

**BOARD OF TRUSTEES  
MAY MEETING MINUTES  
WEDNESDAY, MAY 26, 2010 3:00 P.M.**

**MEMBERS PRESENT:** Harlan Rasmussen, Michael Strahan, M.D., Randy Bomar, and Ron Mischke

**MEMBERS ABSENT:** Bill Huppert, Gary Miller and Dixie See

**CALL MEETING TO ORDER**

Harlan Rasmussen called the meeting to order at 3:00 p.m. with a quorum present.

**APPROVAL OF MINUTES**

The minutes from the April Board meeting, held on April 28, 2010 were reviewed. A motion was made by Randy Bomar to approve the minutes; Ron Mischke seconded the motion and the motion carried.

**PUBLIC COMMENTS, INTRODUCTIONS**

None

**QUALITY COMMITTEE REPORT**

Lajune Bacon reported for the Quality Committee. Good news was reflected on the service excellence scorecard, with supply expenses meeting target goal. AVATAR score for the three-month period of Feb, March April was 91.4. Total turnover percentage is down and has consistently been dropping over the fiscal year. HCAHPS show an increase in the Discharge Information Percentiles. Ms. Bacon stated that HCAHPS are continually being reviewed. If correction is indicated, a one-on-one education is conducted. This provides for better patient care. Dr. Batty also stressed that the scores look good now but it is a never ending process to continually provide education and we must stay on it consistently. Ms. Bacon is reviewing the measures for stroke care and the requirements for next year. Mike McCafferty reported that AVATAR scores have remained in the 84-86% for a number of years. Pediatrics is a department that repeatedly reports low scores. Mr. McCafferty suggested that we look at why the scores remain low in the Pediatrics department and make it a focused priority to improve. Ms. Bacon stated that Linda Benth, Manager of Women's Health and Pediatrics, will begin to hand the surveys to patients and/or responsible party of pediatric patients personally. She will discuss with each survey recipient, the hospital's focus on improvement. She believes by making sure that the survey is given to all patients and/or families, we can increase the number of returned surveys so

that we have a better idea of how Pediatrics is doing. It is hoped that with this new process in place, AVATAR scores will increase over the next six months.

### **MEDICAL STAFF REPORT**

Mr. Rasmussen welcomed Dr. Batty, Vice-chief of Staff, who reported in the absence of Dr. Hanebrink. Dr. Batty presented information on the following practitioners who have requested Medical Staff membership and privileges at Sheridan Memorial Hospital. Dr. Batty reported that all of the applicants' credentials have been verified and passed through appropriate committees.

New applicant, Jacob Lieb, MD is requesting Active Staff membership in the Department of Emergency, specializing in Emergency Medicine. Dr. Lieb anticipates joining the Sheridan Memorial Hospital Emergency Department in July 2010.

Mark Walter, MD, is requesting Consulting Staff membership in the Department of Medicine at Sheridan Memorial Hospital, specializing in adolescent and adult Psychiatry. Dr. Walter will be establishing a new psychiatry practice, opening in June 2010.

Debra Kawulok, FNP-C, is requesting Affiliated Health Care Professional Staff membership in the Department of Surgery at Sheridan Memorial Hospital, specializing as a Certified Advanced and Family Nurse Practitioner and Non-physician Surgical Assistant in order to assist Urologist, Dr. Stephen Holst, in surgery and patient rounds at Sheridan Memorial Hospital.

John Knepper, MD, is requesting Locum Tenens privileges in the Department of Pediatrics at Sheridan Memorial Hospital, specializing in newborn and emergency pediatrics. Dr. Knepper will be working at Northeast Wyoming Pediatric Associates of Sheridan covering for Dr. Suzanne Oss beginning July 2010. Many know Dr. Knepper, the father of Dr. Oss, who served as a great pediatrician in Sheridan in the past.

### **ADMINISTRATIVE REPORT**

Growth and strategic recommendations were present by Mike McCafferty regarding the following areas:

**Welch Cancer Center** – Mr. McCafferty stated that over the last several months, expansion of the Cancer Center has been discussed. Mr. McCafferty offered the following explanation of where we currently are in the expansion process and summarized it with a recommendation. The design build team of KWN Construction and CTA Architects were authorized by the Board to work on schematic plans for the cancer center expansion. The team was asked to draft a time line, conceptual plan and the associated price for the project with guaranteed maximum price with what was to be achieved. Mr. McCafferty explained that we are now a month to two months away from receiving the guaranteed maximum price. Once approval is given on the schematic design, plans must be reviewed by the State.

