

Nevada Regional Medical Center
Board of Directors
March 25, 2014

Members Present: Glenn Rogers, Steve Russ, Cathy Hissink, Dr. Bill Turner, Bill Denman, Jenise Burch (arrived 6:51pm), Brad Copeland, Bob Beaver, Larry Bledsoe, Dr. Sean Gravely

Others Present: Bryan Breckenridge, Mike Stenger, David Hample, Greg Shaw, Cory Vokoun, Holly Bush, Steve Branstetter, Heather Brockmeyer, Judy Herstein, Mandi Jordan, Russ Warren, Gloria Tucker

| Topic | Discussion | Action & Follow-Up |
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| <p>Guest: <i>Angela Cobb, QHR Director of Executive Recruitment</i></p> | <p>Prior to the meeting being called to order, Angela Cobb, QHR Director of Executive Recruitment, visited to explain the CEO recruitment process and to obtain input on needs related to experience, personality, and leadership style. The group shared these key factors for CEO recruitment:</p> <ul style="list-style-type: none"> • Honesty, ability to build relationships with doctors, strong leadership skills, community involvement, financial understanding, flexibility. • Community strengths – hunting, fishing, family-oriented, parks, various sports programs. • The board inquired about typical tenure for hospital CEOs; Ms. Cobb stated that it is 3-5 years. About 10 years ago, the answer would have been more around 5-8 years. Discussed changes in health care industry and initiatives such as Affordable Care Act. | <p>No action taken. Follow-up as needed.</p> |
| <p>Educational Presentation: “Meaningful Use Update” <i>by Chris Crist, IT Director</i></p> | <p>Prior to the meeting being called to order, Chris Crist, IT Director, presented information regarding Meaningful Use. The group discussed the following:</p> <ul style="list-style-type: none"> • These are requirements for all health care facilities in the U.S. Very complex and complicated, governed by CMS. • In order to remain competitive, industries implement new technology. Same with health care; goals include improving quality, safety, efficiency, and reducing health care disparities. <ul style="list-style-type: none"> ○ Reduce medical errors – written order could be lost, could be misinterpreted; discussed risks for patient safety. ○ Engage patients and family members – Patient Portal improves patient access to medical records and information. ○ Coordination of Care – goal behind Health Information Exchange is to have all medical records available to all providers to help them make more informed decisions in a more timely fashion. • In order for NRMC to obtain \$1.4million in financial incentives, we must attest that we are compliant with the requirements, or we will see financial penalties if we do not meet requirements. In order to attest, multiple departments will need to work on this daily, very high priority. <ul style="list-style-type: none"> ○ CPOE, record demographics, record changes in vital signs, record smoking status, report clinical quality measures, provide patients electronic copy of health information and | <p>Informational.</p> |

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| Educational Presentation: “Meaningful Use Update” (cont.) <i>by Chris Crist, IT Director</i> | <p>discharge instructions, medication reconciliation, e-prescribing, Patient Portal, Health Information Exchange.</p> <ul style="list-style-type: none"> • Mr. Bledsoe inquired about the server to store this amount of information; Mr. Crist explained the cloud. Mrs. Bush described her tour of the Cerner bunker that stores their information, very secure. Mr. Bledsoe also inquired about security risks such as hackers; Mr. Crist discussed the various risks involved and that steps are taken to avoid. • Mr. Hample emphasized that NRMC will lose out on financial incentives, as well as being reimbursed at a lower rate if we do not meet the requirements. • Mr. Bledsoe inquired about status of MU efforts; Mr. Crist discussed that it is a great team effort, not only one area involved. Will discuss at length at Department Head tomorrow to share timeframe and responsibilities. Will need buy-in from nurses and physicians. Mr. Crist stated that he is impressed with some physician utilization. Mrs. Bush shared that we have attested for other stages, so this is more of the same, but the bar keeps being raised higher. Mr. Crist expressed his confidence in NRMC attesting and receiving the financial incentives. | <p>Informational.</p> |
| Call to Order | <p>Dr. Rogers called the meeting to order at 6:21 p.m. No conflicts of interest were disclosed.</p> | <p>No action taken.</p> |
| Celebration of Good Things | <ul style="list-style-type: none"> • Mr. Hample stated that NRMC has an excellent group of employees. Dr. Turner stated that he appreciates Mr. Hample rounding on staff and that morale has improved. • Dr. Rogers shared a positive experience with Home Health; staff are simply amazing. | <p>No action taken. Follow-up as needed.</p> |
| Approval of Minutes & Reports | <p><i>Reports and minutes of the following meetings were provided in the packet for review:</i></p> <ul style="list-style-type: none"> • Board of Directors – February 25, 2014 • Workforce Excellence & Community Networking Committee – March 13, 2014 • Technology Committee – March 18, 2014 • Financial Strength Committee – March 18, 2014 • Patient Satisfaction Dashboards – March 2014 | <p>The minutes and reports were approved upon a motion made by Dr. Turner and a second by Mr. Beaver.</p> |
| Board Education | <p><i>Dr. Rogers shared his analysis of the educational articles provided in packet:</i></p> <p>a. “Outpatient Services Under PPACA,” <i>HealthLeaders Media</i> Fact File, January/February 2014.</p> <p>Dr. Rogers discussed the Fact File predicting change in outpatient services under PPACA. Need to share with legislators in states looking at Medicaid Expansion, such as Missouri leaving money on the table. Mr. Breckenridge discussed recent activity with Senators announcing that they would do anything to block expansion from passing.</p> <p>b. “Price Variation & Transparency,” <i>HealthLeaders Media</i> Fact File, March 2014.</p> <p>Dr. Rogers discussed pricing transparency; when hospitals list prices for procedures, consumers can make more informed decisions. Discussed at today’s Physician Relations Committee; understand the difference between charges and reimbursement. Discussed public rating system, not always accurate, but available. Encourage to adjust prices, improve quality of care, and advertising accomplishments.</p> | <p>Informational.</p> |

