

Nevada Regional Medical Center  
**Board of Directors**  
**April 29, 2014**

**Members Present:** Glenn Rogers, Steve Russ, Cathy Hissink, Dr. Bill Turner, Bill Denman, Jenise Burch, Brad Copeland, Bob Beaver, Larry Bledsoe, Dr. Sean Gravely, David Hample **Others Present:** Bryan Breckenridge, Dave Yackell, Greg Shaw, Cory Vokoun, Holly Bush, Steve Branstetter, Heather Brockmeyer, Mandi Jordan, Gloria Tucker

Topic	Discussion	Action & Follow-Up
<b>Call to Order</b>	Dr. Rogers called the meeting to order at 6:02 p.m. No conflicts of interest were disclosed.	No action taken.
<b>Celebration of Good Things</b>	<ul style="list-style-type: none"> <li>Three Board members noted that they have heard employees are pleased with Interim CEO availability to staff.</li> </ul>	No action taken. Follow-up as needed.
<b>Approval of Minutes &amp; Reports</b>	<p><i>Reports and minutes of the following meetings were provided in the packet for review:</i></p> <ul style="list-style-type: none"> <li>Board of Directors – March 25, 2014</li> <li>Quality Outcomes Committee – April 16, 2014</li> <li>Financial Strength Committee – April 22, 2014</li> <li>Patient Satisfaction Dashboards – April 2014</li> </ul>	The minutes and reports were approved upon a motion made by Mr. Beaver and a second by Dr. Turner.
<b>Board Education</b>	<p><i>Dr. Rogers asked that members review the educational articles provided in packet:</i></p> <ol style="list-style-type: none"> <li>“Hospital Performance,” <i>HealthLeaders Media</i> Fact File, April 2014.</li> <li>“Trustee Matters,” <i>Missouri Hospital Association</i>, March, 2014.</li> <li>“New Medicaid Managed Care Legislation,” <i>Missouri Hospital Association MHAAlert</i>, April 15, 2014.</li> <li>“How Will Boomer, Gen-X, Millennial Doctors Respond to Health Care Changes?” <i>Forbes</i>, April 10, 2014.</li> <li>“Task Force Releases Guidelines for Improved Price Transparency,” <i>Healthcare Financial Management Association</i>, April 16, 2014.</li> </ol>	Informational.
<b>Administrative Reports</b>	<p><b>CEO Report</b> – Mr. Hample provided the following highlights from the full report provided in the packet:</p> <ul style="list-style-type: none"> <li><b>Unassigned call coverage</b> agreement pending; will provide mechanism to prevent relinquishment of inpatient hospital privileges. Additional discussion since Joint Conference; general overall buy-in from potential participants. Ready to get signatures and put in place. Dr. Turner inquired about BHU component in agreement; Mr. Hample explained that it was adjusted to ensure that medical consults are available from physicians practicing as the Hospitalist. Dr. Turner suggested doc-to-doc communication for consults, if delegated to staff, sometimes delayed or dropped. Mr. Hample noted that it refers to the Medical Staff Bylaws in regards to process.</li> <li>Dr. Turner discussed problems with <b>communicating reports to physicians</b>. Mr. Shaw reported that this is being resolved by re-educating physicians on access to reports. Mrs. Bush explained previous process, depended on how physician offices preferred (paper, fax, etc.). Mr. Hample stated that we are moving away from manual processes, and we need to communicate with</li> </ul>	Informational.

