

**SHERIDAN MEMORIAL HOSPITAL  
BOARD OF TRUSTEES  
SEPTEMBER MEETING MINUTES  
Wednesday, October 5, 2011            3:00 P.M.**

**MEMBERS PRESENT:**     Ron Mischke, Gene Davis, Dixie See, Gary Miller, and Kevin Bailey.

**MEMBERS ABSENT:**     Bill Huppert and Dr. Strahan.

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

**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 August Board Meeting, held on August 31, 2011 were reviewed. A motion was made by Gary Miller to approve the August Board Minutes. Gene Davis seconded the motion. Motion carried.

There were no additions to the October 5, 2011 Board Agenda. A motion was made by Gene Davis to approve the September agenda. Dixie See seconded the motion. Motion carried.

**QUALITY COMMITTEE REPORT**

Gary Miller reported that the Quality Committee met Tuesday, October 5, 2011. Lajune Bacon, Quality Services Manager, announced that Sheridan Memorial Hospital (SMH) was presented with a 2011 Hospital Quality Award during the Wyoming Hospital Association's (WHA) annual conference held the end of September, 2011. SMH earned the Commitment to Quality Award for its excellent performance in quality of care in the national Quality Core Measures. The award also recognized SMH for the strong leadership support for quality and patient safety.

Ms. Bacon was also pleased to announce that SMH Trauma Coordinator, Leesa Belus, was named the Hospital Emergency Preparedness Coordinator of the Year during the WHA Annual Meeting. Mrs. Belus has been instrumental in emergency preparedness within the facility and its involvement in the incident command system at Sheridan Memorial Hospital.

Ms. Bacon presented the first Quality Committee report of the fiscal year and explained the different format for reporting on the scorecards. Ms. Bacon noted the Service scorecard reports on the HCAHPS and AVATAR overall scores, which includes the HCAHPS pain score. New this year will be the focus of two HCAHPS communication goals in regards to medications and communication with healthcare providers, as both affect patients. Annual overall AVATAR score for August was 91.3.

Ms. Bacon stated that on the Quality Scorecards surgical, pneumonia and congestive heart failure (CHF) measures were consistently green. Therefore, this fiscal year, SMH will be looking at different outpatient core measures that affect the Emergency and Surgery Department. Beginning January 1, 2012, flu vaccinations will be tracked as a core measure. Discharge information will be used to measure how many patients were assessed for the need of flu vaccinations and then offered the vaccination.

Ms. Bacon explained that recently staff from other sites participated in and completed a mock Joint Commission survey at Sheridan Memorial Hospital. The survey identified some areas where improvement is needed. The mock survey also reinforced the need for continued focus on communication improvement. Ms. Bacon stated that the expected date for the Joint Commission Survey could be anytime between December 1, 2011 and June 8, 2012.

### **MEDICAL STAFF REPORT**

The Medical Staff report was provided by Chief of Staff, Dr. Hanebrink and included recommendations for revisions to the Medical Staff Bylaws. Dr. Hanebrink reported that Quarterly Medical Staff Meeting was held on September 13, 2011. Election of medical officers, for next year, was held during that meeting. Dr. Hanebrink was pleased to announce that Dr. John Addlesperger, D.O. was elected Chief of Staff and will take office in January, 2012. Vice Chief of Staff is Cindy Sharp, M.D. and Secretary/Treasurer is Sara Smith, M.D. Dr. Hanebrink has served four years as Chief of Staff and will remain on the Medical Executive Committee as Past Chief of Staff. Dr. Hanebrink recognized Dr. Wohl who has served as Chief of Staff and Past Chief of Staff for many years and values his experience.

