

Nevada Regional Medical Center
BOARD OF DIRECTORS
June 30, 2015

Members Present: Steve Russ, Larry Bledsoe, Bill Denman, Bob Beaver, Brad Copeland, Mike Farran, Delton Fast, Dr. Sherwin Parungao, Kevin Leeper

Members Absent: Jenise Burch, Dr. Sean Gravely

Others Present (Internal): Cory Vokoun, CNO; Holly Bush, CQO; Heather Brockmeyer, HRAO; Steve Branstetter, LTCAO; Judy Herstein, CR/F Director, Dana White, Controller; Mandi Jordan, EA

Others Present (External): Bryan Breckenridge, Legal Counsel; Michelle Workman, NDM Reporter

Topic	Discussion	Action & Follow-Up
Call to Order	Mr. Russ called the meeting to order at 5:46 p.m. No conflicts of interest were disclosed.	No action taken.
Celebration	<ul style="list-style-type: none"> • Mr. Leeper invited the group to celebrate new fiscal year eve. Thanked staff for hanging in there over past couple of years, through a lot of changes, still more changes to come with timekeeping system upgrade, performance evaluation process, ACO concept, and more. • Mrs. Herstein shared that the Foundation held a new fundraiser "Purse Bingo" this past weekend, very successful raising over \$3k toward bariatric stretcher. 	Informational.
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"> • Finance Committee – April 27, 2015 • Board of Directors – April 28, 2015 • Physician Relations Committee – May 18, 2015 • Quality Committee – May 20, 2015 • Patient Satisfaction Dashboards 	The minutes and reports were approved upon a motion made by Bob Beaver and a second by Dr. Parungao.
Board Education	<p>a. "High and Low Bond Ratings," <i>HealthLeaders Media</i> Fact File, June 2015.</p> <p>b. "Becoming a Visionary Board in an Era of Transformation," <i>MHA Trustee Matters</i>, June 2015. Mr. Russ stated that he found this article emphasized the importance for board members to look to the future; discussed upcoming strategic planning session in August to give us this opportunity.</p> <p>c. "These 4 Strategies Make Population Health Thrive," by Rene Letourneau, <i>HealthLeaders Media</i>, June 1, 2015.</p> <p>d. "Where Medicaid Expansion Matters: Small Illinois Hospital Expands While Missouri Counterparts Cut Back," by Beth Kutscher, <i>Modern Healthcare</i>, June 6, 2015. Mr. Russ discussed that some in Missouri who do not qualify for Medicaid have qualified for commercial insurance plans through the marketplace, but anticipate these plans to have high deductibles; discussed differences in reimbursement and impact to hospital and patient financials.</p> <p>e. "Pioneer ACOs' Medicare Costs \$385 Million Lower Than Fee-For-Service Model," by Jennie Smith, <i>Internal Medicine News</i>, May 4, 2015.</p> <p>f. "The Next Generation ACO Model," <i>Health Capital Topics</i>, May 2015. Discussed that the ACO articles note that there are challenges to the ACO model, but still believe it is better to be ahead of the curve than to fall behind.</p>	Informational.

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<p>Administrative Reports</p>	<p><u>CEO Report</u> – Mr. Leeper provided the following highlights:</p> <ul style="list-style-type: none"> • QHR RVP turnover – Bill Donatelli will oversee account until the position is filled. • ACO update – submitted application with \$24k payment, which is refundable. Appreciate Dr. Lovinger’s willingness to participate with NRMCC, helped reach the amount of Medicare patients needed to be attributed to our services. Do not anticipate much activity between now and January. Payment mechanism will eventually change to shared savings programs; staying ahead of curve. Other local physicians can join at a later date, hope they see value in participating. • SOLIC update – forwarded final report to Bond Insurer, await feedback. Special board meeting called July 7th; City of Nevada consultant will review recommendations with board. Have not yet received proposal from SOLIC for implementation. Already working on things they mentioned, making great strides. Will provide update prior to meeting. • Performance Evaluations – each employee is finalizing their goals and managers are scoring on new online tool. Will work through July to roll-out on how this ties to salary adjustments, will involve Board. • Recruitment – received several Athletic Trainer applications, have interested candidate for Sleep Tech position. Made two offers to in-house coders, checking references. • Service Line Assessments – Mr. Harbor is finalizing assessments for inpatient BHU, OB, Acute Care. Still vetting how to apply overhead and ancillary service costs; will finalize and report in coming months, possibly at Strategic Planning Session. Discussed the need to consider Medicaid utilization and other payments received. • Strategic Planning – QHR will provide global market perspective, drafting agenda. Important day and a half. 	<p>Informational.</p>
<p>Financial Reports</p>	<p><u>CFO Report</u> – Mr. Bledsoe provided the following highlights for period ending May 31, 2015:</p> <ul style="list-style-type: none"> • Profitable month with Net Income at \$63,098. • Extra one-time payments received in May including Medicaid Meaningful Use (\$283k) and Medicaid Upper Limit (\$222k); also received Medicare PIP adjustment in our favor of nearly \$1m. • Volumes were lower, impacting revenues. • Bond days cash at 40.6, target it 70 days. LTC prepayment will help reach goal to be in compliance with bond covenants. Mr. Leeper added that we are staying the course of improvement. • Estimated FYE financials show turnaround from \$8m loss to \$1m loss, substantial improvement over one year. A lot of hard work went into that, have to keep charging forward. • Mr. Leeper explained a new report comparing to FY16 budget; hoping to continue to grow. Will not have some of the extra payments received in FY15, will be challenging to replace that income with patient revenue. • Mr. Leeper stated that starting in July, we will include a breakout report of contractual allowances by payor group. Will give more information about important metrics. Fine tuning financial report. 	<p>The financial reports were approved upon a motion made by Bob Beaver and a second by Brad Copeland.</p>

