

BOARD OF TRUSTEES
NOVEMBER MEETING MINUTES
Wednesday, November 30, 2011 3:00 P.M.

MEMBERS PRESENT: Ron Mischke, Gene Davis, Dixie See, Kevin Bailey, Bill Huppert and Dr. Strahan.

MEMBERS ABSENT: Gary Miller

Others Present: Mike McCafferty, Dr. Addlesperger and Dr. Hanebrink.

CALL MEETING TO ORDER

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

PUBLIC COMMENTS

None

Executive Session

At 3:05 p.m., Chairman Ron Mischke dismissed the public session to hold a brief Executive Session for legal discussion. Public meeting was reconvened at 3:30 p.m.

APPROVAL OF AGENDA and MINUTES

The minutes from the October Board Meeting, held on October 26, 2011 were reviewed. Dr. Strahan asked for a clarification to be made to the Admission Report regarding the residency of the incoming physicians. Dr. Strahan stated that Medical Residency is for a period of three-years and the three newly hired internal medicine physicians have 18 months remaining in their residency before coming to SMH. After discussion, a motion was made by Dr. Strahan to approve the October Board Minutes with the correction. Kevin Bailey seconded the motion. Motion carried.

There were no additions to the November 30, 2011 Board Agenda. A motion was made by Bill Huppert to approve the November agenda. Dixie See seconded the motion. Motion carried.

Justin Wolffing, News Director from Big Horn Mountain Radio Network, was welcomed to the meeting.

QUALITY COMMITTEE REPORT

Dr. Strahan reported that the Quality Committee met Thursday, November 17, 2011. Lajune Bacon, Quality Services Manager, presented the scorecard information. A graph on attributable turnover was presented. Service scorecard was expanded to include additional measures with a focus on HCAHPS scores on Health Care Team Communication and Communication about Medications. Ms. Bacon explained that the Cerner software has a module specific to handoff communication. This process will be implemented and staff will practice to be familiar with the program before

going live with Cerner. Patient Concerns continue to be tracked to monitor all concerns. The Quality Scorecard was reviewed and all core measure indicators have been green for the last couple of months. Additional core measures are now being tracked. The Medical Necessity scorecard noted that target measures continue to be met. Ms. Bacon stated that we continue to work with insurance companies in regards to medical necessity. Dr. Strahan discussed the difficulty and importance of correct documentation to meet reimbursement criteria. The process for medical necessity was explained for Medicare patient admissions to assure appropriate care and how best to work with the discharge planner to provide the best care and discharge when hospital level of care is not required. SMH is working on getting monitors placed in several strategic locations within the hospital to display Quality scores to show SMH comparisons to other hospitals.

MEDICAL STAFF REPORT

The Medical Staff report was provided by Dr. Addlesperger. Dr. Addlesperger extended an invitation to the Board Members to attend the upcoming Medical Staff Quarterly Meeting on 12/13/2011, at the SIM center on Broadway. Dr. Addlesperger presented the Affiliated Health Care Professionals that are being recommended by the Medical Executive Committee to be reappointed with Sheridan Memorial Hospital membership and clinical privileges for the 2012-2013 credentialing period. The Affiliated Health Care Professionals presented were as follows:

Dr. Strahan recused himself from voting for the Certified Physician Assistants. After review, a motion was made by Dixie See and seconded by Kevin Bailey to approve the membership and clinical privileges for the following Certified Physician Assistants presented, motion carried.

Jennifer Graslie	PAC
Marilyn Horsley	PAC
Scott Morey	PAC
Jason Otto	PAC
Stephanie Sander	PAC
Erin Scherry	PAC
Kenneth Sickel	PAC

After review, a motion was made by Gene Davis and seconded by Bill Huppert to approve the membership and clinical privileges for the following Advance Practice Registered Nurses presented, motion carried.

Tracy Amadio	FNP
Bridgette Gill	WHNP, CNM
Becky Olson	WHNP
Wendy Wood	FNP
Cheyrl Phinney	FNP, PMHNP

After review, a motion was made by Bill Huppert and seconded by Dr. Strahan to approve the membership and clinical privileges for the following Certified Surgical Technician/Certified First Assist Non-Physician presented, motion carried.

Ivy Larson	CST
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After review, a motion was made by Bill Huppert and seconded by Gene Davis to approve the membership and clinical privileges for the following Provisional Licensed Professional Counselors presented, motion carried.

Dawn Angeloe	PMFT
Laura Long	PCSW
Abigail Nelson	PCSW

After review, a motion was made by Dixie See and seconded by Gene Davis to approve the membership and clinical privileges for the following Licensed Professional Counselor; Licensed Marriage Family Therapist; Licensed Addiction Therapists presented, motion carried.

Bernadette Montagne	LPC
JuDee Anderson	LPC, LAT
Bruce Andrews	LPC, LMFT
Donald Boone	LPC
Pam Christensen	LPC
Terrill Matteson	LPC
Rae Marie McReynolds	LPC
David Pearson	LAT, LPC
Kathy Tiffany	LPC
Thomas Terry	LPC
Jennifer White	LPC

After review, a motion was made by Dr. Strahan and seconded by Gene Davis to approve the membership and clinical privileges for the following Licensed Clinical Social Workers presented, motion carried.

