

**BOARD OF TRUSTEES**  
**DECEMBER MEETING MINUTES**  
Wednesday, January 25, 2012 3:00 P.M.

**MEMBERS PRESENT:** Ron Mischke, Dixie See, Kevin Bailey, Bill Huppert and Gary Miller, Dr. Strahan

**MEMBERS ABSENT:** Gene Davis

**Others Present:** Mike McCafferty and Dr. Addlesperger

**CALL MEETING TO ORDER**

Ron Mischke called the meeting to order at 3:00 p.m.

**PUBLIC COMMENTS**

None

**APPROVAL OF AGENDA and MINUTES**

The minutes from the December Board Meeting, held on December 28, 2011 were reviewed. A motion was made by Bill Huppert to approve the December Board Minutes. Kevin Bailey seconded the motion. Motion carried.

There were no additions to the January 25, 2012 Board Agenda. A motion was made by Bill Huppert to approve the January agenda. Kevin Bailey seconded the motion. Motion carried.

**QUALITY COMMITTEE REPORT**

Lajune Bacon, Quality Services Manager, reported on the AVATAR annual overall score for November 2011 as 91.46. Current goal is 90 where member posed question of whether the goal should be raised. Updated goals are distributed each new year; Lajune will send out copies again to members as requested.

Orders for two screens to display quality information such as HCHAP scores as well as other pertinent information for staff and community will be ordered shortly. One screen will be located in the front lobby and one in the cafeteria. This will allow the community and staff to always know where we stand as a hospital in quality compared to other area hospitals.

Ms. Bacon also reported lower concerns involving staff compared to last year. Dr. Strahan noted the efficiency of how each and every complaint is investigated, resolved, and discussed with the Quality Council. All complaints are taken seriously and are viewed as opportunities to improve in all areas.

Lajune reported specific focuses from the Quality scorecard to include two patient identifier error rate, congestive heart failure (CHF) core measures, discharge instructions and obtaining EKGs within 10 minutes of arrival of chest pains for outpatient core measures.

Total documented Medicare variance days were reported as 13 with a 3.5% Medicare variance day percentage rate.

Lajune explained the process of medical necessity appeals to the group. When the insurance company is unsure that the whole stay was medically necessary for full reimbursement, the case management team may file an appeal with sufficient reasoning. RAC audits continue as well in regards to whether patients are appropriately admitted to observation vs. inpatient status. Lajune noted many criteria requirements facilitate these CMS standards where the case management team works very hard to assist the physicians and staff to document appropriately.

Lajune brought the following administration policy for member review and approval for renewal as required under CMS and Joint Commission requirement: Authorization for the Complaint Resolution Process. After review and discussion, Michael Strahan made a motion to approve policy as written. Dixie See seconded the motion. Motion carried.

Mr. Mischke noted his observation from attending other hospital leadership conferences where all recommended the presence of having a Quality Committee. Many other hospitals fall short of this Committee, where SMH has established a Quality Council for the previous 8 years. Ron thanked both Dr. Strahan and Lajune for their continued efforts in Quality assurance and the importance of it being at the top of the Board's agenda for a reason.

### **MEDICAL STAFF REPORT**

The Medical Staff report was provided by Dr. Addlesperger. Dr. Addlesperger presented the Medical Staff membership and privilege requests for the following:

Autumn Barrett, PA-C is requesting Affiliated Health Care Professional Staff membership in the Department of Medicine at Sheridan Memorial Hospital, specializing as a Physician Assistant for Drs. Caldwell, Sharp and Hunter at Big Horn Mountain Medicine and employee of Sheridan Memorial Hospital. Michel Strahan made a motion to approve requested privileges. Dixie See seconded the motion. Motion carried.

Cheryl Varner, MD is requesting Active Staff membership in the Department of Surgery at Sheridan Memorial Hospital, specializing in General Otolaryngology. Dr. Varner is welcomed into the Sheridan Community as a second Ear, Nose, & Throat physician. Michael Strahan made a motion to approve the requested privileges of Dr. Varner. Bill Huppert seconded the motion. Motion carried.