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Financial Reports (cont.)	<p><u>Approval Items:</u> summary provided in the packet:</p> <ol style="list-style-type: none"> 1. NRACO Application Fee - \$24k 2. Change in Bank Account Authorizations 	<p>The NRACO application fee was approved upon a motion made by Bob Beaver and a second by Brad Copeland. The changes in bank account authorizations were approved upon a motion made by Bob Beaver and a second by Delton Fast.</p>																		
Board Committee Reports	<p>Workforce Committee – Mrs. Brockmeyer reiterated that SOLIC recommends monitoring productivity; she provided updated productivity reports and explained that target productivity index is 90. Some departments cannot reach that goal due to required staffing patterns. Mr. Russ inquired about departments over 100; Mrs. Brockmeyer explained that some departments are understaffed; some show significant fluctuation month-to-month, look at overall roll-up for most accurate picture. Mr. Leeper stated that he is pleased with the improvement since earlier this calendar year, better utilizing tool, better managing staff. Discussed timing of data availability to staff. Mr. Russ inquired about employee engagement survey; Mrs. Brockmeyer discussed that timing may have to be pushed back.</p> <p>Technology Committee – Mr. Leeper provided an update on recent flood and water damage. Mr. Bledsoe provided an update on active projects. Mr. Leeper stated that we are ready to attest for next phase of Meaningful Use as soon as CMS allows. Discussed IT leadership turnover. Dr. Parungao asked about cell reception; Mr. Leeper discussed the challenges with AT&T service, looking at another vendor.</p> <p>Physician Relations Committee – Mr. Russ reported that Dr. Booth attended as the guest physician; discussed Surgery staffing, good exchange of ideas. Mr. Leeper added that employee morale has improved in that department.</p>	<p>Informational.</p> <p>Informational.</p> <p>Informational.</p>																		
Board Governance	<p>Mr. Russ encouraged Board members to attend the MHA Excellence in Governance certificate program, including one day session and six online courses.</p>																			
Adjournment	<p>The meeting was adjourned at 6:34 p.m. upon a motion to move into Executive Session in accordance with RSMo (1994) Section 610.021 Subparagraph (1), (2) and (3) made by Bob Beaver and a second by Larry Beaver. Results of a Roll Call vote are as follows:</p>	<table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">Bob Beaver</td> <td style="text-align: right;">Yea</td> </tr> <tr> <td>Larry Bledsoe</td> <td style="text-align: right;">Yea</td> </tr> <tr> <td>Jenise Burch</td> <td style="text-align: right;">Absent</td> </tr> <tr> <td>Brad Copeland</td> <td style="text-align: right;">Yea</td> </tr> <tr> <td>Bill Denman</td> <td style="text-align: right;">Yea</td> </tr> <tr> <td>Mike Farran</td> <td style="text-align: right;">Yea</td> </tr> <tr> <td>Delton Fast</td> <td style="text-align: right;">Yea</td> </tr> <tr> <td>Sherwin Parungao</td> <td style="text-align: right;">Yea</td> </tr> <tr> <td>Steve Russ</td> <td style="text-align: right;">Yea</td> </tr> </table>	Bob Beaver	Yea	Larry Bledsoe	Yea	Jenise Burch	Absent	Brad Copeland	Yea	Bill Denman	Yea	Mike Farran	Yea	Delton Fast	Yea	Sherwin Parungao	Yea	Steve Russ	Yea
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Respectfully submitted, Mandi Jordan, Executive Assistant