

**BOARD OF TRUSTEES
AUGUST MEETING MINUTES
WEDNESDAY, AUGUST 04, 2010 3:00 P.M.**

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

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 June Board meeting, held on June 23, 2010 were reviewed. A motion was made by Dixie See to approve the minutes; Dr. Michael Strahan, seconded the motion and the motion carried.

PUBLIC COMMENTS, INTRODUCTIONS

None

ELECTION OF BOARD OF TRUSTEES OFFICERS 2010-2011

Mr. Rasmussen reviewed the nominations for Board Officers for 2010-2011. The Nomination Committee presented the following recommendations during the June 23, 2010 meeting: Ron Mischke, Chairman; Bill Huppert, Vice-Chair; Michael Strahan, M.D., Secretary and Gary Miller, Treasurer. Additional nominations were called for from the floor, and there being none, nominations were closed. Dixie See moved to select the slate of officers as presented; Bill Huppert seconded the motion and the motion carried. Mr. Rasmussen extended congratulations to Ron Mischke as the new Board Chairman. Mr. Mischke proceeded to facilitate the meeting. His first order of business was to extend his appreciation, on behalf of the entire Board, for the time commitment and services provide by Harlan Rasmussen.

ANNOUNCEMENTS

Mr. Mischke announced that the Sheridan County Commissioners Board appointed Gene Davis to fill Randy Bomar's position on August 3, 2010. Mr. Davis was welcomed as new Board Trustee. He will begin serving at the August board meeting on August 25, 2010.

The following changes were discussed and will be implemented beginning with the August meeting: Action item(s) noted during the meeting will be reflected in the meeting minutes and will be highlighted and underlined. Any action item noted will be reviewed during the following meeting. Also at the August meeting, both the annual **Affirmation Of Conflict Of Interest And Confidentially Agreements Will Be Distributed**. The forms will be completed by all Board Members and will be available to be reviewed by all members. This will allow everyone to be aware of one another's different associations/dealings.

Mr. Mischke reminded all members that suggestions regarding committee assignments were due back to him by the end of this week so they could be finalized.

Mr Mischke announced the November Board Meeting, scheduled for November 24, 2010 will be held on December 1, 2010 due to Thanksgiving. The December meeting is scheduled for December 22, 2010.

QUALITY COMMITTEE REPORT

No report was presented as the Quality Council Committee did not meet during the month of July. The year-end report will be presented during the August Board meeting.

MEDICAL STAFF REPORT

Dr. Hanebrink noted that Medical Staff officer elections will be held in September. He will continue as Chief of Staff for the next calendar year and looks forward to the opportunity. Dr. Hanebrink stated that Dr Suzanne Oss asked to be relived as Committee Chair for OB/Peds. Dr. Gregg McAdoo was appointed t as acting Chair to the OB/Peds Committee. Dr. Barry Mangus will replace Dr. Corey Jost as Chair of Surgery Committee. Gradual changes have been made this past year. Dr. Hanebrink stated that he has had a chance to view his role and strives to create better relationships between physicians and to create a team that anyone wants to play for. He noted is appreciation for continued support and educational opportunities.

ADMINISTRATIVE REPORT

Mr. McCafferty welcomed Ron Mischke as the new SMH Board of Trustees Chairman. Mr. McCafferty reported that in anticipation of Mr. Mischke being elected as Chairman, he had met with Mr. Mischke, Nyle Morgan and Roxanne Araas to discuss orientation for Board Chair and communication on a multitude of levels. Two things were mentioned: one was that we would be making board packets available as a web-based application. Board members will be able to access the board packet information electronically by going to a secured Board Portal. Starting in the month of August, the Board Members will receive the information electronically in PDF format and will also receive a hard copy. The process will then be evaluated to see how we can utilize the information on many levels within the hospital. As we work through the process, it is expected to save expense in both time and

materials. Mr. Morgan will work with Mrs. Araas, Ms. Mehlhaff and Mrs. Brandjord for testing over a period of months. The other item discussed was noted and beginning at the August Board Meeting, we will call for approval of the agenda or add additional items if requested.

Mr. McCafferty announced that Roxanne Araas, Administrative Assistant, and Amy Mehlhaff, Medical Staff Coordinator, would be attending a Governance Support Conference for Advancing Education & Board Coordination for Support Professionals. Mr. McCafferty also welcomed Jacob Lieb, M.D., as a new physician starting in the Emergency Department this month.

Patient Satisfaction – Jane Scott, RN Case Manager, was called upon to explain AVATAR scores. Mr. McCafferty stated that the SMH score has been between 88.9-89.6% for a long period of time; however for the past 2-3 quarters we were over 90%. During the last quarter, our score had risen to 91.6. Mrs. Scott noted that AVATAR scores are in comparison to several hundred hospitals. Mr. McCafferty noted that all hospital departments have been working hard to increase their scores. The score in Pediatrics has been hard to increase as very few patients respond to the survey. To help with this score, Peds staff has begun to round and give the survey to patients personally. They are making follow-up calls to patients. Mr. McCafferty asked Ed Johlman and Mrs. Scott if they could explain what the percentile ranking of the score of 91.6 is. **Mr. McCafferty Then Asked If They Could Find Out What The Percentile Is And How That Increases Our Ranking In Our Peer Group By The Next Meeting.**

Urgent Care – Mr. McCafferty provided an update on the studies that are continuing on the proposed expansions of the Welch Cancer Center and an Urgent Care Clinic. Mr. McCafferty feels that the approach to design and business case will be at a point within one to two months for a recommendation, if we feel that it is a positive scenario to provide primary care in the community. All Board Members will be given an opportunity to travel to Cody, next week to look at the West Park Hospital and visit with some of their trustees and staff as well as tour their new Urgent Care and Medical Office Building.