Dr. Addlesperger also presented the following practitioners: Derek Gilbert, M.D., Nicole Caldwell, M.D., and Christopher Brown, M.D. who are being recommended to the Board of Trustees to move from Provisional to Active Senior Staff membership with Medicine privileges at Sheridan Memorial Hospital. Dr. Addlesperger explained that The Department of Medicine and the Medical Executive Committee have reviewed the performance and credentials of the noted physicians and recommend that the Board of Trustees confer Senior Staff membership with Medicine privileges to all three members. After discussion, Gary Miller made a motion to promote Dr. Brown from Provisional to Active staff membership status. Dixie See seconded the motion. One member opposed. Motion carried by a majority vote. After discussion, Dr. Strahan made a motion to promote Dr. Caldwell from Provisional to Active staff membership status. Kevin Bailey seconded the motion. Motion carried. After discussion, Dixie See made a motion to promote Dr. Gilbert from Provisional to Active staff membership status. Dr. Strahan seconded the motion. Motion carried.

Dr. Addlesperger also reported changes in Medical Staff leadership appointment for 2012 included Dr. Wohl replacing Dr. McAdoo as Chairman to the Department of Obstetrics and Pediatrics. Dr. Hanebrink continues to be a member on the Medical Executive Committee as previous Chief of Staff. Also noted was the anticipated review of the Medical Staff Bylaws with the Board of Trustee Bylaws by legal counsel to ensure proper verbiage and consistency. The medical staff has requested such review to be conducted by law firm, Lonabaugh and Riggs, LLC of Sheridan.

### **ELECTRONIC MEDICAL RECORD (EMR)**

Nyle Morgan, Chief Information Officer, provided an update on the Cerner EMR progress. The team just returned from another Kansas City trip and now plans have been initiated for the built system to be delivered and begin installation, testing, and further strides forward to implementation. The goal date for the hardware and software to be at SMH is set for February 13<sup>th</sup>. In the interim, other area advances are being made such as hosting the Hospira product suppliers in order to install smart pumps for infusions and medication administration. IT staff also continues to work on single sign-on and badge recognition software that will be integrated into the EMR implementation. A device fair is also set to occur in late February.

The SMH physician champions who have traveled with the team have been asked to be a part of a physician documentation marketing project, where they will have the opportunity to travel back to Kansas City in the fall and present their views on how the documentation and implementation was accomplished. It will allow SMH physicians to be recognized in big named publications such as Modern Healthcare magazine.

Board members, Ron Mischke, Kevin Bailey, and Mike McCafferty had the opportunity to visit Kansas City while SMH team was there working and commented on their experiences.

Mr. Kevin Bailey commented on how great a trip it was to see the work firsthand and what an impressive campus and team of people working at Cerner and with SMH there was to observe. Approximately 8,000 employees make up the Cerner organization. Most impressive of the trip for Mr. Bailey was to see how dedicated the Hospital employees were. Long, hard days were spent by all staff. Mr. Bailey also had a chance to sit in on an Emergency Department build session where discussions of the flow of a medical record were made. It was impressive to see how much more time EMR will ultimately give for the provider to spend with the patient rather than in the chart. Mr. Ron Mischke commented on how amazing the magnitude of the project is and how it is indescribable without seeing it first-hand. Mr. Mischke has no doubt that it will improve the hospital's quality in many ways. Mr. Mischke was able to follow a patient through the Emergency Department and was amazed at all the steps taken; he cannot comprehend having to do it all manually and believes that EMR will effect patient interactions in a positive manner.

Dr. Addlesperger is a member of the physician Cerner champion team and noted how challenging the next six months to a year will be for all. There is a lot of work ahead for all staff and it will be very taxing in both the medical and clinical areas. Staff will need extra encouragement and support as they tackle many challenges.

Gary Miller commented on how such a huge project must impact the capacities of the staffs' ability to function in their normal jobs in addition to having Cerner responsibilities. Nyle commented on how he had planned the additional workload beforehand and staffed appropriately for that, but there are still many who are going way above and beyond their capacities to complete the project responsibilities. We are just very lucky to have such dedicated staff that goes the extra five miles.

This includes physicians as their time contributed is greatly appreciated and imperative to the success of the project.

### **ADMINISTRATION REPORT**

Thanks to Amy Ligocki for all of her hard work assisting the Board of Trustees administratively was given by Mike McCafferty and group.

Mike congratulated Dr. John Addlesperger again on his appointment as new 2012 Chief of Staff. The position is a big undertaking where Mike is confident Dr. Addlesperger is the type of leader needed to succeed. Dr. Addlesperger is happy to serve the Medical Staff and be a liaison to the Board as he looks at the position as an opportunity for leadership.