Construction documents will then be brought to subcontractors to submit bids before final price is determined and then presented to the Board. Rob Forister, the Building Committee and Cancer Center staff will be working with the process for strategic location and size. They will define the details with Board authorization. Mr. McCafferty recommended expansion be made to the existing building. The building will be a free-standing facility, with no additional office space. The proposal for the expansion to the cancer center, which is currently 9,000 square feet, will net a building with 15,000-16,000 square feet. Plans will be to tear down 6,000 square feet of the existing and build back additional 12,000 square feet around the current vault area. Harlan Rasmussen asked if the cost benefit of tearing down the old building versus building a new cancer center had been examined. Mr. McCafferty explained the cost to connect to the existing radiation vault, which is used for external beam radiation treatments for cancer patients, is a huge benefit. Mr. McCafferty stated that he would like to purpose for Board consideration, the approval of the following funding option for the expansion project: after an in-depth study on our debt capacity and capital reserve, Mr. McCafferty would like to move forward with the cancer center expansion with guaranteed maximum price, by considering utilizing these hospital resources to fund 50% of the Welch Cancer Center expansion project and to authorize him, on behalf of the Trustees, to draft a formal letter to the Foundation Board of Directors to request that the SMH Foundation consider a capital campaign to develop funding resources for the other 50% of the project. Mr. McCafferty acknowledged, because of the time line, he would like to move forward with the project and give the SMH Foundation time to consider the formal request, to develop a plan and then have them respond back to us. Dr. Strahan moved to approve the funding concept for the Cancer Center expansion project utilizing 50% of hospital resources and for Mr. McCafferty to write a formal request to the SMH Foundation Board to consider a capital campaign to develop funding for the other 50% of the cost of the project; Ron Mischke seconded the motion. Harlan Rasmussen asked if there was an estimate on the total cost of the project that may need to be included in the letter to the Foundation. Mr. McCafferty stated while we have ideas and concepts, we do not have firm numbers and that an estimated cost would be between \$6.5- \$7.8M. Anticipated costs in new equipment are between \$2.5-\$3 million, which include \$2M for a new linear accelerator and \$330,000 for a refurbished CT scanner. The CT scanner identifies tumor location and will provide staff with the technology needed to develop the most comprehensive and accurate individual treatment plan. We have had the current linear accelerator for 9 years. It was depreciated after 5 years. We have been able to get 4 good years of life and anticipates a similar life for new accelerator. Ron Mischke noted that the reasoning for the expansion is an effort to provide better quality service to the community. The process will improve the quality of patient care that we give; it is not because we want to build a new building. Dr. Strahan asked if there will be space for more outpatient IV infusions. Mr. McCafferty stated that they will try to create open and private spaces with the capacity to do additional infusions. Mr. McCafferty indicated that when we made the decision to add medical oncology for a full service center, we doubled the amount of services/people in the same amount of space. In the past, we only provided radiology. With the added service, the current space is crowded, which makes the delivery of these services challenging. There is also water and plumbing issues with the current building that was built in 1960 and used as a residence. Dr. Strahan asked if this will be a capital generator for the hospital or a community benefit. Mr. McCafferty noted that this is more of a

community benefit and providing the services to meet the needs of the people rather than revenue. Residents may go elsewhere for cancer treatment but we can provide the therapy when they return. It will be similar to what we now do for dialysis patients. We are not a CTCA but we have technology to communicate to provide the therapies locally. After no further discussion; motion carried.

