

**BOARD OF TRUSTEES  
APRIL MEETING MINUTES  
WEDNESDAY, APRIL 28, 2010 3:00 P.M.**

**MEMBERS PRESENT:** Harlan Rasmussen, Dixie See, Bill Huppert, Randy Bomar, Gary Miller and Ron Mischke

**MEMBERS ABSENT:** Michael Strahan, M.D.

**CALL MEETING TO ORDER**

Harlan Rasmussen called the meeting to order at 3:00 p.m.

**APPROVAL OF MINUTES**

The minutes from the March Board meeting, held on March 24, 2010 were reviewed. A motion was made by Randy Bomar to approve the minutes; Dixie See seconded the motion and the motion carried.

The minutes from the Special Board meeting, held on March 31, 2010 were reviewed. A motion was made by Bill Huppert to approve the minutes; Ron Mischke seconded the motion and the motion carried.

**PUBLIC COMMENTS, INTRODUCTIONS**

Mrs. Ada Kirven, Foundation Director, gave the Hospital Foundation report during the public comment section of the Board meeting, as a group of guests were invited to participate in the presentation of a check for \$250,000. The check was from the hospital Foundation to Sheridan Memorial Hospital for the purchase of digital mammography equipment. Mrs. Kirven explained that the equipment funding was the result of a six-month campaign led by the hospital Foundation along with a dedicated group of volunteers. Over 650 eager and enthusiastic participants at the October 2009 Breast Cancer Awareness walk started off the fundraising campaign. The Whedon Cancer Foundation contributed a \$100,000 grant towards the goal of \$250,000. There were 519 community donors, 390 Foundation Employee Partner contributions, as well as proceeds from the 2010 Benefit used for the completed project which included these major project funders: Whedon Cancer Detection Foundation, Cloud Peak Energy Resources, LLC; First Interstate Bank & BancSystem Foundation, Sheridan Rotary Club, Kelly Schreibeis Memorial Foundation, Dr. and Mrs. Dan Alzheimer, Big Horn Radiology, Sheridan Memorial Hospital Auxiliary, The John and Helen Ilesley Foundation, Homer A. and Mildred Scott Foundation, Hair West Salon, and Wellness Council of Sheridan County.

Committee members introduced themselves and expressed their motivation behind their involvement in the fundraiser. Chris Bilyeu; Imaging Manager, explained that the new equipment has been delivered and installed. Mr. Bilyeu then showed the Board members the intricate detail of digital mammogram pictures. He then explained how much easier it is to access and compare the digital photos to a patient's prior film. Mrs. Kirven recognized Tempe Murphy as being instrumental in assisting with the project. Harlan Rasmussen thanked everyone for their mission and recognized the efforts that will benefit the entire community. He further noted that the potential to save lives follows our mission, which is to strive for excellent healthcare and to make it better than what it is today. Mike McCafferty expressed his gratitude, in behalf of Sheridan Memorial Hospital, to the group of dedicated individuals for their energy and involvement to raise funds, which will impact the community for the good. Mrs. Kirven concluded her presentation by thanking everyone for attending the recent Annual Hospital Foundation Benefit.

### **QUALITY COMMITTEE REPORT**

Randy Bomar reported on the scorecard, under the Quality Section, that Congestive Heart Failure (CHF) remains at 100% for the fourth month. The committee is happy to see improvement and progress has been made. HCAHPS, Communications about Medications, continues to be a high priority and work on bringing the score up. Gary Miller commented on the chart showing statistics of returned surveys. He noted the number of responses that we received in comparison to other years and commented on the impact that it can make. Return rate for surveys is charted monthly. Review of the running year total shows improvement in this area. Lajune Bacon explained that laminated cards that list common medications are now available for nurses to carry in their pocket. This card will help nursing staff explain to patients frequently given medications, what they are used for and possible side effects. Ron Mischke asked what medication information is provided upon discharge. He also asked if there are ways to ensure that a responsible party also receives this information. Ms. Bacon explained that the care giver as well as the patient is also given the discharge information. Post-discharge telephone calls to patients have also been increased to assure they understand instructions. During this follow-up telephone call, the patient is also encouraged to ask any questions relating to their medications as well. The fact that a patient can expect this follow-up telephone call will be added to the scripting that a patient receives upon discharge. Ms. Bacon talked about the two-day training program (ACE) that several Nurse Managers, staff from Quality Services and staff from Billings Clinic and the Wyoming Medical Center are involved in. The focus is on safety standards, regulations, safety goals and completing tracers within hospital to identify areas for improvement. She described a tracer as the patient's journey while in the hospital from admissions to discharge. The tracer looks at each staff member involved in the patient's care, Human Resources standards, and hand-off communication standards. Joint Commission surveyors use the tracer method when they conduct facility audits. The group of staff involved will travel to Billings Clinic and to Wyoming Medical Center to do tracers in their hospital. This training will provide a good networking and learning experience.