Mike introduced and welcomed Dr. Cheryl Varner, MD, new Otolaryngology (ENT) to the Board. Dr. Varner gave the Board a summary of her background. Dr. Varner comes from Wenatche, WA with her son, Jack and husband, Curt. She is an Arizona native where she completed her medical degree at the University of Arizona Health Sciences Center in 1999. Dr. Varner served in the active duty army-navy reserve and continued into her internships and residency at the University of Mississippi, graduating in 2004. Shortly thereafter, Dr. Varner moved to Wenatche, WA where she has practiced as a general otolaryngologist for the past eight years. Her husband is retired from the military and has 12 years of law enforcement experience and will be here in May. Her family enjoys all outdoor activities such as hunting and skiing. Dr. Varner anticipates starting Big Horn ENT practice as a General ENT physician, with specialty in kids' tubes and tonsils, nasal problems for adults, sinus surgery, allergies, and facial fractures. The clinic will be located at 1416 West 5<sup>th</sup> street, across from the Hospital in the previous home care space, with hopes to be completed by early March. In the interim, Dr. Varner will be able to conduct surgeries and consultations after approval of privileges are granted.

Mike also introduced and welcomed Charlotte Mather, new Chief Nursing Officer who comes from Genesys Regional Medical Center in Grand Blanc, Michigan where she has worked for the past seven years. Charlotte is a Registered Nurse with a Bachelor of Science in Nursing and has also earned a Master of Business Administration. This past year she completed an Executive Nurse Fellowship through the Robert Wood Johnson Foundation, a very prestigious academy of nurse executives, which serves as a great networking of healthcare executives and leaders. Charlotte has relocated to Sheridan with her husband of 19 years and 4 children and is excited to reside in Sheridan's wonderful community.

In addition, the following project updates were report:

- ✓ Welch Cancer Center – Rob Forister, Facilities Manager provided an update on the construction project as the building is currently being dry walled, rooms taking shape and a good feel for the open space concept of the rooms is forming. The new chemotherapy treatment area design allows for 8 chairs for the patients as well as landscaping views to enjoy. The project continues to be on schedule with noted door and window hardware additional costs. The building committee was able to take a tour at their previous meeting to see the progress as well.

- ✓ Physician Recruitment – Mr. McCafferty reported that Dr. Gregory Marino, DO Medical Oncologist will be visiting Sheridan February 2 – 5<sup>th</sup>. He has been recruited through the Merritt Hawkins search firm hired by the Hospital. Also, Dr. Angela Sarkissian, MD, a Family Medicine physician currently serving in residency through the WWAMI program will be visiting January 26<sup>th</sup> to meet with the Big Horn Mountain Medicine practice physicians. She is previously a Sheridan resident and interested in the Hospitalist program. She is expected to finish her residency in September of 2012.
- ✓ Medical Arts Building – Mr. McCafferty reported that the Building Committee has continued discussions on the site plan for the MAC II to include survey, placement, parking lot and meetings with TSP and physicians to nail down interior planning. Mike explained there is more work to be done in order to finalize the schematic design phase of the project. Therefore, he is requesting the Board's authorization of \$50,000 over the next 3-4 months to take it through the schematic phase and design development. Dixie See, Chair of the Building Committee feels this is a necessary request. This will be in addition to the already approved \$100,000 authorized funds in order to allow TSP to move forward and nail down the design phase finalizations. Therefore, Dixie See made a motion to move forward with authorizing \$50,000 for TSP to move forward with design phase discussions. Bill Huppert seconded motion. Motion passed.
- ✓ Cath Lab Update – Mike noted the selection of equipment continues between equipment representatives, Radiologists, and Administration, where Chris Bilyeu is doing an outstanding job of leading the project negotiations. Many factors affect the decisions of each equipment item and how they will utilize and construct the Cath Lab.
- ✓ Dr. Strahan noted as County Health Officers his appreciation and thanks to the Hospital and Board for their recognition as the only county in the US to raise local funds to account for the state cut-off of funding for flu vaccinations for children. Mike recognized Dr. Strahan as the originator of the project and his leadership in the project. It is amazing the funding that was given in a short amount of time from the community, pediatricians, and the organization.

## **FINANCE COMMITTEE REPORT**

Bill Huppert reported that the Finance Committee met and acknowledged that Mr. McCafferty's Master Card and vouchers had been reviewed.

Ed Johlman, Chief Financial Officer, presented the financial review for December 2011. The hospital earned a modest return on lower than expected inpatient and higher than expected outpatient business. Dr. Strahan explained how the change in both technology and patient care has been a factor in the lower inpatient business. It has been his experience that more and more services are now given in an outpatient setting. The payer mix contributed to lower contractual write-offs for the month and helped the revenue to stay strong. Commercial outpatient business was high for the month. Medicare and Medicaid revenue was the lowest in 4 years.