<b>Administrative Reports (cont.)</b>	<p>physicians; have to ensure we work out all potential issues. Dr. Turner suggested also communicating to physicians who send notes or reports to assure them that they have been sent and received. Dr. Gravely added that this was brought up at Joint Conference; Mr. Hample stated that the Cerner system has to be robust enough handle needs.</p> <ul style="list-style-type: none"> <li>Freeman will be onsite this week to present proposal on <b>Hospitalist program</b>. Will need to compare relationships. Hope to bring to closure within next few weeks.</li> </ul>	<p>Informational.</p>
	<p><b>QHR Report</b> – Mr. Yackell provided the following highlights from the QHR items provided in the packet:</p> <ul style="list-style-type: none"> <li><b>CEO Recruitment</b> – reviewed several candidates, four candidates chosen for QHR interviews. Will forward candidates to NRMC for interviews with Board, Medical Staff, Admin, and Dept Heads. Targeting end of May or early June, to start late June, early July. Progressing well.</li> <li><b>PFS Assessment</b> scheduled for May; revenue cycle consultants will be onsite, reviewing processes and making recommendations. Also scheduling <b>Coding Review</b> and <b>Supply Chain Assessment</b>.</li> <li>Educational conferences available.</li> <li>QHR QView “The Secret to Hospital Rankings”</li> <li>QHR Board Minutes “Making the Most of Another ICD-10 Delay”</li> </ul>	<p>Informational.</p>
<b>Financial Strength Report</b>	<p><b>CFO Report</b> – Mr. Shaw provided the following highlights from the full Financial Reports provided in the packet:</p> <ul style="list-style-type: none"> <li>Bond Days Cash on Hand dropped by 3.5 days. Need to catch up on some vendor payments. Not an operational issue.</li> <li>\$700,000 receivable from Medicaid Meaningful Use. Medicaid is behind on process for payment.</li> <li>DSH settlements reserved in the amount of \$700,000 to plan for liabilities and prevent negative surprises in 2015 or 2016.</li> <li>Some improvement, still a loss, all on revenue side. Expenses 14% below YTD average. Salaries down \$400,000, a 12% reduction compared to last year.</li> <li>Mr. Denman inquired about revenue decline; Mr. Shaw explained that it is both revenue capture and volume decline.</li> <li>Mr. Denman inquired about accounts receivable; Mr. Shaw expressed his concern about Medicaid 120+ days. Self Pay is always lengthy collection. Discussed reserves for payor sources; still need a lot of work to clean up the system. Consultants have been asked to focus on timely filing issues to prevent losing money. Have to go back to each account to clean up; Mr. Shaw stated that we have adequate staffing with new leadership, while consultants onsite to get caught up and processes improved. Addressing problems, just very time consuming. Mrs. Hissink shared her experience with outpatient mental health billing. Mr. Shaw stated that staff need training on system, and processes need to be improved. Mr. Russ discussed several major changes for department in last year; Mr. Denman discussed that billing/collections/AR has been an ongoing issue for at least six years. Group discussed lack of leadership, management, and holding staff</li> </ul>	<p>The financial report and approval items were approved upon a motion made by Mr. Denman and a second by Dr. Turner.</p>

<p><b>Financial Strength Report (cont.)</b></p>	<p>accountable. Mr. Hample also discussed changes in external factors such as payor regulations.</p> <ul style="list-style-type: none"> <li>• Operating revenue shows reconciling accounts; reduction in supply expenses as a result of 340B program, adjustment for over-accrual for contract labor.</li> <li>• Compared Revenue and Expenses between November 2013 to March 2014; decline is evident on revenue side.</li> <li>• Reviewed progress toward financial opportunities for improvement.</li> <li>• Mrs. Bush reported on Home Health &amp; Hospice billing improvements; clinical documentation, workflow processes, staff education. Dr. Turner expressed concern for clinic nursing staff; Mrs. Bush explained that it is challenging, but it is expected of nursing staff. Important to provide external audits to ensure we are documenting correctly. Mr. Denman inquired about Home Health &amp; Hospice volumes; Mrs. Bush reported that census ranges between 45-60 in Home Health with a significant presence in Bates County; Hospice ranges between 10-20. Mr. Shaw reported that there is \$1million net waiting for payment from Home Health &amp; Hospice claims. Mr. Denman asked if there is any legal recourse when payors delay payments; Mr. Shaw explained governmental payor sources.</li> </ul>	<p>The financial report and approval items were approved upon a motion made by Mr. Denman and a second by Dr. Turner.</p>
	<p><b>Approval Items:</b> details provided in the packet:</p> <ol style="list-style-type: none"> <li>1. <b>Toshiba CT service agreement</b></li> <li>2. <b>Laundry &amp; Linen contracts</b></li> <li>3. <b>Cerner PFS consulting services</b></li> </ol> <p>Mrs. Hissink expressed her concern with <b>approving additional expenses</b> when we are still negative; have been told by previous financial leadership that we needed to cut by \$400k per month every month, and we are not meeting that goal. Mr. Shaw explained that these costs will help improve collections. Mrs. Hissink inquired about <b>Service Line Assessments</b>; the Board has never received those results to know which departments are profitable or not. Mr. Hample suggested holding a special session just to review these. He also discussed some tradeoffs with savings found; Mr. Shaw reviewed reduction in expenses over past few months.</p>	
	<p><b>Financial Policies:</b> recommendations provided in the packet:</p> <ol style="list-style-type: none"> <li>1. <b>Collections Policy</b></li> <li>2. <b>Financial Assistance Program</b></li> </ol> <ul style="list-style-type: none"> <li>• Mr. Shaw reported that these policies tie into the new <b>Centralized Scheduling</b> program. Expect to help reduce bad debt by identifying eligibility for charity care. Gives staff guidelines. Mr. Denman stated that implementation is important, not just policy.</li> <li>• Group discussed requiring <b>payment up front</b> from patients, even with commercial insurance. Mr. Russ suggested finding out how other area hospitals handle this, as to not deter patients from utilizing our services based on financial arrangements. Mr. Hample stated that we will see improvement by just asking for payment and arranging for monthly payments, not even requiring payment up front if not available.</li> <li>• Recommend <b>discounts</b> – 35% uninsured discount + 5% prompt pay discount. Will reduce bad debt and improve Bond Days Cash on Hand. Also proposed a catastrophic discount of 90%.</li> </ul>	