**Urgent Care** – Mr. McCafferty explained that we have been talking about urgent care services in several strategic planning committee meetings with community, medical, and board members, for input and guidance. Urgent Care continues to be a consistent topic for the hospital to be involved with as well as the need of taking a leadership role in both urgent care and primary care services provided within the community. Today, as well as in the future, physician recruitment is and will be a challenge. It is the general opinion that the hospital should take the leadership role to get physicians to town. We have the ability to provide high-quality, accessible care; care that is valuable to consumers, which is the model we want to be involved in. Without our leadership, new models of how healthcare is delivered will continue. It is our desire to be on leading edge of the type of healthcare that is available in our community. We continue to pursue urgent care services and look at a placement for the service line on the south end of town. Mr. McCafferty explained that this is something that we want to pursue in which to capture the majority of the market. Mr. McCafferty explained that one concept would be to consider an urgent care and medical clinic, which would house both Big Horn Mountain Medicine as well as the urgent care clinic, on the south end of town. The substantial savings to put the two clinics together would be a good strategic plan for the future. Urgent Care provides immediate care for immediate health concerns. Patients still have the opportunity to continue their relationship with their primary care physician. Urgent Care and a medical clinic would continue to happen for referring patients, which is an important part of care. Mr. McCafferty stated that there are no recommendations at this point but noted the savings provided for having only one building for both services. The facility would have the capability to do lab work, chest or routine x-rays. If MRI and/or CT scan services were needed, the patient would need to come to Sheridan Radiology. Discussion continued on how the model of health care services is changing.

### **FINANCE COMMITTEE REPORT**

Ron Mischke reported that the Finance Committee met today to review vouchers and all were approved. There are two capital requests that the Finance Committee will be recommending today for Board consideration.

Susan Novak reported that we were fortunate to have a stellar month. Mr. Mischke said the financials looked very good for the hospital. Gross revenue for the month of April totaled nearly \$8.9M, the highest for the year and an all time high for SMH, which reflects the confidence that the community has in our medical hospital. Accounts Receivable finished April at a new historic low of 50 days, which was a huge accomplishment due to the buy-in from the staff. Net operating income was \$499,000 and total net income was \$859K. During

the month of April, SMH received a \$250,000 donation from SMH Foundation for Digital Mammography equipment. Also in April, \$1M was added to the capital replacement reserves fund and a bond payment was made. We continue to work on controlling costs in salaries and supplies. A Wilson Trust update will be provided in June.

Mr. Mischke presented the following capital equipment requests:

- Operating Rooms – Ortho Arthroscopy/camera head is a 2010 Capital Budget request. The actual cost is \$11,857, which represents additional cost of \$1,576 over the prior approved amount of \$10,281. Surgeons made the request for this equipment. The purchase of this camera head will increase the number of sets currently available in stock by one. With the increase in surgeons and surgical cases, the Surgery department is requiring this additional camera head. The purchase will allow for full sterilization time for instruments, between cases, a Joint Commission recommendation. This camera head is a standard piece of equipment used in every shoulder or knee surgery. It will realize significant improvement in patient safety and care by not flash sterilizing equipment between cases. Fewer delays between cases and decrease overtime in the long run were noted by Peggy Callantine, Chief Nursing Officer. Randy Bomar made a motion to approve the purchase of the camera head in the amount of \$11,857; Dr. Strahan seconded the motion. Motion carried.
- Information Systems and L&D – GE Centricity Fetal Surveillance System is a budgeted item for actual cost of \$48,000 which is a \$2000 savings from the budget amount of \$50,000. This system is a centralized monitoring system specifically designed for Labor and Delivery to document and monitor fetal heart-rate and the mothers' contractions in utero. Information is transmitted via cable from the fetal monitor to the nurses' station and the physician sleep room. Linda Benth, Women's Health Manager, stated that it will provide the basis for electronic documentation and is an upgrade from our current equipment, which was purchased in 1999 and is the software is no longer supported. Physicians will be able to monitor and evaluate a patient from home or from their offices saving them both time and practice expense. There is the potential for nurse labor savings for the hospital. Randy Bomar moved to approve the purchase of the Fetal Surveillance System for \$48,000; Dr. Strahan seconded the motion to purchase equipment for a \$2000 savings. Motion passed.

Mr. Rasmussen discussed the Board educational meeting that WHA recently held in Casper. The meeting provided opportunity to learn more efficient ways to perform meetings. He expressed a desire to revamp the process to purchase capital equipment, after it has already been approved by the Board during the initial Capital Budget process for start of new fiscal year. Currently, the approved items return to the Finance Committee for formal recommendation to purchase and then is taken to the full Board for vote approval. Mr. Rasmussen explained that this was duplication as these items and costs had already been formally approved when presented with yearly budget. Therefore, starting with the next budget year, we will not go through the process of re-approving the item unless there is a change in price, which will require the need for specific approval. Mr. Rasmussen discussed the standard of approval, extra burden on the Finance Committee and Administration that