Dr. Hanebrink stated that between Bylaw Committee Meetings, Medical Executive Committee Meetings and the Quarterly Medical Staff Meeting the Medical Staff Bylaws have been reviewed and approved and he is recommending them to the BOT for final approval. It was explained that CMS drives some of the recommended changes. Lajune Bacon felt the need for the Medical Staff Bylaws to be reviewed and compared to CMS standards. The newly revised Joint Commission standard addresses the medical staff's self-governance and its accountability to the governing body. While the hospital's governing body is ultimately responsible for the quality and safety of care, the governing body, medical staff, and administration must collaborate to achieve this goal. Standard MS.01.01.01 provides a framework for the Medical Staff Bylaws that describe the medical staff's organizational responsibilities and how the medical staff and governing body will work together, which is an important element for achieving this collaboration. Among the revisions, a new chapter on Conflict of Management, that discusses resolutions to handle conflict between the medical staff and medical leadership was included, as well as additions to the Hearing/Appeal process. Dr. Hanebrink recommended all additions/revisions to the Medical Staff Bylaws and stated that the CMS requirements went into effect on 3/2011 and until the Bylaws are adopted, we are out of compliance. Amy Ligocki, Medical Staff Coordinator, was acknowledged for the work that she did to provide a summary of the revisions, which have been recommended by the Bylaws Committee and the Medical Executive Committee. Mrs. Ligocki dealt with changes in order to be in compliance with all 36 elements of performance found in Joint Commission standard MS.01.01.01. A motion was made by Kevin Bailey to approve the revisions to the Medical Staff Bylaws as

presented. Dixie See seconded the motion. Motion carried. There were no Medical Staff privileges to be presented this month.

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

Bridget Gerleman, Project Manager, provided an update on the EMR process in the absence of Nyle Morgan, Chief Information Officer. Mrs. Gerleman stated that since the August 22, 2011 Kansas City trip, the team has been working on the review of 2300 design decisions. To date, over 1000 design decisions have been completed. The remaining decisions must be completed by October 17, 2011, when the team leaves for the Kansas City design review session. Design decisions are reviewed to assure that they meet "Meaningful Use" requirements. During the last three weeks, a team from Cerner has been in-house to work on creating order sets, review work flows and hospital standardization. Physicians Wohl, Addlesperger, McAdoo, Zebroski, Hunter, and Smith have been instrumental in completing the reviews and getting orders standardized. Mrs. Gerleman discussed the plan to educate the entire hospital (500+ people), planning and organizing the build, and developing a schedule for training. This week, the Cerner team has been working on the Medication Integration piece. Physician, nursing and pharmacy are all ahead of schedule. On November 14, 2011, hardware is scheduled to be placed in the server room. Servers will all be in place, up and running at that time. Thanks were extended to the project team and to the whole hospital that has been very supportive as co-workers and physicians are taking extra time from their schedules to dedicate to the project. SMH is the first in Wyoming to put Cerner in and we are happy to be a part of an amazing company. Mrs. Gerleman noted that for each application, Cerner will assign a minimum of two engineers to support users as we go live.

### **ADMINISTRATION REPORT**

Mr. McCafferty introduced and welcomed Forward Sheridan Executive Director, Jay Stender and Forward Sheridan Board Chairman, Anthony Spiegelberg. Mr. Stender acknowledged that the hospital has been an important supporter of the organization for the last five years, and they were in attendance today to provide the SMH Board Members an update of their activities. Mr. Stender explained that one of the key roles of Forward Sheridan is to provide economic data and community information to the business community, economic development partners, business consultants and visitors interested in the Sheridan County area. One of his leading statements always includes the fact that the hospital is one of the most leading drivers in the community as a resource and has been one of the largest employers for the last 5-10 years. Mr. Spiegelberg discussed the growth of the Sheridan HI-Tech Business Incubator and that the building is full and has been a successful project. The presentation continued to provide information on other projects/programs that they are working with including Apollo Telemedicine, a tele-medicine pilot program led by Dr. Tom Richards and funded by the State of Wyoming Governor's office. Mr. Stender noted that a Bio-tech conference was recently hosted in Sheridan to attract technology companies to Sheridan. Forward Sheridan works with another ad hoc group to review city and county economic data, discuss strategic initiatives and goals for the next five years for recruitment purposes and to assist business growth in the community. Mr. Stender stated that the hospital and college represents the community well and was pleased to see the partnership of Sheridan Memorial Hospital and Sheridan College for the Sim Center project. Part of his community tours includes contacting Ada Kirven for a visit of the hospital and campus and meeting the SMH staff, who have a valuable impact to the community.

Mr. Stender also discussed the working relationships of Dr. Richards, Ada Kirven and Mike McCafferty with The Helmsley Charitable Trust Fund, which turned out to be a very good opportunity for the Sheridan community. The presentation concluded with Mr. Stender and Mr. Spiegelberg expressing their thanks to the hospital for their past and future support. On behalf of the SMH Board of Trustees, Ron Mischke thanked them for their updates and thanked their organization for their community efforts.

