

**BOARD OF TRUSTEES
OCTOBER MEETING MINUTES
WEDNESDAY, OCTOBER 28, 2009 3:00 P.M.**

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

MEMBERS ABSENT: Randy Bomar and Michael Strahan, M.D.

CALL MEETING TO ORDER

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

APPROVAL OF MINUTES

The previous meeting minutes of September 23, 2009 were reviewed. After review, Ron Mischke made a motion to approve the minutes; Dixie See seconded the motion and motion carried.

PUBLIC COMMENTS

None

QUALITY COMMITTEE REPORT

In the absence of Randy Bomar, Lajune Bacon presented the October Quality Report. Ms. Bacon noted that in the quality section, the Surgical Care improvement score is green. There are eight categories on the scorecard, which make up that section, and this is the first time that all sections have been green in over a year. Another success was within the Congestive Heart Failure (CHF) section where all 3 categories were also green.

Bill Huppert read the 10/22/09 memo distributed by Randy Bomar which reported that SMH staff must stay home at the onset of flu symptoms. The timeframe is 24 hours after the fever has subsided, without fever reducing medicine. It is assumed that if an employee calls in with the symptoms, they have H1N1 and this is based on the Department of Health report that nearly 100% of Influenza A tests done within the state, resulted in being positive for H1N1.

Ms. Bacon discussed the CDC report of 10/17/09 and H1N1 is wide spread in 50 out of 54 states. In July, we stopped sending tests to the state as all that had been sent were confirmed Swine Flu. In October, SMH had 15 admissions due to type A influenza symptoms, all cases of which are assumed to be H1N1.

Our hospital preparedness plan, which is coordinated with Administration, Human Resources and Patient Care, has been reviewed since H1N1 to make sure we are on track with our procedures and checklists. Number one priority is to keep flu out of the hospital. Some measures include stressing to employees and community members not to visit if they are sick, not to have elective surgery, and not to come to work if they are sick. We have had some staff out with the flu but have been fortunate not to have staffing issues.

The hospital has received 224 doses of H1N1 vaccine and has developed a tier system to help determine who gets the vaccination based on patient contact. We have five tiers and are done with first tier and partially through the second tier. The antiviral treatment needs to be given within the first 48 hours. If admitted to the hospital Tamiflu is recommended and currently we have 350 courses available in pharmacy and 110 Relenza inhalers. Harlan Rasmussen commented on the preventative measures (masks, hand sanitizers) found through out the hospital and at all entries. This would be a good practice for people to use at home as well. Lajune Bacon said that an unofficial poll shows visitors have been good about using them. Mr. Rasmussen thanked Ms. Bacon for the report and that it is important to make information available to public.

Lajune Bacon thanked Ron Mischke for his service on the Quality Committee during the last year.

MEDICAL STAFF REPORT

Dr. Hanebrink reported that Kenrick “Kim” Trostel, M.D. PhD requested Consulting Staff privileges in the Department of Medicine at SMH, specializing in Nephrology. The application will be reviewed in executive session.

ADMINISTRATIVE REPORT

Primary Care – Mike McCafferty stated that we continue to work with the state to get the approval for the hospital’s primary care practice, Big Horn Mountain Medicine, to move into its location at 1435 Burton Street. Dr. Hunter has been treating patients at the Medical Arts Complex and Dr. Cindy Sharp will begin at the practice on December 1, 2009 and Dr. Nicole Caldwell is slated to begin January 2011. Mr. Rasmussen noted that this is an important point that while we have a physician available to see patients, due to state construction rules and regulations we can’t use a building that has been a physician office for 13 years seems like an unnecessary delay. Mr. McCafferty will keep everyone informed as to the progress.

Physician Recruitment – Community-Based Physician Needs Assessment will be routed to the Board with finalized details and it will outline community needs for the next 5 years. LaNora Dixon has been working on this needs assessment and the Medical Staff Development Plan Analysis for 2009-2014. Mike McCafferty announced that we have hired two new employees; Jacob Leib, M.D. starting in the Emergency Department in June 2010

and is from Riverton, Wyoming. Dr. Sara Smith is a General Surgeon and will begin work in January 2010 at Big Horn Surgical. Dr. Smith is from Sheridan, Wyoming, is the daughter of Chris Smith, M.D. an Orthopedic Surgeon in Sheridan for the past 25 years, and has been working in Denver as General Surgeon for 3 years.

