

Nevada Regional Medical Center
BOARD OF DIRECTORS
May 26, 2015

Members Present: Steve Russ, Jenise Burch, Larry Bledsoe, Bill Denman, Bob Beaver, Brad Copeland, Mike Farran, Delton Fast, Dr. Sherwin Parungao, Dr. Sean Gravely (arrived 6:59pm), Kevin Leeper

Members Absent: None

Others Present (Internal): Mike Harbor, Interim CFO; 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; Herb Winters, QHR AVP; Michelle Workman, NDM Reporter

Topic	Discussion	Action & Follow-Up
Presentation	<p>Prior to the meeting being called to order, Mr. Leeper presented a brief introductory video on that National Rural ACO Consortium.</p> <ul style="list-style-type: none"> • 260 rural hospitals applied by May 1st deadline, may be more. Expect two ACOs in state of Missouri, received list of potential hospitals we may be partnered with (Bolivar, West Plains, St. Gen, Perry County). Clarified that these are not referrals partners, requirement for ACO is to be under 100 beds; key is to reach 5,000 beneficiaries to serve. Beneficiaries are assigned by CMS based on where patients receive the majority of primary care services. • Value is access to Medicare claim data; wealth of information to know where patients are going for other services outside NRM. Not available until participate in the program. • Push back from independent physicians, do not see benefit to offset extra work in quality reporting. Do not expect onerous on physicians, between NRACO Consortium and Care Coordinator. Do not have to have all doctors, can join later during annual enrollment. • Compelled to move forward. Do not see risk. • Mr. Winters directed members to review the QHR Board Minutes; shows population health management saves money. Payment changing from volume to value; by 2018 based on quality of care. This program gets hospitals ready to operate in that model. Key is data analysis. • Discussed fees of \$1,000 and \$24,000. Up front grant funding does not come to NRM, goes to NRACO for coordinating this program. Will continue to receive FFS reimbursement throughout the three year period. Cost of hiring Care Coordinator falls on NRM; this position would focus on top 10% of chronic care patients, and some services are billable. 	Informational.
Introduction	<p>Mr. Breckenridge announced that James Sneed is acting as a consultant for City of Nevada, advisor for NRM. Will be reviewing some operational information, the SOLIC recommendations, and the QHR contract. Mr. Breckenridge shared details from his resume, and noted that the City Council wants to assist NRM during this difficult time. Clarified that Council had to pass an emergency ordinance in order to hire Mr. Sneed prior to the June 9th meeting, not an urgent matter on NRM's part. Mr. Bledsoe added that he may bring valuable independent information to the Board, not connected with SOLIC, or the Bond Insurer and Trustee. Mr. Winters reiterated that this Board will be making the decisions, and is ultimately in control of hospital. Mr. Breckenridge reminded the group that we have not defaulted on our bonds, only triggered one covenant that requires the external consultation. Mr. Denman stated that we welcome this review. ACA is paying \$50k after report is received.</p>	Informational.