Mr. McCafferty provided the following updates:

- ✓ Welch Cancer Center – Rob Forister, Facilities Manager and Jennifer Pfister, Welch Cancer Center Manager, reported that construction is on schedule and on budget. Updates were provided on the aspects of the project that are complete; linear vault, canopy, sewer installed, and mechanical. Next month the steel package will be delivered and both vaults opened. Tube system is currently being installed; this will be used to transport samples and documentation through the tube between facilities. Ms. Pfister anticipates another two weeks of transporting patients to Gillette to allow for equipment training. CT scanner is now installed and training is being provided. The first day that patient treatments are scheduled to resume back at the Welch is October 25, 2011.
- ✓ Physician Recruitment – Mr. McCafferty stated that he has received a commitment from an Emergency Department physician. This physician commitment will complete our current vacancy in the Emergency Department. Mr. McCafferty also has a commitment from a first year Internal Medicine physician to begin at SMH in two years. A commitment from a second Cardiologist, to partner with Dr. Brennan was acknowledged and his start time revolves around attaining his Wyoming licensure.
- ✓ Cardiac Catheterization Lab – A memo from Mr. McCafferty, to the SMH Finance Committee and Board of Directors was distributed and read by Mr. McCafferty. The memo served as his written recommendation for the development of a Cardiac Catheterization Lab at Sheridan Memorial Hospital. The proposal was for authorization for the construction of a Cardiac Catheterization Lab within the hospital. The authorization would include the design and construction of the facility and the cardiac and imaging equipment necessary to support the operation of a Cardiac Lab for diagnostic and interventional cardiology. A three- year Proforma associated with the Cath Lab was explained. Based on conservative estimates, the net gain/loss to the hospital's overhead showed a loss the first year of \$369,792. A gain the second year of \$189,443 and a gain the third year of \$440,951. Figures included the breakdown of capital expenses and equipment for an estimated total cost to be \$2.9M (equipment costs were detailed for a contributing total of \$1.7M; construction project accounting for \$1.2M). TSP design estimation with costs of renovation is using the old Lab space on first floor, which provides good connectivity through private hallways into Cardiac Catheterization Suite, as well as to/from the back side of the Emergency Department to Cardiology. Mr. McCafferty introduced and thanked staff: Rob Forister, Sharon Krueger, Lynn Custis, Misty Taylor, Chris Bilyeu, Ed Johlman, Dr. Brennan, Dr. Jost, and Dr. Alzheimer for their time dedicated to this project. He noted his appreciation for the hard work done to benefit the community, patients and staff.

Mr. McCafferty stated that the last three years have been spent conducting strategic planning meetings with members of the Sheridan community, medical staff, employees and the SMH Board of Trustees. Mr. McCafferty explained that the community is in need of cardiology, including diagnostic and interventional services that a Cardiac Catheterization Lab will afford. Discussion was held on what type of special licensure would be needed for the facility. It was stated that we will follow all standards set forth by the Wyoming Department of Healthcare Licensing and Surveys. The lab would require a second cardiologist at the Big Horn Heart Center. Discussion continued on an estimated completion date of the project. Mr. Forister stated that it would depend on construction timeline and if done by traditional bid or design build. If by design build, the earliest would be April 2012. If done by traditional bid, the earliest would be June 2012. It was reported, that from a financial aspect, there are a number of ways to finance. Mr. Bailey stated that the Building Committee has reviewed the proposal in detail and agreed that this was a huge opportunity for us and it makes good sense. Mr. Bailey made the motion to approve the recommendation for funding of \$2.9M for the design, construction of the facility and the cardiac and imaging equipment necessary to support the Cardiac Catheterization Lab. Gene Davis seconded the motion. Motion carried.

Mr. McCafferty stated that this is something we take very seriously and once we commit to it; there will be an expectation that we provide this service to the community. Mr. McCafferty explained that SMH is making that commitment to this community.