## **MEDICAL STAFF REPORT**

Dr. Hanebrink reported that one Physician Strategic Planning meeting has been completed and another one is scheduled for this evening. Dr. Hanebrink expressed that he is pleased by physician willingness to participate. Dr. Hanebrink will attend the WHA Meeting along with several Board members. He is looking forward to hearing the speaker discuss, "Practices of Highly Effective Hospital Boards and Leaders."

## **ADMINISTRATIVE REPORT**

At the March 24, 2010, Board Meeting, Trustees approved for Mike McCafferty, CEO, to move forward with securing plans and estimates associated with the Cancer Center, Urgent Care and Medical Office Building. At that time, Mr. McCafferty was asked to bring back information for Board consideration. Mr. McCafferty explained that information was gathered as result of several strategic planning meetings and that he was distributing packets of information with an overview of each project. A future Board work session will be set to review the conceptual plans and to help determine priorities.

**Welch Cancer Center** – Architects and contractors bid on those designs. KWN Construction and CTA Architects Engineers were hired to work on this project. The companies have been asked to provide information for placement of an expansion of the Cancer Center on the west part of the campus where it currently located. They were asked to either connect a Medical Office Building to that existing building or to part of. Different concepts were presented for construction of an approximate 12,000 square foot structure connected to the existing radiation vault. Their recommendation would be to place a Medical Office Building on the east campus due to traffic patterns with other possible future opportunities on the west campus. Financial overview projections for cancer services were also provided to future consideration.

**Urgent Care** – Mr. McCafferty explained that many options have been reviewed. Conceptual financial projections with preliminary budget with drawings and site selections were presented for future consideration. TSP presented a preliminary project budget with drawings for a free standing Urgent Care facility with growth space for family practice physicians. Gary Miller asked about the impact this will have on other Urgent Care facilities and the SMH Emergency Department. Mr. McCafferty stated that in order to lead and provide quality healthcare to other physicians in the community, we feel we need to take the leadership role. Urgent Care provides an opportunity for affordable, high quality service that supports the hospital's desire to create a foundation for primary care in this community. Along with internal medicine, we are confident that we can provide accessible quality healthcare to meet urgent care needs in our community. The impact on the market would be minimal. The structure would be providing business as part of the hospital. Location being critical, options available on the south end of Sheridan should be considered.

**Medical Office Building** – Mr. McCafferty presented the conceptual facility plan and explained the study completed by CTA and KWN for a medical office building. After studying the campus and master plan, the evaluation matrix provided six options on

possible locations for the office building. This study for information and costs were not available. Numbers will be provided when available.

Mr. McCafferty stated that he will schedule a work session with Board members to look at all project opportunities within the next couple of weeks.

**Strategic Planning Update** – Mike McCafferty felt that the meeting held last week was a great success. A second meeting will be held with physicians this evening. Results will be gathered and presented to the Board later in May.

**MRI** – Mr. McCafferty provided an update on the MRI located within the hospital. He stated that the machine is 10 years old and depreciated for 5 years. He explained that we have received double the life on the equipment and are preparing a plan for future needs. Mr. McCafferty explained that we are looking at options that will have minimal impact on MRI services, both in the Hospital and Sheridan Radiology. Two options are being considered: (1) move the current MRI from Sheridan Radiology to the hospital (associated costs will be over \$150,000); (2) buy a refurbished MRI to locate in the hospital. Chris Bilyeu, Imaging Manager, explained that we currently do not have the patient volume to justify having two MRI machines. He noted however, that we need to do whatever is in the best interest for the patients in the hospital. The best cost scenario appears to be to move the MRI from Sheridan Radiology rather than to purchase a replacement MRI for the one in the hospital. Mr. McCafferty stated that the Board may be presented with an emergency fund request. Mr. Bilyeu should have written quotes within the next couple of weeks as it relates to a MRI to be located within the hospital.

**Board Training** – Mike McCafferty announced Board members will be attending a Trustee and CEO education program presented by the Wyoming Hospital Association on May 10, 2010, in Casper, Wyoming.