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| Board Education (cont.) | <p>c. “Summary of February MHA Board of Trustees Meeting,” Missouri Hospital Association, March 18, 2014. MHA information discussed reduction to Medicare payments to physicians. Do not have confidence that legislation will resolve this issue.</p> | Informational. |
| Administrative Reports | <p>CEO Report – Mr. Hample provided the following highlights from the full report provided in the packet:</p> <ul style="list-style-type: none"> • 265 employees attended the All Employee Meetings; shared concerns and information. Pleased with their involvement. Challenge is now to react to what we learn and continue to convey transparency. • Participated in a Home Health ride along and have new admiration for caregivers. Community is lucky to have this staff. • Focus on implementing Hospitalist program and resolving issue with unassigned call coverage. Opportunity to work on both together to meet both needs at once. Need to collaborate to find a suitable solution, will involve cost. Need to move fairly quickly; will be discussion for several months. There are so many options for the program. Tertiary facilities with experience interested in being involved, as well as some local physicians participating. Met with NMC, they seem to be pleased that things are moving forward. Need to build both inpatient and outpatient volumes. Have done a good job controlling expenses, need to promote services in community. <ul style="list-style-type: none"> ○ Mr. Copeland asked why we would only focus on new graduates for recruitment of Hospitalist; Mr. Hample stated that there are not usually Hospitalists waiting to take a job; may be a factor in choosing which tertiary to work with. ○ Important to not lose autonomy, opportunity to work with tertiaries to help our facility. ○ Dr. Rogers proposed a Board Resolution to move forward on Hospitalist program and to resolve unassigned call issues. • Meaningful Use and ICD-10 very high priorities. Contracted with company to provide training for ICD-10 implementation services. Discussed HIS coding staff. • Cerner moving in right direction, system capable of doing what we need it to do. IT staff helping staff along the way to get through frustrations. • Opportunities with ambulance service; Dr. Turner reported that he has discussed with them, and they invite board and physicians to attend ambulance board meetings. • Working to build relationships with area hospitals, sharing resources. <p>Quarterly Compliance Report – Mrs. Bush provided the following highlights from the Compliance Calendar provided in the packet:</p> <ul style="list-style-type: none"> • Based on OIG focus. • Reviewing physician non-monetary compensation; clearly within compliance. | <p>Informational.</p> <p>The Board Resolution was approved upon a motion made by Dr. Turner and a second by Mr. Bledsoe.</p> <p>The compliance calendar was approved upon a motion made by Mr. Beaver and a second by Mrs. Hissink.</p> |