Information Systems – Nyle Morgan provided the Board Members with handout for SMH 5 year strategic plan for benchmarking purposes and as a foundation for where we are going. The network infrastructure upgrade was completed in May this year. Mr. Morgan explained that Phase II, Electronic Patient Record (EMR), resides in many locations: the hospital record, medical records in physician's offices (if patient has more than 1 physician can pull all medical records together), and as a shared record. Health Information Exchange (HIE), electronically ties together records located in many systems. Approach from legislation to help physicians and hospitals complete EMR and we qualify for the funds if we have EMR in place during 2013-2016. Need to look at needs from both physician and patient standpoint and the physician participation has been good. Electronic exchange is also being done at the State of Wyoming, using federal grant money. We can access the HIE at both the state and federal level. We will be looking into creating a local HIE for patients and physician access in Sheridan. Nyle Morgan also included the 2007 Hayes report and compared their plan to our strategic plan for hospital and physicians and we are very much on track with national perspective. In doing our research, we have settled on two software products for the SMH Physician EMR Software – NextGen and Greenway. These both are good providers of software regarding products that the hospital will support and what we would recommend. Physician EMR has special needs per each practice and needs the ability to exchange data globally – approach is HIE middle-ware to pull from all systems to create a standard data set. Nurse charting and software is a big investment for patient safety and quality of care. It was noted that that it would be a very important to have one board member be part of the Physician Leadership group. Harlan Rasmussen said that he would like to give the opportunity to all board members and will ask for one to participate. Stimulus Act to provide funds to physician offices to connect to us at hospital and substantial funds to put together a larger health record (i.e. order entry) are all big items and money is available. Mike McCafferty stated that there will be ongoing costs associated with technology and stimulus won't cover everything but will be good for equipment/software. Nyle Morgan explained that the State is forming HIE and that both of the software packages that we are looking at have HIE connectivity built into them. Standardization within regions and nationally to exchange data will be needed. Mr. Rasmussen thanked Mr. Morgan for the update.

Mr. McCafferty announced the "Understanding the Credentialing Process" presentation by Amy Mehlhaff will be held in a Joint Meeting with Medical Executive Committee members and the Board of Trustee members on 11/19/09. The meeting will begin at 5:30 p.m. in Conference Room A to help understand the roles and responsibilities of credentialing/re-credentialing.

FINANCE COMMITTEE REPORT

Gary Miller reported that the Finance Committee met prior to the meeting and that most of the meeting was spent on audit discussion. Mr. Miller gave thanks to SMH finance department, and how remarkable it was to have no adjustments and that we should be very proud.

Financial Statements – Mr. Johlman explain that while July and August were good volume months, September had lower than expected revenues. However, despite the lower revenues September was a successful month financially because of favorable contractual allowances, operating expenses and bad debts for a positive bottom line of a hospital operations gain of \$77K and net income of \$211K. Gary Miller gave thanks to staff for keeping operating expenses down.

FY 2009 Financial Audit - Jerrel Tucker, CPA with TCA Partners, LLP presented the Board with the audited FY2009 financial statements. His firm gave SMH an “unqualified audit opinion” meaning the auditor feels the hospital followed all accounting rules appropriately and that its financial reports accurately represent the hospitals financial condition, which is the best status given in the audit process. The audit also found no material weaknesses related to the hospital’s internal controls, indicating that SMH was following their policies and procedures. There were no audit adjustments and no reportable findings. This is an indication that a thorough in-house review had taken place prior to the audit, and prior to closing of the year, by the financial department. Good job with no negative issues – good clean report.