Cancer Care – CTA Architects continue to work with stake holders with discussions on what is best to do in regards to the cancer center expansion and external building concepts and we continue to move forward with the process. Mr. McCafferty plans to meet this month with the SMH Foundation Board to discuss a capital campaign proposal that he will put together and will keep Board Members informed.

FINANCE COMMITTEE REPORT

Bill Huppert acknowledged that the Finance Committee met for June to review the financials for the month of June. Mr. Huppert announced that June was a great month, financially. The fiscal year-end results were due to the excellent job in managing expenses within the hospital. Congratulations were given to the team effort to bring Account Receivable days to below 50 for the last two months, which has an impact on cash flow. All vouchers and Mr. McCafferty Master Card statement were reviewed and approved.

Mr. Johlman reviewed the financials for the month of June. June was a strong month with patient revenue totaling over \$8.5M. Emergency Department and outpatient revenues were a combined \$500K over budget. Mr. Johlman reviewed the fiscal year-end and stated that revenues exceeded projections by 1.4%, with June net income of \$471,000.

During the financial year-end review, Mr. Johlman commented that it was a good strong financial year, with the end of year being better than the beginning. Mr. Johlman also credited hospital managers for helping to reduce overall expenses and stated that expenses increased only \$286,000 over last year. Contractual write-offs were under budget by \$240K for the month, primarily due to the higher Medicare inpatient rebasing payment. Mr. Johlman concluded his detailed report by stating there was a total operating expenses of \$55.6M and net operating revenue of \$58.5M for a net income of \$4.8M. From a financial view, the income statement was very remarkable compared to other hospitals and this was the best year that SMH has had. Mr. Johlman noted that we are in a strong cash position to provide healthcare to the community.

Mr. Johlman discussed the following trend for the fiscal year: Inpatient volume was down for the third year but he has seen an increased trend in outpatient volume. Bill Huppert commented on contract labor. He had commented that he had doubted that we would be able to achieve the budget amount of the 87% reduction in expenses, but it happened and he acknowledged the fantastic job in controlling expenses. Mr. Johlman acknowledged the efforts of managers in both the Emergency Department and Med/Surg. Ed Johlman stated that the fiscal year-end financial audit will be conducted during the second week of September and results reported in October, 2010.

Ron Mischke extended his appreciation to Mr. Johlman and all staff for their efforts for a strong fiscal year with increased AVATAR score.

FOUNDATION REPORT

Ada Kirven, Foundation Director, announced that new officers for the 2010-2011 fiscal year have been elected. Mrs. Kirven introduced new President Kevin Bailey. Mr. Bailey stated he looks forward to working with the hospital this year. Mr. Mischke welcomed him on behalf of the Board of Trustees. Mrs. Kirven stated that the Foundation Annual Meeting was held on July 27, 2010. A review of the past year's activity was presented and included the fact that donations reached a very generous amount of \$538,000 for various projects in direct support of Sheridan Memorial Hospital. Pledge proceeds on the Griffith Emergency Department Expansion Project from the Griffith Foundation, a community-wide effort to raise funds for digital mammography equipment and a significant contribution from the Whedon Cancer Detection Foundation, as well as contributions from foundation members and employee members made up the amount. Current Foundation membership is over 1200 members and 405 employee partners that all give to support hospital projects. Mrs. Kirven noted that, since gift records have been kept, a total of \$19M has been distributed to Sheridan Memorial Hospital from the Foundation.

Ada Kirven reported that she had just returned from an intensive five-day training provided by the Association for Healthcare Philanthropy. The course was designed to facilitate capital campaign planning specifically geared to the healthcare field and working with special healthcare projects. Mrs. Kirven appreciates the opportunity for the great education as the Foundation prepares for the next major capital campaign.

Mrs. Kirven announced that the Foundation will host the 1st Annual Sheridan Memorial Hospital Foundation Golf Tournament on Friday, August 27, 2010 at The Powder Horn. Brochures were distributed and everyone was encouraged to get a team signed up. She also talked about the other opportunities available to help with this golf tournament. All funds raised will support projects and programs at Sheridan Memorial Hospital.

BUILDING COMMITTEE REPORT

Dixie See announced that the Building Committee did not have an opportunity to meet this month, but that the OR project is coming along well. Pharmacy re-open house was held on August 3, 2010. Danae Brandjord, Director of Marketing, stated that 80-90 people attended the open house for tours and demonstrations. Mike McCafferty acknowledged the great turn out and noted that the pharmacy remodel project was part of the master planning project. Mr. McCafferty announced that there would be a meeting with the Strategic Planning Committee on August 11, for the purpose of reviewing the current master strategic plan. The review would be to look at what has been accomplished, how the current plan fits with the projects that the Building Committee is currently working on and if those projects align with how we are doing business today. The results would then be discussed with the Building Committee and then presented to the full Board within the next few months.

OTHER BUSINESS

Mrs. Brandjord, Director of Marketing, announced that the Sheridan Health Fair Blood Screening will be held at Memorial Hospital from August 12-20, 2010. The Health Fair is scheduled for Saturday, September 18, 2010 at the Sheridan College Bruce Hoffman Dome from 9:00 am - noon. The lab results will be mailed to individuals at their home address within three weeks after blood is drawn. This process was implemented two years ago, and favorable responses have been acknowledged as patients are receiving their results earlier. An individual can take their results to their physician or to the Health Fair, where clinical staff is available to help interpret results.

EXECUTIVE SESSION

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

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 4:15 p.m.

Recorder,
Roxanne Araas
Michael Strahan, M.D., Secretary