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| Administrative Reports (cont.) | <p>Quarterly CNO Report – Mr. Vokoun provided the following highlights from the CNO Report handed out at the meeting:</p> <ul style="list-style-type: none"> • Census has fluctuated quite a bit; impacts staffing. • New Acute Care Manager coming on board; will help get back on track with patient satisfaction. • Discussed good throughput in ED with wait times 5-20 minutes. • ED Nurse Manager visiting senior center to help patients understand when to seek emergency care vs. outpatient care. • Marketing our wide variety of services and technology. | <p>Informational.</p> |
| | <p>QHR Report – Mr. Stenger provided the following highlights from the QHR items provided in the packet:</p> <ul style="list-style-type: none"> • QHR QView “Dropping Inpatient Volumes, Growing Concerns” • QHR Board Minutes “The Numbers Speak Volumes: Insurance Marketplace Enrollment” • QHR QPA Material Matters “Supply Operations” • Educational conferences available. | <p>Informational.</p> |
| Financial Strength Report | <p>CFO Report – Mr. Shaw provided the following highlights from the full Financial Reports provided in the packet:</p> <ul style="list-style-type: none"> • Focusing on AR reduction. Need to automate processes with Cerner. Declining volumes and revenue. Operating loss of \$521,883; \$3,701,132 loss YTD. • Seeing reductions in expenses. • Mr. Hample discussed importance of case mix index to revenue. <p>Mr. Shaw shared several financial opportunities related to gross revenue, net revenue, expenses, cash, and other areas:</p> <ul style="list-style-type: none"> • Gross Revenue – Cerner, Chargemaster audit, charge capture audit • Net Revenue – Cerner, Chargemaster audit, charge capture audit, AR reduction, renegotiate managed care contracts, zero balance audit, maximize reimbursement, strategic pricing analysis, clinical documentation improvement, improve revenue cycle, implement ICD-10, research Sole Community Hospital status, evaluate collection agencies, maintain physician insurance credentialing, review Medicare cost reports, restructure PFS department. <ul style="list-style-type: none"> ◦ Discussed managed care contracts, price transparency, and strategic pricing comparison. ◦ Dr. Turner inquired about charges and billing; Mrs. Bush reported that anesthesia charges have been corrected. Wound clinic records have been audited to resubmit claims for facility fees and improving charging and coding processes. • Expenses – Cerner, employee benefits, review contracts, clinic financial analysis, GPO compliance, non-salary expense reduction, energy savings, phone and utility audits, linen contract, review BKD audit services and fees. • Other Operating Revenue – Meaningful Use incentives • Cash – Rural Health Clinic Medicaid cost reports, wrap around payments, price increase. • Non-Financial Opportunity – clean fiscal year end audit | <p>The financial report and approval items were approved upon a motion made by Mr. Beaver and a second by Mr. Bledsoe.</p> |

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| Financial Strength Report (cont.) | <ul style="list-style-type: none"> ○ Dr. Rogers inquired about staffing needs to achieve goals; Mr. Shaw stated that he believes we have adequate staffing. Accounting department may need help, and may need additional financial counselor. <p>Approval Items: details provided in the packet:</p> <ol style="list-style-type: none"> 1. Siemens mammo service agreement 2. Cerner fee schedule revision 3. Administrative Policy #950.945 – Spending Authority (approved with no changes) | <p>The financial report and approval items were approved upon a motion made by Mr. Beaver and a second by Mr. Bledsoe.</p> | | | | | | | | | | | | | | | | | | |
| Board Committee Reports | <ul style="list-style-type: none"> • Workforce & Community Networking Committee – Mrs. Brockmeyer discussed recruitment efforts. New website coming on board, will improve online job board. Three management positions open; 20 hospital positions, 11 LTC positions. Marketing continues to be an emphasis. • Technology Committee – Mr. Denman reported that we have completed moving the Warehouse; working to reduce expenses. • Physician Relations Committee – Mr. Russ reported on the meeting today; discussed CEO recruitment. • Hospitalist Subcommittee – Mr. Russ reported progress toward the list of next steps developed by the committee; await proposal from St. Luke’s in order to move forward with Letter of Intent. Now other tertiary facilities are interested in being involved, will need to compare costs. • Tertiary Affiliation Subcommittee – Dr. Rogers reported that deliberately slowed process to see where Hospitalist program falls. | <p>Informational.</p> | | | | | | | | | | | | | | | | | | |
| Board Governance | <p>None.</p> | <p>No action taken.</p> | | | | | | | | | | | | | | | | | | |
| Adjournment | <p>The meeting was adjourned at 7:42 p.m. upon a motion made by Mr. Bledsoe and a second by Dr. Copeland. Results of a Roll Call vote are as follows:</p> | <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 |
| 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 | | | | | | | | | | | | | | | | | | | |

Respectfully submitted,

Mandi Jordan
Executive Assistant