the Digital Mammography Campaign from Cloud Peak Resources (formerly Rio Tinto). Cloud Peak is committed to community health projects and was very happy to be a part of this effort. The Foundation will hold its 9th Annual Benefit on April 17 at the Sheridan Fairgrounds Exhibit Hall with dinner and dancing. Mrs. Kirven said that detailed invitations will be mailed in the near future. Proceeds from the Benefit will be for the Digital Mammography Campaign. First Interstate Bank will match event proceeds to \$15,000. Mrs. Kirven also stated that to date other major sponsors include First Federal Savings Bank, Hammer Chevrolet and the SMH Auxiliary. Harlan Rasmussen asked Board Members to follow-up with the Foundation regarding their commitment or pledge for the Digital Mammography Campaign. Mrs. Kirven stated that she appreciated being involved in the strategic planning sessions with community members and that they were well attended, informative and gave thanks for the opportunity to attend.

### **BUILDING COMMITTEE REPORT**

Rob Forister provided the committee report. Mr. Forister stated that the Pharmacy update is progressing and is currently half-way complete. Work will begin on the other half starting next week with an April completion date. The Lab project is done and lab staff has moved in. The newly created Lab will be viable for another 20 years. Gary Sellenrick thanked both the Board of Trustees and Administration for support of the new lab and state-of-art equipment that will be utilized well into the future. The move went well and Mr. Sellenrick thanked the Facilities and IT staff for their help with moving of machines, furniture and connectivity of computers, phones and that it was a seamless transition due to accommodating staff. Mr. Forister stated that the Building Committee will begin working on the construction project priority list and then will meet with the Finance Committee on the list. Mr. Forister announced that construction will begin next week on Operating Room #4 which will be Operating Room #1.

### **OTHER BUSINESS**

None reported.

### **EXECUTIVE SESSION**

The public meeting moved into closed session for personnel matters and real estate discussion.

After the executive session, the public meeting was reconvened. The Board Chair entertained a motion made by Bill Huppert, to approve request from Dr. Gardner to switch his membership status from Courtesy to Consulting staff; Dr. Strahan seconded. No further discussion. Motion carried.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting adjourned at 5:30 p.m. with the March meeting scheduled to be held on March 24, 2010.

Recorder,  
Roxanne Araas  
Dixie See, Secretary