### **FINANCE COMMITTEE REPORT**

Gary Miller reported that the Finance Committee met today to review vouchers and all were approved. There are several capital requests that Finance Committee will be recommending today for Board consideration. Mr. Miller noted that discussion was held in the Finance Committee meeting with regards to a policy on giving donations or marketing as a non-profit organization to fund other non-profit organizations. Ed Johlman, CFO, was asked to research to determine if the hospital has a current policy in regards to community donations (i.e. funds for banners for soccer / baseball teams, etc.). The committee will wait to make a recommendation based on what Mr. Johlman discovers. Harlan Rasmussen explained that this would make it clear how Sheridan Memorial Hospital would handle future requests.

Ed Johlman provided a review of March financials to the Board. Mr. Johlman explained March was a good financial month and April has also been busy. Mr. Johlman reported that it was good to see the rebound in activity compared to January and February. Gross revenue totaled nearly \$8.6M. Net income for March was \$179K. Mr. Johlman explained that revenue is higher due to our contractual adjustment being lower. Expenses continue

to remain high in the areas of salaries/benefits, supplies and bad debt. Gary Miller stated the committee will continue to work on a firm plan for supply consumption and ways to lower the supply costs for next year. Discussion was held on supplier costs and contract savings. Mr. Gross, explained benefit expense has increased due to the number of employees that are now participating in hospital insurance plan. Mr. Gross further explained that this will be factored into the new budget. Randy Bomar asked about non-operating revenue on county funds. Mr. Johlman explained that it correlates with the timing of funds being received. Tom Ringley, County Commissioner, announced the amount for next year remains uncertain. Sheridan Memorial Hospital currently receives \$125,000 from County. Mr. Miller and Mr. Rasmussen acknowledged the great work being done in Accounts Receivable and noted the low historic level of days impacts the cash flow. An additional \$1M will be placed in capital reserve. It was reported that a bond payment is due in May.

Mr. Miller presented the following capital equipment requests:

- Nuclear Medicine Replacement Machine – 2011 Capital Budget request for \$296,000 was made by Drs. Alzheimer, White and Dunn. The machine is the necessary piece of equipment for all nuclear medicine procedures. The existing machine is the only nuclear medicine machine within the county. The current machine is 13 years old. Tom Nance, Radiology Manager, explained that the equipment was installed in 1997 and the effective life is exhausted. Toshiba no longer supports or provides support for the equipment. Brian Hooge has done a great job keeping it running. Mr. Nance explained that the nuclear medicine machine is becoming unpredictable and therefore scheduling patient tests have become unreliable. Mr. Nance recommends the purchase of the refurbished model to save 30-40%. The refurbished model comes with a one-year warranty and back-up service contract. Randy Bomar asked about removing the old equipment and if the price included that. Mr. Nance stated there is no trade-in value and our staff will remove and take it to the landfill. Bill Huppert asked how old the refurbished machine is. Mr. Nance stated that it is two years old and as good as new. Mr. Nance further explained that we seldom buy anything brand new and that purchases depend on service contracts. A newer machine will provide an upgrade to the quality of film images of the patient. Purchase of this machine will ensure that the net revenue continues. Ed Johlman explained that this equipment was identified for purchase during the 2011 capital equipment process. Due to the length of time it takes to receive the replacement, it is being presented today instead of waiting until July. The funds will be on the 2011 capital equipment request and have been approved by all departments. Randy Bomar moved to approve the purchase of the Nuclear Medicine Replacement Machine for \$296,000; Dixie See seconded the motion to buy the refurbished machine. Motion carried.
- Operating Rooms/Surgery Equipment - includes Boom for \$68,079, OR Bed Ortho Pack for \$27,941 and anesthesia machine for \$103,681 totaling \$199,701. These are budgeted items. He request was presented by OR Surgeons. Mr. Johlman provided an overview of the items necessary to furnish the room and standardize the layout to the other 3 ORs. These individual items were budgeted for the OR1 (4th OR)

renovation and remodel during the FY2010 budget process. Mr. Johlman explained that they were not included in the \$400K approved for the renovation/remodel. Gary Miller moved to purchase the Operating Room equipment as explained; Bill Huppert seconded the motion. It was noted that the anesthesia machine is also refurbished equipment. Motion carried.