Consolidated expenses were over budget by \$354K for the month. The bulk of the overage was led by expenditures in salary, benefits, and contract labor. The staffing matrix causes labor expenses to be high even when inpatient activity is low.

Members commented and discussed budgeted figures for year-to-date financials noting 3% under budget. Ed noted revenue % is expected to even out by the end of the year. Mike noted figures on the operating statements show consistency on revenue and expenses, which is a great achievement, in large part due to managers managing their expenses appropriately. If revenues drop off in the future he has great confidence that the management crew will ensure budget is balanced without having to send employees home or cut salaries. Management continues to work hard on reducing supplies expenses, where it is considerably lower from previous year figures.

### **FOUNDATION REPORT**

Ada Kirven, Foundation Executive Director, noted the Foundation Board has scheduled a strategic planning session to review the future of the Foundation's mission and ensure it is in step with the hospital's strategic plan. Ada noted the great work by Foundation Chairman Kevin Bailey, as well as upcoming leadership from Shirley Yager who will step in as President when Kevin's term expires the end of June 2012.

Ada Kirven noted the Foundation ended a successful year in December. The Foundation continues to help with many projects, as well as following up with donors for the Welch Cancer Center. She anticipates possible funding opportunities in regard to the cardiac Cath Lab and ICU remodel.

Ms. Robbie Ryan (President) and Ms. Julia Fenn (Secretary) of the National Junior Honor Society at Sheridan Junior High School presented a donation of \$500 to the Welch Cancer Center. The money was raised by the honor society this December. Members organized a student vs. staff dodge ball tournament right here at SJHS and they were able to raise all the money in one night! The Honor Society learned a lot about putting on an event and how to organize people to make a difference in our community.

### **BUILDING COMMITTEE REPORT**

Dixie See reported that the Building Committee met this month. Mr. Forister, Facilities Manager, provided the following report:

- ✓ A power outage caused by a circuit breaker trip to MDU's primary stations, effecting most of the western half of Sheridan, occurred earlier today at the hospital where Rob explained how the facility reacted to the issue. The generator started as expected, where no failures to equipment were caused; only blown fuses were reported, which were anticipated and protected from permanent damage. The Welch Cancer Center patients were safely brought to the hospital and continued to receive quality care without interruption. Members from the Code Yellow team were brought together to ensure all areas of hospital were functioning as appropriate. Opportunities to improve were identified as well as efficient processes conducted to ensure hospital's functionality remained stable.

- ✓ Gantt Charts – Charts were available for member review with noted updates to Cath Lab timeline. The use for the Cath Lab will extend to more than just heart catheterizations. Project is at a standstill until equipment decisions are made. Chris Bilyeu is working with Radiologists, Cardiologists, and equipment reps to make the best decisions for all parties.
- ✓ Path/Histo/Cyto Budget – In order to have sufficient room for the Cath Lab, the Pathology, Histology, and Cytology needs to be relocated to a new suite in the basement near Health Information and the IT training rooms. This includes creating two (2) Pathology offices, one (1) Cytology office and a larger lab space for Histology and Cytology. The new lab space will reuse as much existing medical cabinets as possible in the development of the relocated lab space. The estimated construction costs for the project is \$250,000 with \$25,000 contingency for a sum of \$275,000 total construction budget. With the additional budget figures for architectural, engineering, fixtures, furniture, equipment (not including medical equipment), and owner administrative costs, the total project budget is \$337,000. Rob noted all stakeholders are looking forward to the move and agree to all anticipated work. Dixie made motion to accept and move forward with proposed move as presented, Dr. Strahan seconded. Motion passed. Discussion was held regarding the cost per square foot is reasonable for the space considered. O'dell Construction will be doing the requested work.

### **OTHER BUSINESS**

Ron Mischke noted that the February Board meeting has been rescheduled to Wednesday, March 7<sup>th</sup>, 2012 at 3:00pm in the Conference Rooms A&B. All members agree to change as requested.

### **EXECUTIVE SESSION**

The meeting moved into closed session at 4:15 p.m. for discussion of personnel matters and legal updates. The meeting then reconvened into public session at 5:05 p.m. Medical staff privileges were discussed. Please see the Medical Staff report for action taken.

### **ADJOURNMENT**

There being no further business to come before the Board, the meeting adjourned at 5:10 p.m.

Recorder,  
Amy Ligocki

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Michael Strahan, M.D., Secretary