

**BOARD OF TRUSTEES  
SEPTEMBER MEETING MINUTES  
WEDNESDAY, SEPTEMBER 23, 2009 3:00 P.M.**

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

**MEMBERS ABSENT:** Ron Mischke and Dr. Strahan

**CALL MEETING TO ORDER**

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

**APPROVAL OF MINUTES**

The previous meeting minutes of August 26, 2009 were reviewed. After review, Dixie See made a motion to approve the minutes; Randy Bomar seconded the motion and motion carried.

**PUBLIC COMMENTS**

Garry Rains, M.D., new member with the Anesthesiology group, was introduced by Brad Hanebrink., M.D. Dr. Hanebrink noted that they had just completed a tour of the hospital and met many staff.

Other introductions by Dr. Brad Hanebrink, included Brian Laman, M.D. and Jeremy Zebroski, M.D. both have joined the Sheridan Orthopaedic group specializing in Orthopaedic Surgery.

Harlan Rasmussen thanked the physicians for coming and the Board welcomed them to the community.

**QUALITY COMMITTEE REPORT**

Lajune Bacon reported that there was not a Quality Committee Meeting this month as she was attending the National Association of Healthcare Quality Conference.

Mrs. Bacon reported on a few key points from the conference and what she hopes to implement into our Quality Department. The current national legislation, related to healthcare, includes many bills involving quality associated with money. The proposed healthcare bill from the finance committee is looking at re-admission and reimbursement rates to hospitals and penalizes hospitals with re-admissions within a certain time frame. Hospitals are also being held accountable for hospital acquired conditions. The Recovery Auditors Contractor (RAC) program will be extended to Medicare Part A, B, C, and D as well as Medicaid. CMS standards also include patient safety and customer expectations. Key factors presented were:

- To make a design for safety and quality - mistake proof and make it difficult for employees to make a wrong choice (i.e. Pyxis) and early detection of problems.
- Bundling orders, 5/6 key interventions for care of patients with medical devices such as a ventilator or central line is an important safety intervention.
- Create more checklists for standardized care.
- Know the process and have mock codes; mock journeys and make events and steps that will help to identify potential problems.
- Learn from mistakes. Make sure that our staff know that they have the ability to stop the process (stop the line) if they recognize that it is unsafe.
- Teamwork and execution. Not a lot of new things, but quality and safety are a large part of the healthcare future.

### **MEDICAL STAFF REPORT**

Dr. Hanebrink reported that the Quarterly Staff Meeting was on 9/8/09, during which election of Medical Staff Officers for 2010 was held. Dr. Hanebrink was nominated for another year to serve as Chief of Staff as well as the whole current full slate of officers was re-elected for the next term: January 1, 2010 thru December 31, 2010: Dr. Batty as Vice Chief of Staff; and Dr. Hunter as Secretary/Treasurer.

Also attending the Quarterly Staff Meeting was Dr. Sy Thickman to discuss a new venture, the Greenhouse Project. Kirstin Giles, representative from the TA Health Organization presented an invitation to the 1st Annual Conference on Prescription Drug Abuse and Training Program to be held on October 6-9, 2009.

Dr. Hanebrink also noted that every odd year, all of the Affiliated Health Care Professionals will be re-credentialed, and these will be presented for Board approval by the end of the year.

Medical Staff Bylaws Amendment – The following amendment to the Medical Staff Bylaws has been recommended by the Bylaws Committee (6/2/09), Medical Executive Committee (6/18/09), and Medical Staff at their Quarterly Medical Staff Meeting (9/8/09) to come before the Board of Trustees. A memo was distributed for recommended amendments to the Medical Staff Bylaws, for members review as this does require Board action. Lajune Bacon explained the current requirements regarding History & Physicals (H&P) and noted there were no additions to the current language; only information moved from Rules & Regulations to Bylaws. To satisfy the requirements of the Joint Commission and CMS standards the medical staff bylaws must contain this language. Harlan Rasmussen stated that this is not a significant change to the bylaws and asked for a motion. Bill Huppert made a motion to approve the changes as recommended and Randy Bomar seconded the motion. Gary Miller questioned whether the two documents, the Bylaws and Rules & Regulations, are duplicates of each other. Dr. Hanebrink explained that they are not duplicates and Bylaws are different from Rules & Regulations which include specific Policies/Procedures.

Thereafter, the motion passed unanimously to approve the amendment to the Bylaws.

## **ADMINISTRATIVE REPORT**

Mike McCafferty noted that a conversation was held on the Recovery Audit Contractors (RAC) in Finance Committee meeting. They discussed the process that the contracting group, which CMS is working with, will be auditing hospitals, physician offices and anyone that sees Medicare patients. As time goes on we will learn more about this and it will be good information for the public to know what is happening at a national scale. CMS Contractor is working on a percentage basis going to hospitals, offices to audit charts with billing to assure they match up and if they don't they take a percentage of what is recovered. SMH has not yet been contacted by RAC, but to date nation-wide, billions of dollars have been recovered from overpayment. Harlan Rasmussen asked if audits will relate to correct coding for a medical procedure and if that is what they will be reviewing. Mr. McCafferty affirmed that was correct and Lajune Bacon reiterated that SMH can't code or bill for something if it is not written down and that there are thousands of codes and qualifiers for each diagnosis. Currently the hospital is conducting internal audits in our records for duplication of billing. Ed Johlman noted that in the past we hired an independent consultant to conduct audits and found no major coding risks but we continue with audits for an educational purpose for coders. Lajune Bacon has Utilization personnel doing 100% chart audits for review of admission and medical necessity criteria for level of care.