- ✓ Mr. McCafferty reported that he was on Public Pulse today and also in the spring. On both occasions, Mr. McCafferty stated he received phone calls from employees of Sheridan County School District #1 (SCSD#1) regarding their insurance coverage relative to the provision of health services provided at Sheridan Memorial Hospital. SCSD#1 plan is with the Wyoming School Boards Association Insurance Trust (WSBAIT). Mr. McCafferty provided some background information regarding the WSBAIT changes to their plan document. Mr. McCafferty referenced two documents regarding the Trust's finances, which is managed by the individual employers:
  - WSBAIT Comprehensive Program Review compiled by Leif Associates based out of Colorado. The report projected substantial losses in 2010 and increasing in 2011. WSBAIT, in order to turn the organization around, increased premiums for employees and sought substantial discounts from providers. Mr. McCafferty stated that in the spring of 2011, an employee of SCSD#1 informed SMH that we would be considered a Tier 2 Hospital or "out of network" unless we were willing to provide substantial discounts to the Trust. A definition of a Tier 2 Hospital was provided to us stating that a Tier 1 Hospital would pay on an 80/20 and Tier 2 Hospital 60/40 basis. The definition of a Tier 2 Hospital was presented as "a hospital whose discounts and quality measures are not as aggressive as the Tier 1." Both definitions had no data to support them. SMH requested that WSBAIT provide data that the pricing structure is not in line with competition within the region. SMH felt that the discount requested was too much and presented them a counter offer. At that time, discussions ceased and as a result of not coming to a formal agreement to become a Tier 1 Hospital, SMH was categorized as a Tier 2

Hospital. SMH also requested them to strike the language related to quality. It is our understanding that the language has been removed from their plan document.

- The other document referenced was the Wyoming Public Radio (WPR) report dated March 2010 concerning the financial status of the WSBAIT.

Mr. McCafferty stated the bottom line is that SMH provides services to the community at competitive rates with outstanding quality. Mr. McCafferty noted that he felt it was important to get the full story out and to share this information as it may not have been explained to the SCSD#1 employees. The Leif report provides a great detail of financial information on WSBAIT indicating apparent mismanagement and SMH is not willing to take the blame for their apparent mismanagement. Mr. McCafferty will be meeting with a SCSD #1 Superintendent and School Board to discuss the fact that SMH is willing to work with WSBAIT and move forward with conversations. Gary Miller acknowledged that SMH has done a good job keeping price increases down over the last five years. The national average increase is 6-9% and SMH has been under 4%.

- ✓ Melanie Kawulok, Director of Sheridan County Public Health, presented an update on the concerns of immunization funding shortage for influenza vaccinations for school aged children that the state is faced with. Mrs. Kawulok explained that as of July 1, 2011, the State of Wyoming is ONLY providing funding for influenza vaccinations for those children under the age of 18 who are on Medicaid, those who have no insurance, or those Native American or Alaskan. Previously, funding was provided for all children 18 and under. Now there is a shortage in funding between \$30-40,000. Mrs. Kawulok noted that due to the state level funding cuts, Public Health would not have been able to provide free flu shots in the schools this year. When made aware of the situation, Dr. Strahan, Sheridan County Public Health Officer, felt strongly that this was a beneficial program and approached Sheridan Memorial Hospital for assistance. A task force was formed to raise funds for the "School Flu Clinic Project." Mrs. Kawulok was pleased to report that thanks to a list of generous contributors this project has reached its goal of \$15,500 and will start school flu clinics for all three school districts beginning the week of October 10, 2011. Local Pediatrician's Dr. Wohl and Dr. Bowers shared statistics and views on the necessity of the program. It was stated that Sheridan is the only county in the state providing vaccinations in schools and that this is a cost benefit that has an impact on our entire community. Dr. Wohl emphasized that there is nothing better society can do for itself than provide immunizations. He explained the reasons the state was faced with funding shortage this year was due to an increase in required school aged vaccinations. Dr. Bowers explained that children spread the flu, which is passed on to family members and ultimately is passed on to grandparents, which can become a deadly illness for them. Dr. Bowers stressed that this is absolutely the most wonderful thing that the hospital has done with a high public profile, which will make a huge difference as a one-time event. Mrs. Kawulok reported on the contributions and thanked the leadership of Sheridan Memorial Hospital for the initial contribution of \$7500, which spurred other contributors to cover the remaining needed funds. Other large contributors that allocated funds to the Sheridan County Public Health Office to assist with the funding needed for influenza vaccinations for the School Flu Clinic Project included: Sheridan County Medical Society, Sheridan Surgical Center, Sheridan County School District #1, Sheridan County School District #3, Sheridan County and Drs. Bowers, Wohl and Oss. Dr.