Andi Bell	LCSW
Maureen Kirchoff	LCSW

After review, a motion was made by Bill Huppert and seconded by Kevin Bailey to approve the membership and clinical privileges for the following Psychologists presented, motion carried.

Victor Ashear	PhD
Carol Pastore-Watkins	PhD
Amanda Turlington	PsyD
Thomas Schnatterbeck	PsyD

After review, a motion was made by Dr. Strahan and seconded by Dixie See to approve the membership and clinical privileges for the following Audiologist presented, motion carried.

Thomas Laya	CCC, AuD
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After review, a motion was made by Dr. Strahan and seconded by Gene Davis to approve the membership and clinical privileges for the following Podiatrist presented, motion carried.

Steven Rabon	DPM
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ELECTRONIC MEDICAL RECORD (EMR)

Nyle Morgan, Chief Information Officer, reported a team from Cerner is here this week to complete development of current work flows and review of current processes. Physicians, nurses, and ancillary services will verify the current process and workflows. After work flow designs are complete, flow charts will be created for testing and training on how to use the newly developed product. The Cerner team will return on December 13th and 14th to finalize details. Hardware builds and servers will be in place before the January 9th trip to Kansas City for design review. Shortly after the January 9th trip to Kansas City, the product will be transferred here and the SMH domain will be live. Mr. McCafferty extended an invitation to all Board members to attend the upcoming Cerner trip and explained that it would be a great learning experience. Mr. Morgan stated that the Cerner project is on schedule. Discussion was held on how hospital and community physicians will be integrated in to the hospital system. In order to meet meaningful use, SMH must offer the ability to connect and exchange data. Mr. Morgan stated that next year we will start to engage physicians regarding their connectivity needs. Currently under Stark Safe Harbor regulations hospitals are allowed to contribute to the cost of physician practice EMR purchases. The Safe Harbor exception ends December 31, 2013. Mr. Morgan stated that we have infrastructure in place that will allow SMH to have comprehensive connectivity and bandwidth to all needed healthcare entities. Discussion was held on State e-health programs.

ADMINISTRATION REPORT

Mr. McCafferty provided the following updates:

- ✓ Welch Cancer Center – Rob Forister, Facilities Manager, provided an update. Mr. Forister stated that the project is on schedule with the steel up, most outside walls up, internal walls framed, and driveway in place. The roof is expected to be completely in place by mid-December and then systems will be installed. The budget is currently a little lower than anticipated due to equipment costs. Mr. Forister noted that in December, he expects masonry work to be completed with natural rock, as well as window and door installations.
- ✓ Physician Recruitment – Mr. McCafferty reported on the Medical Oncologist Search. It was noted that he has been working with some leads that have proved unsuccessful. Therefore, SMH will begin working with the search firm of Merritt Hawkins. Representatives from the firm will be in Sheridan for an on-site visit within the next two weeks. During the on-site visit, meetings with staff and physicians will be held to help develop a plan for a targeted search to find a good candidate that will meet our community needs.
- ✓ Physician Recruitment – Mr. McCafferty was pleased to report that Dr. Cheryl Varner, ENT, has accepted our offer of employment and will begin her practice in late January. Dr. Varner has practiced as General Otolaryngologist in Wenatchee, Washington, for the last eight years and has impeccable references. Dr. Varner, her husband and three-year son are excited to be coming to Sheridan. Dr. Varner accepted the employment model and financial capital. Estimates associated with the beginning of her practice will be discussed in the personnel section of the executive meeting. Mr. McCafferty noted that he has spoken with Dr.

Bateman regarding how the two physicians will be able to work together to meet the needs of the community.

- ✓ Mr. McCafferty reported that he has received a signed contract from Cardiologist, Dr. Joe Garcia. Dr. Garcia is working on getting his Wyoming licensure and is expected to start in the spring. Dr. Garcia has worked with Dr. Brennan in the past and has a good working relationship, which will be a welcome addition to the community and the Big Horn Heart Center. Discussion was held on referral flows.
- ✓ Strategic Plan – Mr. McCafferty reported that he would like to hold a work session next week to discuss the five-year Strategic financial and operational plans associated with items for growth (i.e. Cardiac Cath Lab, Financial System Software, New Medical Arts Center, Welch Cancer Center, EMR Project). The discussion with Board Members would be twofold: 1) to explain the funding process for all upcoming capital projects; 2) identify strategies to move forward with different finance models that would define a course of paying for the development of growth projects (i.e. bonds, loans, cash, etc.). Meeting options will be sent to members next week.
- ✓ Wyoming County Commissioners Association, Hospital/Healthcare Meeting – Mr. McCafferty reported that the Wyoming County Commissioners Association held a meeting in Casper last week to discuss the future of healthcare in Wyoming. Sheridan County Commissioners have listened to discussions being held with other hospitals in the State of Wyoming that were not doing well. Sheridan County Commissioners invited SMH Board Chairman, Ron Mischke, to attend the meeting to discuss the successes of Sheridan Memorial Hospital. Mr. Mischke stated that the message from his presentation comes down to building strong relationships and the willingness to work together to take care of community needs. Discussion was held on other Wyoming counties that are being sued; having arguments with county officials over money; and how very fortunate we are that it does not exist in Sheridan. Mr. Mischke explained that SMH Board does a great job being engaged, understands their role and the role of leadership in the hospital and to work for a common cause of Sheridan County.
- ✓ Mr. McCafferty made the following announcements:
 - Employee Christmas Dinner will be held on 12/2/2011 at Holiday Inn at 7:00 pm.
 - Charlotte Mather has accepted the Director of Nursing position at Sheridan Memorial Hospital. Mrs. Mather comes from Michigan and will begin in January, 2012. Currently Mrs. Mather is Interim Chief Nursing officer and oversees Women's and Children's Services and Emergency Services at Genesys Regional Medical Center. Mrs. Mather is a Registered Nurse with a Bachelor of Science in Nursing, has a Master of Business Administration, and an Executive Nurse Fellowship through Robert Wood Johnson Foundation.