<b>Financial Strength Report (cont.)</b>	<ul style="list-style-type: none"> <li>Mr. Russ noted that <b>sample letters</b> are worded very well.</li> <li>NRMC will send out four statements + two letters before forwarding accounts to <b>collections</b>.</li> <li>Defined <b>service area for financial assistance</b>; including Vernon County, some of Cedar and Bates. Others on case-by-case basis. Change wording to include any referrals from practitioners located within service area.</li> </ul>																			
<b>Board Committee Reports</b>	<ul style="list-style-type: none"> <li><b>Quality Outcomes Committee</b> – Mrs. Bush reported that the committee recognized the OB department for reduction in early elective deliveries; NRMC was also recognized by March of Dimes for this effort. Dr. Turner added that we have had no c-section infections; a long term success. The Board emphasized the need to market these successes. Foley catheter usage is steadily declining from ED to OB to Acute Care; pleased that this is going well also. Low fall rates. Security has been working on psych safety for past year; have done a good job. Maintaining pharmaceutical waste disposal. Planning emergency drills. Reviewing core measures for Joint Commission data submission.</li> <li><b>Hospitalist Subcommittee</b> – Mr. Russ reported that two main issues have been previously discussed in CEO Report – unassigned call coverage and presentation of proposal from Freeman upcoming.</li> <li><b>Physician Relations Committee</b> – Dr. Rogers stated nothing to report.</li> </ul>	Informational.																		
<b>Board Governance</b>	None.	No action taken.																		
<b>Adjournment</b>	The meeting was adjourned at 7:47 p.m. upon a motion made by Mr. Beaver and a second by Mr. Bledsoe. Results of a Roll Call vote are as follows:	<table border="0"> <tr><td>Bob Beaver</td><td>Yea</td></tr> <tr><td>Larry Bledsoe</td><td>Yea</td></tr> <tr><td>Jenise Burch</td><td>Yea</td></tr> <tr><td>Brad Copeland</td><td>Yea</td></tr> <tr><td>Bill Denman</td><td>Yea</td></tr> <tr><td>Cathy Hissink</td><td>Yea</td></tr> <tr><td>William Turner</td><td>Yea</td></tr> <tr><td>Steve Russ</td><td>Yea</td></tr> <tr><td>Glenn Rogers</td><td>Yea</td></tr> </table>	Bob Beaver	Yea	Larry Bledsoe	Yea	Jenise Burch	Yea	Brad Copeland	Yea	Bill Denman	Yea	Cathy Hissink	Yea	William Turner	Yea	Steve Russ	Yea	Glenn Rogers	Yea
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Respectfully submitted,

Mandi Jordan  
Executive Assistant