LaNora Dixon, Program & Development Manager reported that several months ago, the Board approved Strategy House to complete a Community-Based Physician Needs Assessment. Bob Limyansky, a partner with the Strategy House Advisory Group out of Georgia, attended the meeting to present the results of looking at the community needs and recruitment targets to meet those needs. Mrs. Dixon said the report is a platform for continuing discussion, and it's an important part of our strategic process. The goal is to address our physician needs before a shortage becomes critical.

Mr. Limyansky stated that several physicians participated in on-site interviews and he provided the Board with a hand out and power point presentation. Discussion was held after the report which recommended 34 new physicians by 2014 to address retirements with a focus on recruiting primary care specialists. He asserted that physicians recruited to Sheridan might not be willing to see as many patients as those currently practicing. Younger physicians may choose a life style to match patient load for comfortable pace. The findings also reported uses of physician extenders, such as nurse practitioners and physician's assistants, at double the rate found in the rest of Wyoming. These physician extenders do not take call coverage, which is one of the existing issues among the medical staff.

Harlan Rasmussen asked about recruitment issues and while they are not a recruitment firm, he stated other facilities use either an in-house recruiter or in-house liaison that coordinates with staff physician recruiters to improve medical staff numbers. Incentives such as loan forgiveness or salary guarantees could also be considered when recruiting physicians. Mr. Rasmussen extended his thanks to Mr. Limyansky for the presentation.

## **FINANCE COMMITTEE REPORT**

Financial Statements – Gary Miller reported that the Finance Committee met prior to the

meeting. Report for the month of August was given by Ed Johlman, who noted that it was a very strong financial month both in outpatient and inpatient activity which is unusual for the hospital during summer months. Revenue was strong due in part to our annual Health Fair blood draws. Gross patient revenue topped \$8.0M for 6th month. Strong revenue in combination with expenses containment resulted in net income of \$428,000 for the month of August.

Mr. Johlman explained Medicare adjustment and that the hospital began to receive a pay increase because costs have been re-based off of the 2007 cost report (for PPS Sole Community Hospital) for all discharges occurring after July 1. Payment increases is nearly 53%.

RAC plan was explained by Mr. Johlman and that with the additional funding from the Medicare adjustment payments, one-half of that benefit was moved into the RAC Payable Account on the balance sheet; \$150K for the month, to be available for potential RAC repayments. Goal is to have \$750K available, which is slightly higher than 2.5% of the total outpatient Medicare claims. Gary Miller felt that it was great that the hospital is preparing for RAC in this manner. Randy Bomar acknowledged the Accounts Receivable is very impressive and that it reflects in cash balance sheet. Gary Miller noted that it is good to be ahead of budget as we have some large expenditures coming up. Mr. Miller confirmed that the Finance Committee is continuing to work on the Wilson Trust Account and will be meeting with the account manager soon and will report more at the next Board meeting.

### **FOUDATION REPORT**

Gene Davis reported in the absence of Ada Kirven, Foundation Director. The Foundation gave \$10,000 towards nursing scholarship program and will continue to fund it.

Mr. Davis announced The Pink Link 1st Annual Run/Walk, which is being sponsored by the SMH Foundation, is a Breast Cancer Awareness “Friendraiser” Event with the goal to raise \$250,000. All funds will go towards the purchase of Digital Mammography Breast Cancer

Detection and Prevention Equipment at SMH. On 10/1 a Pink Link rally will be held as the kick off to announce the upcoming event to be held on October 24, 2009. A matching grant of \$5000 has been received from The Kelly Schreibeis Foundation.

### **BUILDING COMMITTEE REPORT**

Rob Forister reported that the Pharmacy and Lab remodeling construction is moving along quickly and is on budget. Contractors are waiting for estimates and Dixie See stated that she has asked for schedules. OR project is moving slowly, due to the other two projects, but should step up soon.

Bill Huppert commented that the committee toured the New Watt Dialysis Center and that it is first class and something to be very proud of.

### **OTHER BUSINESS**

Due to the upcoming holidays, Harlan Rasmussen reviewed the November and December Board meeting schedules. After discussion it was agreed that the November meeting slated for

November 25, 2009, will convene on December 2, 2009. December meeting scheduled for December 23, 2009, will be moved to January 6, 2010.

Mr. Rasmussen explained that the Board Committee assignments are reviewed annually by the Board Chair. A memo with proposed changes, to reassign members to different committee's was sent to each Board Member for review. The reassignment gives each member an opportunity to serve and learn the function of different committee responsibilities. These appointments have been outlined and will be effective 10/1/09. Roxanne Araas was asked to notify committee chairs of their new members so that the chairman can educate the new Board member of the committee functions to include meeting dates, times and locations.

### **EXECUTIVE SESSION**

There being no further business, the Board adjourned into executive session at 4:20 p.m. for discussion of real estate. Harlan Rasmussen announced that he did not anticipate that there would be any action after Executive Session.

### **ADJOURNMENT**

The Board re-convened at 4:35 p.m. and there being no further business to come before the Board, the meeting adjourned.

Recorder,  
Roxanne Araas  
Dixie See, Secretary