Strahan was recognized as the catalyst for getting the program funded. Mr. McCafferty reported SMH runs flu clinics for all leadership and staff.

### **FINANCE COMMITTEE REPORT**

Gene Davis reported that the Finance Committee met this month and acknowledges Mr. McCafferty's Master Card and vouchers had been reviewed.

Ed Johlman, Chief Financial Officer, presented the financial review for August 2011, which was a strong month. Mr. Johlman reported that total revenues topped \$9.3M, which was a new record-high revenue total for SMH. This was only the second time, in history, that revenues exceeded \$9.0M. Outpatient areas were the busiest with total revenues topping \$4.2M. A new record was set as this was the first time outpatient revenues exceeded \$4.0M. Inpatient revenues were under budget as well as expenses. Net operating income totaled \$137K and net income was \$345K. Discussion was held on how in the past, the budget was spread using historical revenue and expense patterns. Mr. Johlman explained that this FY 2012 budget is spread evenly, based on days in the month, for revenue and expenses to provide a closer picture of actuals.

### **BUILDING COMMITTEE REPORT**

Rob Forister, Facilities Manager, reported that the Building Committee met this month. Mr. Forister announced that the remodeling of the Women's locker room would be completed in two weeks. The new IT training room is also estimated to be complete in two weeks. Board members acknowledged their appreciation for the provided Gantt Charts. Information was provided to the Board on the schedules for the following project:

- ✓ MAC II – study is continuing to progress. The process is good and discussions include many options on where to place the building, parking, and how large. At this time, they are not ready to make a recommendation to the Board. Building Committee will continue to work with TSP and report findings at the next Board meeting.

### **FOUNDATION REPORT**

Ada Kirven, SMH Foundation Director, provided a Foundation update. Sheridan High School teacher, Kathleen Pilch, and the Sheridan High School Interact and Marketing students were welcomed and introduced. They presented a check for \$2,015.50 as a contribution to the new Welch Cancer Center. Mrs. Kirven explained that the students recently designed and sold 532 pink Bronc shirts to be worn either at school events or in the community for breast cancer awareness month. Mrs. Kirven congratulated the group of students for picking a project that would make a big difference in the community. The check was presented to SMH Foundation Chairman, Kevin Bailey, who announced that to date \$5,900,000M has been raised by the SMH Foundation for the new Welch Cancer Center. Mrs. Kirven also acknowledged a contribution of over \$500 that was raised by the Sheridan Junior High School students, who brought in funds from their piggy banks.

Mrs. Kirven introduced Jennifer Destefano and Brooke Wattam as the Co-Chairmen for The Link – Partners in Pink 2011 event. The 3<sup>rd</sup> annual run/walk “Friendraiser” will be held on Saturday, October 22, 2011, and the target is set for 800 participants this year. Mr. McCafferty thanked Mrs.

Destefano and Mrs. Wattam for their time and dedication to this project. Mrs. Destefano announced an educational presentation that will be held on October 12, 2011. Dr. Gregg McAdoo, Dr. Sara Smith and Stephanie Sander, PAC, will present current recommendations for breast and cervical cancer screening and treatment.

Other Foundation business included:

- ✓ SMH Foundation Traveling Golf Tournament Award being presented to Kevin Bailey and his 1<sup>st</sup> place golf team.
- ✓ SMH Foundation has received an invitation and plans to attend the first Helmsley Charitable Trust 2011 Partner Conference in Sioux Falls, South Dakota, the end of October. Those organizations invited have all received funding from The Helmsley Charitable Trust.

### **EXECUTIVE SESSION**

The meeting moved into closed session at 4:35 p.m. for discussion of personnel matters. The meeting then reconvened into public session at 5:00 p.m. There was no action to be taken in the public session.

### **ADJOURNMENT**

There being no further business to come before the Board, the meeting adjourned at 5:00 p.m.

Recorder,  
Roxanne Araas

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Michael Strahan, M.D., Secretary