Gary Miller stated that the hospital pays to be audited and how does the BOT and community know there is not a conflict of interest. Mr. Tucker explained that each audit completes work papers that declare independence and no relationship with anyone at hospital. The firm gets a peer review from an outside agency that audits them and reviews their work papers.

Mr. Tucker noted that patient service revenue jumped from \$44.6 million in 2007FY to \$53.9 million in FY 2009 and to have a \$9-10M increase in a couple of years shows there’s a concerted effort to expand services, do a better job of collecting revenue and managing items that are drains on revenue. SMH average days cash on hand was 40 and benchmark is 30 and noted that this is a product of lower Accounts Receivable days and good Revenue Cycle administration. Supplies are a little higher than most hospitals this size, but with new programs in place this should come down next year. For the fiscal year ending June 30, SMH had a net operating loss of \$923,000 while net income was \$2.6 million. Conclusion the hospital has had a good strong financial year and is in good financial position and is doing well in comparison with other similar size hospitals. According to the audit, SMH was at 44 days for net accounts receivable and target benchmark is 45 and this contributes to a strong cash position. Positive bottom line will help weather storms and provide opportunities to expand. Harlan Rasmussen made an observation that the net operating loss of less than \$1 million says something positive about our hospital operations. Mr. Rasmussen stated that the hospital has made great efforts to keep fee increases below national average. For a hospital operating on a \$44 million budget it seems we are estimating pretty closely and as a public hospital, we are not over pricing our services for

what they cost to provide. Bill Huppert commented that 8 out of 22 hospitals are failing and one reason is they don't have consistent management. Mr. Tucker went on to explain that all successful hospitals have several things in common. In addition to consistency in the management, these hospitals all vest time and energy in revenue cycle management and understand the process. They have a Board that does not involve themselves in the day-to-day operations but rather assists with direction in the visionary role and allows department officers to manage while they keep involved and informed. Mr. Tucker stated that SMH has all of these successful traits.

Harlan Rasmussen thanked Jerrel Tucker for the audit report and gave recognition to all staff and administration for their hard efforts. Mike McCafferty extended a special thanks to Ed Johlman, Susan Novak and their financial department. Gary Miller made the motion to accept the audit report as presented by Jerrel Tucker, CPA with the firm of TCA Partners. Ron Mischke seconded the motion. Motion carried.

Capital Equipment Requests – Ed Johlman was asked to present each request and they would be approved as a group after discussion.

Shared Storage Network - Nyle Morgan explained the purpose of equipment is to provide an array of shared storage space for PACs (radiology) images and other data storage needs of the hospital and was one of the recommended technologies outlined in the Hayes report. Each server had own storage, this network allows all servers to use shared disks and points software to the network. This equipment will allow the radiologists to retrieve older images quickly; which will enhance patient safety and quality of services. Past images were saved on tape and are difficult to do a comparison from the past images. Move all of items on tape to hard media for search time to be immediate. On a disk everything is mirrored on 2 drives and copies in real time. Primary use for PACs image conversion and FUJI for will do conversion for PACs images and will also encrypt data for safer storage. Estimated purchase price for FY2010 budget item is \$39,000.

RF Facet Ablation System – FY2010 budgeted request item presented from Radiology department. Dr. Alzheimer and Dr. Ulibarri requested equipment for pain management program. Chris Bilyeu explained that the equipment should pay for itself in less than one year with projected reimbursement. The estimated purchase price is \$17,800 which is \$300 over the approved budgeted amount. Mr. Bilyeu stated that with Dr. Ulibarri this will complement what we do now and will be a benefit to the community members as they will not have to travel to Billings/Casper to have procedure done.

Myomectomy – FY2010 Budgeted Item request from the Surgery department for purchase of this instrument. Estimated purchase price is \$14,645 (which is \$1645 over the previously approved budgeted amount). Peggy Callantine explained that Drs. McAdoo and Gill requested this equipment to be able to do a minimally invasive outpatient procedure rather than a more costly inpatient treatment for faster recovery for patients and less chance for complications.