- Back Surgery Equipment – Budgeted item for FY2011 with a cost of \$56,676. Item was requested by Dr. Ulibarri and Dr. Ritterbusch. The equipment is to facilitate back and spinal surgery by allowing more work to be done through a small incision. Equipment will reduce complications, less trauma to the patient, smaller scars, shorter recover times and shorter length of stay in the hospital. Mr. Miller provided an overview of this back surgery equipment. SMH is currently renting similar equipment at a cost of \$1,000 per procedure when needed and purchasing now makes great economic sense. Mr. Johlman explained that this had previously been identified for FY2011 purchase. Ron Mischke asked for explanation on the dollars being lowered on the FY 2011 capital equipment request when that budget has not been presented. Mr. McCafferty explained that while a draft of the FY2011 budget is done, the proposed item is needed now and will be removed out of the FY2011 proposed budget. That budget information had just been written on the proposal. Peggy Callantine, Chief Nursing Officer, further explained that we won't be billed until July but we can receive the equipment now. Bill Huppert moved to approve the purchase for the Medtronic Back Surgery Equipment in the amount of \$56,676; Ron Mischke seconded the motion. Motion carried.

Capital expenses for the start up of Sheridan Psychiatry were discussed. Lynn Custis, Contract Manager, compiled a spread sheet with renovation costs, based on bids from contractors, for a total of \$113,993.92. The expenditures also include computers, telephones and electronic medial records software, furnishings, as well as interior construction and painting. Harlan Rasmussen noted that this is a non-budgeted request for FY2010 budget since services will begin in June, 2010. Nyle Morgan commented that all of the IT equipment is compatible with practice management software that is being used at Big Horn Mountain Medicine, by a preferred vendor at negotiated price. The practice will be located in an empty space at the back of the Saunders Building at 944 Jackson. Randy Bomar suggested that we should consider a 10% contingency plan for flexibility with the proposed costs. The hospital recruited psychiatrist, Mark Walter, M.D. Dr. Walter and he will begin his practice in June. Randy Bomar moved to approve up to \$125,000 in capital expenses for office remodeling and information systems equipment for Sheridan Psychiatry; Dixie See seconded the motion. Motion carried.

A discussion regarding the Wilson Trust was held. It was noted that staff continue to work with Bank of the West.

## **FOUNDATION REPORT**

See Public Comment section.

## **BUILDING COMMITTEE REPORT**

Rob Forister provided a committee update. He noted that the final inspection for Pharmacy, approval of City of Sheridan, Fire Marshal, and state licensure will be held next week. Mr. Forister reported that he expects permission to move soon afterwards. Kirsi Ludwig, Pharmacy Manager, expressed her excitement to move into the newly remodeled area. She invited Board members to tour soon.

Mr. Forister provided operating room remodel update on OR1 (4th OR) and the requested standardized layout to mirror OR 4 and 2. He explained that he will explore changing the doorway and as well as moving the Booms. Mr. Forister explained that he expects there will be some extra costs associated with this change. The change will provide better access from the OB area to the OR. It will also provide access directly from the prep area. When costs for the changes are received, Mr. Forister will bring them to the Board for consideration. Dr. Hanebrink explained the need to change the layout now rather than later. Dr. Hanebrink explained that OR 3 is okay but it is not a preferred room. Peggy Callantine, Chief Nursing Officer, noted the importance of being able to keep pace with the demand for surgery room time from the surgeons.

## **OTHER BUSINESS**

The Board of Trustees agreed to move the July Board Meeting and Finance Committee meeting from July 28, 2010 to August 4, 2010. The additional time is necessary to accurately close the fiscal year.

## **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. In the executive session, issues of legal, real estate and personnel were discussed. Harlan Rasmussen announced that discussion was held regarding the opportunity of Cardiology Services in Sheridan. Mr. McCafferty stated that we were looking at the possibility to employ Dr. Michael Brennan to work in Sheridan three times a week. He felt this would be a good fit for the hospital and community. The initial contract period would be for six months. After that time, a long-term commitment will be looked at. Mr. McCafferty asked the Board to consider authorizing start-up costs of \$58,000 for cardiology services and to contract with Dr. Brennan for an initial six-month term. Ron Mischke moved to approve up to \$66,000 for start-up costs for cardiology services in Sheridan and a six-month contract, based on contingency of actual signed contract with Dr. Michael Brennan; Bill Huppert seconded the motion. Mr. Mischke thanked Mr. McCafferty for taking the lead and felt this is a great opportunity to have local cardiology services without traveling. These services will have a major impact on the community and hospital. Motion carried.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting adjourned at 5:15 p.m. with the May Board meeting scheduled to be held on May 26, 2010.

Recorder,  
Roxanne Araas  
Dixie See, Secretary