Nevada Regional Medical Center
BOARD OF DIRECTORS
May 26, 2015

Call to Order	Mr. Russ called the meeting to order at 6:26 p.m. No conflicts of interest were disclosed.	No action taken.
Celebration	<ul style="list-style-type: none"> • Mr. Leeper stated that he is proud that we have improved this much in such a short time. Discussed that the draft budget is in place, leading with a higher sense of accountability. Solid consistent reporting for several months, more predictable future. Mr. Russ appreciation for having information in advance, time to review before voting. 	
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 Jenise Burch and a second by Bob Beaver.
Board Education	<p>a. “Hospital Performance,” <i>HealthLeaders Media Fact File, May 2015.</i> Discussed efficiency of hospital, shorter patient stays, less expense – how does NRMC compare? Mr. Leeper stated that our Length of Stay is within industry standards. BHU does drive up overall indicator. Mr. Denman asked if there is a correlation between LOS and Readmissions; Mrs. Bush responded that no, it is more about care coordination after patient is discharged; discussed importance of getting the patient to their follow-up appointment. NRMC’s average readmission rate is 12% compared to national at 17%; doing well.</p> <p>b. “Pioneer ACOs Point to Enhanced Quality & Cost Savings,” <i>QHR Board Minutes, May 2015.</i> Article shows that not all pioneer ACOs reflected significant savings, which makes your partners important.</p> <p>c. “Primary Care in the ED-No End in Sight,” <i>QHR QView, May 2015.</i> Article states with expanded Medicaid, ED visits did not decrease as expected. Mrs. Bush shared that we are known to have superutilizers that we try to enroll in our Complex Care Program for Social Worker follow-up, however many will not cooperate. Discussed behavioral and socioeconomic factors. The group discussed ED visits and reimbursement; Mr. Denman stated that hospital carries overhead of Emergency Department, expensive level of care. Mr. Russ noted that ACO Care Coordinator would only be working with Medicare pts, at least during initial period. Have discussed onsite urgent care; Mr. Bledsoe warned against increased patient complaints. Mrs. Bush discussed the importance of pre-auth process for testing done through ED.</p>	Informational.
Administrative Reports	<p><i>CEO Report</i> – Mr. Leeper provided the following highlights from the full report provided in the packet:</p> <ul style="list-style-type: none"> • Fiscal year ending, expect to exceed budget last two months. Optimistic moving forward. • New providers starting; Dr. Wilson, two Nurse Practitioners. Dr. Beard relocating; will seek Gynecological coverage. • Discussed staffing difficulties. 	Informational.

Nevada Regional Medical Center
BOARD OF DIRECTORS
May 26, 2015

Administrative Reports (cont.)	<p><u>Compliance Report</u> – Mrs. Bush provided the following highlights; full report provided in the packet:</p> <ul style="list-style-type: none"> • 3 investigations have been closed with no findings, did well with responses to State and Federal levels. • Hospice complaint survey unsubstantiated, actively fixing documentation issues. • Discussed HIPAA activity, have changed the way we submit records requests. • QHR assessment and security risk assessment went well; scored 80-90% compared to 65% average; confident in secure systems. • Compliance Calendar requires Board approval. 	<p>The compliance calendar was approved upon a motion made by Bob Beaver and a second by Delton Fast.</p>
	<p><u>CNO Report</u> – Mr. Vokoun provided the following highlights from the full report provided in the packet:</p> <ul style="list-style-type: none"> • Cerner kick-off for BHU module, implementation will take most of summer. • BHU recognized by former patient, shared letter. NRMC has a unique facility that provides excellent care. 	<p>Informational.</p>
	<p><u>QHR Report</u> – Mr. Winters provided the following update:</p> <ul style="list-style-type: none"> • Conducting weekly calls concerning revenue cycle. Have made great strides as far as Net AR Days, overall improvements. Have been thinking about replacing the claims management system to improve clean claim rate; comparing three vendors and negotiating with Cerner to offset cost. Can also help with eligibility and authorization process. • Discussed annual GPO exposure letter and compliance with Anti-Kickback laws. NRMC received total savings of \$274k by utilizing QHR’s GPO (HPG) to leverage pricing. 	<p>Informational.</p>
Financial Reports	<p><u>CFO Report</u> – Mr. Harbor provided the following highlights for period ending April 30, 2015:</p> <ul style="list-style-type: none"> • Good month profitable at \$383,741; received an additional DSH adjustment. Overall improvement in operations. • Reviewed a volume comparison; improving in all areas except surgeries. • Cash down from prior year, but stronger balance sheet than previous year. • Net AR better at 54.4 days. • FTE/AOB on target. Salaries & supplies are managed closely according to census. Mr. Bledsoe asked about salaries as percent of net revenue; currently at 39.1%; Mr. Winters stated that QHR benchmarks 38-39% based on size of hospital, currently on target. • Mr. Denman asked QHR to provides an industry comparison on financial indicators; Mr. Winters stated that there is a comparison report available. Mr. Leeper stated that we compare ourselves to peer group. Provide report. • Mr. Denman asked about productivity comparison – Mr. Winters stated that measures are individualized to hospital, usually at 75th-90th %tile. 	<p>The financial reports and approval items were approved upon a motion made by Brad Copeland and a second by Bob Beaver.</p> <p>Include QHR comparison report in monthly financial reports.</p>
<p><u>Approval Items:</u> summary provided in the packet:</p> <ol style="list-style-type: none"> 1. Lab Chemistry Analyzer – replaces current rental equipment with operating lease, and adds testing to our in-house menu. Annual cost savings is estimated at \$56,990. 2. Liability Insurance Renewal – same carrier, affiliated with MHA. Dividend check expected in July. 		

