

BOARD OF TRUSTEES
JULY MEETING MINUTES
Thursday, July 30, 2014 3:00 P.M.

MEMBERS PRESENT: Kevin Bailey, Ron Mischke, Gene Davis, David Smith, Dr. Strahan, Gary Miller

MEMBERS ABSENT: Dixie See

Others Present: Mike McCafferty and Dr. Sara Smith

CALL MEETING TO ORDER

Kevin Bailey, Chairman, called the meeting to order at 3:04 p.m.

PUBLIC COMMENTS, INTRODUCTIONS

None.

APPROVAL OF AGENDA and MINUTES

The agenda for the July Board of Trustees Meeting was available for review. Gene Davis moved to approve the July Board agenda. Ron Mischke seconded the motion. Motion carried.

The minutes from the June Board Meeting, held on June 26, 2014, were reviewed. Gary Miller moved to approve the June Board meeting minutes. Dr. Strahan seconded the motion. Motion carried.

OLD BUSINESS

None.

QUALITY COMMITTEE REPORT

Because of the new fiscal year, the Board has new committee assignments, and Ron Mischke is now the chair of the Quality Committee. The committee reviewed safety reports and the transition to an electronic system. There were no serious safety reports in the month of May. The infection prevention numbers are better than the state-wide numbers. The committee is still discussing how we provide care to mental health patients. There will be another meeting with the community stakeholders on this matter forthcoming.

There was a discussion of value based purchasing for 2016. The measures for reimbursement in 2016 are being assessed now. The value based purchasing scores for last year will affect our payment in 2015. The hospital is currently meeting forty percent of our core measures. Next year should be better. We had zero MRSA patients in the hospital, and central lines infections were at zero as well.

MEDICAL STAFF REPORT

Dr. Smith welcomed two new physicians; Dr. Elizabeth Brown (OB/GYN) and Dr. William Taylor (diagnostic and interventional radiologist). Both expressed their excitement to be in Sheridan and have been welcomed.

ADMINISTRATION REPORT

Strategic Planning - There has been a lot of work done over several months, visiting with the community, staff, managers, physicians and senior leaders. Laura Lehan met with leadership and has recapped the feedback received. The next step is to combine that information with the culture of safety survey and employee satisfaction survey and prioritize the information and identify common themes that need to be focused on. Mike McCafferty will arrange with the board to discuss in detail all of this information and put a plan in place which will be effective in 2015. There are good things going on and more work to do in order to shape our ability to be effective in the future.

Leadership Recruitment (CFO) Update - With the growth of the hospital, the leadership capacity has been re-evaluated. Changes include an increase in the scope of activities we provide, oversight of healthcare in general, added risk, additional regulations, and more focus on quality. We have identified that we need to execute plans and hold staff accountable. In order to do that, an increase in leadership is required to work through and solve problems, and measure and change our effectiveness. We need to improve our revenue cycle, admissions, etc. We need to focus on patient safety, excellent care, and its vital impact on our organization. We need to improve our leadership to increase our effectiveness. In interviewing candidates for the CFO position, senior leaders are pleasantly surprised by the quality of the candidates. Candidates for the director positions are being recruited and interviewed as we look to take our organization into the future.

Culture of Safety - Synenis completed the safety survey a couple of months ago. Leadership has presented the results to staff, and the indication is we have a lot of work to do. Leadership was able to pass this information on to about 50% of our employees through numerous sessions held over a 2 week period.

The survey indicated the perception from the employees on how we think about safety, what our culture is, and how we operate. We focused on 12 categories, such as handoff communication, leadership of the hospital, reporting, accountability, etc. The Joint Commission receives a report on all sentinel events, and we do a root cause analysis of each sentinel event. The top three causes are human factors, communication, and leadership. Transitions in care seem to be an issue for us and there are certain perceptions of a culture of safety not reflective in the scores. This is one method to ascertain what people are thinking. However we recognize that a person's perception is their reality. Handoff and transitions are an area to improve upon. We are looking to standardize procedures and will focus on handoffs and communication, starting in the OR, ED and OB. Leadership is formally rounding in the patient areas to hear staff concerns on patient care in "real time". We plan to implement process improvements based on this information. They may be small things but huge in the priority of our organization.

FINANCE COMMITTEE REPORT

Gene Davis is continuing on as the chairman of the Finance Committee and Ron Mishcke has joined the committee as well. Susan Novak, Controller, states 2014 was a big improvement from 2013. The consolidated gross revenue grew by 16.5% over 2013. The hospital grew from \$98M (FY2013) to \$112M (FY2014). BHHN grew from \$12.9 (FY2013) to \$16.9M (FY2014). We are moving in the right direction. In FY2014, we expanded the TCU, opened the Urgent Care at the end of October, and celebrated the first anniversary of the Cath Lab in February. Contractual adjustments improved from 2013. The hospital is paying more discounts and there is more bad debt and community assistance. We have entered our 3rd year of the 5 year depreciation on the EMR. Professional services have been trending upward, but is EMR related. The Foundation is doing a great job of supporting the hospital. The County's contribution was \$175K and investment revenue was \$55K. Additional revenue from patient account/late charges were received from collection services. We are moving in a positive direction. We are getting pressure from commercial payers to give deeper discounts. We have a profit this year after showing a loss last year. Our goal is to have a positive net goal in operations, which will remain a challenge in the future. There is a need to replenish capital so we can continue to grow and invest in the future. The reason we showed a profit this year was from non-operating sources and not related to operations. This remains a challenging time for the hospital. We are a county hospital with no debt, and for the community's sake, we need to protect that.

Unbudgeted Capital Equipment Purchase (Action) – Information was provided on a Microtome machine which is used in pathology. Garry Sellenrick, Lab Manager, explained that this machine cuts thin slices of tissue, allowing the pathologist to view sample for diagnosis and treatment of patients. The current Microtome is 20 years old and has quit working. The Pathology Department received a “loaner”, but would like to purchase a new one for \$16K. This is a critical piece of equipment and a malfunctioning microtome carried the risk of poor processing, jeopardizing a specimen and patient safety. The Finance Committee recommends approval of the purchase of the Microtome. David Smith moved to approve the purchase. Gene Davis seconded the motion. Motion carried.

FOUNDATION COMMITTEE REPORT

The Foundation is having a fundraiser known as MASH (Medical Assistance for Sheridan Hospital) in association with the Powder Horn Ladies Golf Association in September. A mailer is going out on how we can participate. Ada Kirven, Foundation Executive Director announced that they have a new Foundation Board Director Kirby Taylor, who will be serving a 3 year term. Kirby will be a great addition to the board.

BUILDING COMMITTEE REPORT

James Rader welcomed Gary Miller as a new member of the Building Committee and thanked Kevin Bailey for his continued service on the committee. James outlined the capital improvements schedule for the coming year: façade maintenance in the fall of 2014, new flooring in the admissions and patient areas over the winter months, and a section of roofing to be replaced in the spring of 2015. James stated that there will be some shifting of department locations in order to accommodate growth within the hospital, without spending a lot of money.

OTHER BUSINESS

Supplies Team - Len Gross asked that this matter be postponed until the next board meeting as his main presenter was not available.

EXECUTIVE SESSION

With no further business, the meeting moved into closed session at 3:55 p.m. for discussion of personnel.

The meeting then reconvened into public session at 4:20 with no action taken.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 4:21 p.m.

Recorder,
Patty Forister

David Smith., Secretary