cash flow is within the budget and to monitor it during the year and the need to report the capital acquisitions to keep the Board informed when we are spending large sums of money, but not a variance of information for just an additional vote. Discussion was held as to what the level should be for acquisition outside of the budget to come before Board for second approval. Any item over \$10,000 is currently on the capital equipment list that comes to the Board one time a year in budget and is approved one time. The threshold for capital equipment is \$10,000 for capital expenditure requirement. It is important to share with community the information on how the funds are being spent. Ed Johlman, CFO, recommended modification so they don't have to wait for re-approval from Board at monthly meetings. Mr. Rasmussen finalized the discussion by stating that we have a concept, but not enough members to come to a consensus and tabled the conversation until more members are present. Mr. Johlman was asked to bring back a recommendation for further discussion at the June Board meeting, when presenting the 2011 FY budget, for approving capital equipment requests during the upcoming year.

### **FOUNDATION REPORT**

Ada Kirven, Foundation Director, announced that the Griffith Foundation presented its 50<sup>th</sup> gift, a pledge payment for the Emergency Department, and that completes 34 years of consecutive giving to the hospital foundation. This is truly a reflection of the Griffith Foundation's trust and confidence in Sheridan Memorial Hospital and its building projects and programs. The Foundation will present a check totaling \$193,000 to the hospital for the Emergency Department; these are accumulated pledge payments over the past twelve months. Mrs. Kirven reported on the Hospital's Healthy Garden, which the Foundation has been involved in coordinating. This first year, the Garden is for employees and volunteers. She also specifically thanked Rob Forister, Gene Davis and Curtis Rivers for their gardening expertise. Thirty employees are signed up for plots and a fence and walkways will be put up by volunteers soon. Harlan Rasmussen asked Mrs. Kirven to send a thank you to the Griffith Foundation, on behalf of the Board of Trustees.

### **BUILDING COMMITTEE REPORT**

Rob Forister reported that the Building Committee meeting had been postponed this month as they were waiting to receive a change order for the Pharmacy. Mike McCafferty reported that the State Board of Pharmacy had completed the pharmacy inspection. Mr. Forister stated that the inspection went well. There were two corrections identified by the State Board of Pharmacy, which have already been made. The staff is moving into their new space today. Ron Mischke thanked the IT Department for getting the lack of cell service in the basement solved. Nyle Morgan, Chief Information Officer, explained that repeaters are now located throughout the building. The original bid was \$150,000. Mr. Morgan reported that ACT has been working with us to bring in fiber to various areas: Physicians offices, Wyoming Rehab and across the street. ACT completed the repeater project for only \$10,000. Cell phones should now work everywhere in the hospital and this has solved an important communication issue.

## **OTHER BUSINESS**

County Commissioner Tom Ringley reported they are also working on fiscal year budget and thanked Ed Johlman for attending their meeting and presenting to the County Commissioners. He thanked the hospital for all efforts for medical care provided to the community, and being a strong financial stand alone organization that he is very proud of.

## **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 following recommendations were presented for consideration:

Debra Kawulok, FNP-C, requesting privileges for Affiliated Health Care Professional Staff membership in the Department of Surgery. Dr. Strahan, with great pleasure, moved to approve Mrs. Kawulok for privileges as requested; Ron Mischke seconded the motion. Motion carried.

Jacob Lieb, M.D. – Dr. Lieb is requesting Active Staff membership in the Department of Emergency, specializing in Emergency Medicine. Randy Bomar made a motion to approve Dr. Lieb for privileges as requested; Ron Mischke seconded the motion. Motion carried

Mark Walter, M.D. – Dr. Walter is requesting Consulting Staff membership in the Department of Medicine, specializing in adolescent and adult Psychiatry. Dr. Strahan made a motion to approve Dr. Walter for privileges as requested; Randy Bomar seconded the motion. Motion carried.

John Knepper, M.D. – Dr. Knepper is requesting Locum Tenens privileges in the Department of Pediatrics, specializing in newborn and emergency pediatrics beginning in July, 2010. Ron Mischke made a motion to approve Dr. Knepper for privileges as requested; Randy Bomar seconded the motion. Motion carried.

## **ADJOURNMENT**

There being no further business to come before the Board, the meeting adjourned at 4:45 p.m. with the June Board meeting scheduled to be held on June 23, 2010.

Recorder,  
Roxanne Araas  
Dixie See, Secretary