Nevada Regional Medical Center
BOARD OF DIRECTORS
May 26, 2015

Financial Reports (cont.)	<p><u>FY16 Budget</u> Draft budget provided; Finance Committee requested a breakeven budget, will be revised.</p> <ul style="list-style-type: none"> • Dramatic financial and operational turnaround; volumes improving • Expect rate capture improvement by utilizing new chargemaster tool • Wage adjustments built into draft budget • 340B expansion will offset some costs. • Discussed MU, DSH, RHC wraparound payments • Discussed cost of Hospitalist Program 	Informational.																		
Board Committee Reports	<p>Physician Relations Committee – Mr. Russ reported that Dr. Booth was not able to attend, will be invited to next meeting.</p>	Informational.																		
	<p>Quality Committee – Mrs. Bush shared a presentation reviewing strategic initiatives and current scores on bedside medication verification, patient flow, fall rates. Increased accountability. Developing improved relationship with VCAD. State of Missouri reducing # of psych beds, causing crisis situation; additional risk, staffing/oversight.</p> <p>Also discussed patient satisfaction; recently re-engaged management in process. Inpatient and Emergency scores have improved; discussed discharge information not consistent. Patient satisfaction software can help resolve issues. Discussed low survey response rate. Mr. Denman stated that this is part of value-based purchasing, need to do whatever we need to do to improve. Discussed Outpatient areas; need to drill down to a couple of areas who are pulling down overall averages. Adding CG (physician offices) & Hospice CAHPS.</p> <p>Safety Update – discussed drill activity and other efforts.</p> <p>Mr. Leeper reiterated that this past year was focused on financials as it is imperative to recover. Team did not drill down into data, but this will truly be a focus this next fiscal year. Many of the staff set goals tied to these scores, need more focus.</p>	Informational.																		
Board Governance	<ul style="list-style-type: none"> • NRMC Insurance Summary – summary of all insurance policies provided for review. • Board Bylaws & Policy Manual Review – Mr. Russ tabled item until June. • Strategic Planning – scheduling a Friday/Saturday in August or September. 	The insurance summary was approved upon a motion made by Bob Beaver and a second by Bill Denman.																		
Adjournment	The meeting was adjourned at 7:59 p.m. upon a motion to move into Executive Session in accordance with RSMo (1994) Section 610.021 Subparagraph (1), (3), and (17), made by Larry Bledsoe and a second by Bob Beaver. Results of a Roll Call vote are as follows:	<table style="width: 100%; border: none;"> <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>Mike Farran</td><td>Yea</td></tr> <tr><td>Delton Fast</td><td>Yea</td></tr> <tr><td>Sherwin Parungao</td><td>Yea</td></tr> <tr><td>Steve Russ</td><td>Yea</td></tr> </table>	Bob Beaver	Yea	Larry Bledsoe	Yea	Jenise Burch	Yea	Brad Copeland	Yea	Bill Denman	Yea	Mike Farran	Yea	Delton Fast	Yea	Sherwin Parungao	Yea	Steve Russ	Yea
Bob Beaver	Yea																			
Larry Bledsoe	Yea																			
Jenise Burch	Yea																			
Brad Copeland	Yea																			
Bill Denman	Yea																			
Mike Farran	Yea																			
Delton Fast	Yea																			
Sherwin Parungao	Yea																			
Steve Russ	Yea																			

Respectfully submitted, Mandi Jordan, Executive Assistant