FINANCE COMMITTEE REPORT

Gene Davis 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 October 2011. Mr. Johlman explained that low revenues and high expenses were benefitted by low contractual write-offs and yielded a slim operating margin for October. Total revenues of \$8.3M were under budget by \$690K. Expenses approached \$5.6M and \$187K over budget. Total contractual allowances were under budget by \$779K. There was a small operating gain of \$60K on direct operations. Thanks to the charitable gift of \$2.3M received from the Leona M. and Harry B. Helmsley Charitable Trust, the bottom line resulted in a net income of \$2.438M. Discussion was held on Big Horn Health Network. Mr. Johlman noted that overall patient visits increased and the key to success for the practices will be to grow patient visits.

Capital Requests – Mr. McCafferty explained that he presented the ENT practice expenses to the Finance Committee today. Mr. McCafferty distributed the ENT capital expense information and discussed the projected office start-up costs for ENT practice. Mr. McCafferty explained the need for 1500 square feet of office space for at least three years depending on the future MAC building. Capital expenses included a number of items: Clinical equipment, furniture for reception area, exam tables, signage, construction/remodel cots, phone system, computers, Cerner License, and interior artwork. Mr. McCafferty's recommendation to the Board was to authorize a total up to \$295,000.00 for start-up costs for the ENT practice to be up and running by mid-late January. Discussion was held on possible locations. After discussion, Dr. Strahan moved to authorize up to \$295,000 for the costs associated with the start-up practice of Dr. Varner. All are non-budgeted items. Gene Davis seconded the motion. Motion carried.

BUILDING COMMITTEE REPORT

Dixie See reported that the Building Committee met this month. Mr. Forister, Facilities Manager, provided the following updates on Gantt Charts for the following projects: Cath Lab, ICU and MAC II:

- MAC II is on schedule and he anticipates receiving the schematic design in January. Current survey of the east campus is being done and firm numbers will be available to the Building Committee and to the Board in January.
- Mr. Forister explained that the Cath Lab construction documents cannot be completed until the imaging equipment has been selected. Currently, stakeholders are reviewing equipment options, planning site visits to inspect equipment and deciding which best meets our needs. Once equipment decision is made, then the architect will complete construction document for fast track construction.
- Mr. Forister stated that the ICU final concept sketch timeframe has been extended to accommodate the design team and stakeholders. Mr. Forister expects to receive design concepts in near future and will present them to the building committee next month.
- Room Service Project update was provided by Mr. Forister. Mr. Forister explained that the current space for the cooking air handler is not compliant with state requirements. We are close to having a 3rd party plan reviewer with accessible design. When design is approved, then construction can begin.

FOUNDATION REPORT

Ada Kirven, SMH Foundation Director, provided a Foundation update. Mrs. Kirven stated that the SMH Foundation hosted a luncheon for The Link Committee Members in thanks for their work. This year \$41,000 was raised from that event and over \$30,000 will go directly to the Welch Cancer Center project. Mrs. Kirven explained that gifts are still coming in and memorials have been set up. Mrs. Kirven explained that the Foundation continues to work with donors and building relationships with others in the communities to help with future hospital projects. The Foundation Employee Partner Celebration will be held on December 15, 2011. This is a time to recognize the 412 employee partners and explain how their contributions help the SMH Foundation projects. Current partners will have an opportunity to vote on how to allocate approximately \$30,000 for the 2011 Partner Project to help with a patient cause for the hospital. After the allocating this year's \$30,000, the Partners will have given nearly \$200,000 in the eight years the program has been in existence.

OTHER BUSINESS

The December Board of Trustees Meeting will be held on December 28, 2011. Dr. Strahan noted that he will not be in attendance. The 2012 BOT meeting schedule was approved for distribution. Gene Davis stated that he will not be in attendance for the January Board Meeting.

EXECUTIVE SESSION

The meeting moved into closed session at 4:30 p.m. for discussion of personnel matters. The meeting then reconvened into public session at 4:45p.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 5:00 p.m.

Recorder,
Roxanne Araas

Michael Strahan, M.D., Secretary