Ligasure - FY2010 Budgeted Item request from the Surgery department. Estimated purchase price is \$26,870 (which is \$12,770 under previously budgeted amount). Mrs. Callantine explained the equipment is requested by Drs. McAdoo and Gill and would allow

surgeons to do a laparoscopic version of harmonic scalpel which cauterizes tissue instead of stapling which reduces blood loss, potential infection, procedure time and length of stay.

Stryker System 5 Power Sets - FY2010 Budgeted Item requested by Surgery department. Estimated cost is \$53,922 (which is \$10,056 under previously budgeted amount). Peggy Callantine explained that the Orthopedic Surgeons requested this additional equipment to support our 4th Operating Room to allow surgeons to schedule similar cases at the same time to take advantage of rooms to provide increased patient care.

Mike McCafferty explained that the previously approved budgeted item was for the Operative Hysteroscopy request. Dr. Gill and Dr. McAdoo wanted to exchange this equipment for a different piece of equipment, Ligasure. The price difference comes under the original cost. This approved budget item will not be requested and the item comes off becomes a trade item for equipment discussed today.

Ed Johlman asked for any questions and noted that all equipment were budgeted items, except trade item. Ron Mischke made a motion to approve all five capital equipment requests. Bill Huppert seconded the motion. Motion carried. Harlan Rasmussen noted that he would like to have all future capital equipment requests include how they will help fulfill our mission statement.

Gary Miller explained that our current trustee for the Wilson Trust is not a local representative and that we have written a letter to Bank of West notifying them of our intent to change trustees. Harlan Rasmussen will be meeting with the branch manager of Bank of West to discuss the Trust and will keep us posted.

FOUDATION REPORT

Ada Kirven, Foundation Director reported that just over a month ago The Pink Link event, a breast cancer early detection and prevention campaign was started. A committee of 12 community members, passionate about breast cancer education, came together with SMH Foundation and set a goal of raising \$250,000 for digital mammography equipment at SMH. Several gifts have been received including donations from the Kelly Schreibeis Memorial Foundation, the family and friends of Muggy; Sheridan Rotary Club members, Mark and Tempe Murphy, marketing and in-kind contributions include nutritional services providing food for 800 people. The walk/run was held on 10/24 and close to 500 participants combined with over 100 volunteers made for a fun event and a total of \$65,000 was collected. Harlan Rasmussen stated that this was a great project and speaks well of the Foundation, Hospital and Community at large.

Mrs. Kirven, thanked Dixie See for her service on the Foundation Board and they appreciated the fund raising strength that she brought to the Board. Ron Mischke will be starting is duties with the Foundation beginning in November.

BUILDING COMMITTEE REPORT

Dixie See stated that the Building Committee met and the Lab remodeling is on schedule and it is anticipated that they will move into new space mid-January. Pharmacy project is waiting for the large air handler to arrive within the next five 5 weeks and then will start the remodeling on first floor.

Mr. Forister stated that we are currently going through the approval process, with the State, for the Big Horn Mountain Medicine Practice to be able to finalize construction and to move in.

Rob Forister thanked Bill Huppert for his time serving with the Building Committee.

OTHER BUSINESS

Tom Ringley, County Commissioner expressed his thanks to Ada Kirven, Foundation Director, for organizing The Pink Link community event. As one of the County Commissioner's and after listening to the audit report he commented on how appreciative he is of a job well done by all hospital staff.

Gold Buckle Club recently held a community event that was catered by the hospital nutritional services. Kudos was given to Chef Andy Irion and Sandy Fuller Nutritional Manager. Gary Miller stated how very impressed he is of the positive activities that the hospital is doing in the community.

ADJOURNMENT

The meeting adjourned into executive session. The open meeting re-convened at 5:00 p.m.

Harlan Rasmussen announced that the Board discussed the application for medical staff privileges submitted by Kenrick "Kim" Trostel, M.D. PhD. She requested Consulting Staff privileges in the Department of Medicine at SMH, specializing in Nephrology. Dixie See made a motion to approve Dr. Trostel for requested privileges. Bill Huppert seconded the motion and motion carried.

Recorder,
Roxanne Araas
Dixie See, Secretary