

Nevada Regional Medical Center
BOARD OF DIRECTORS
February 23, 2016

Members Present: Steve Russ, Jenise Burch, Larry Bledsoe, Bob Beaver, Brad Copeland, Mike Farran, Delton Fast, Kevin Leeper, Dr. Russ Kemm (arrived 6:44pm)

Members Absent: Bill Denman

Others Present (Internal): Cory Vokoun, CNO; Holly Bush, CQO; Heather Brockmeyer, HRAO; Steve Branstetter, LTCAO; Dana White, Controller; Marci Hardin, IT Manager; Mandi Jordan, EA

Others Present (External): Bryan Breckenridge, Legal Counsel; Herb Winters, QHR AVP; Clint Lemasters, Cerner (departed 6:42pm); Gabriel Franklin, NDM Reporter

Topic	Discussion	Action & Follow-Up	
Call to Order	Mr. Russ called the meeting to order at 5:46p.m.	No conflicts of interest were disclosed.	
Celebration of Good Things	<ul style="list-style-type: none"> • Mr. Russ shared that our Barone Administrator presented to Chaplains group, excellent presentation, good information about Alzheimer’s and Dementia, very well done. Recommend for any group in the community. • Mrs. Hardin shared that we engaged with Cerner MU task force and successfully completed MU attestation; funds forthcoming in 4-6 weeks in the amount of \$562,000, more than expected. • Mr. Leeper recognized Home Health for recent survey and correction revisit. Have done well even during higher census. 	Informational.	
Approval of Minutes	<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 – January 25, 2016 • Board of Directors – January 26, 2016 • Physician Relations Committee – February 15, 2016 	The minutes were approved upon a motion made by Bob Beaver and a second by Jenise Burch.	
Board Education	<p><i>Emailed prior to meeting:</i></p> <ul style="list-style-type: none"> a. “Today’s Rural Trustees: Ready for Anything (and everything),” <i>Hospitals & Health Networks</i>, January 2016. b. “Rural Hospital Crisis Crosses Borders,” <i>Georgia Health News</i>, January 24, 2016. c. “AHA Fires Back at CMS for ‘Unlawful’ 2-Midnight Rule Payment Reduction,” <i>HealthLeaders Media</i>, February 5, 2016. d. “There’s An App For That,” <i>Quorum QView</i>, February 2016. e. “Rural Hospitals at Risk,” <i>Quorum Board Minutes</i>, February 2016. (+ 2 attachments) <p>Mr. Russ emphasized the importance of education and the group discussed the articles.</p>	<p><i>Provided in packet:</i></p> <ul style="list-style-type: none"> f. “AMI Trends: Incidence, Detection, and Treatment,” <i>HealthLeaders Media Fact File</i>, January/February 2016. g. “Hospitals Provide \$1.3 Billion in Uncompensated Care and \$2.75 Billion in Total Community Benefit,” <i>Missouri Hospital Association</i>, February 17, 2016. 	Informational.

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Administrative Reports	<p><u>CEO Report</u> – Mr. Harbor provided the following highlights from the report provided in the packet:</p> <ul style="list-style-type: none"> • Summarized the Top 10 areas of focus to help continue financial improvement. • Provided handout about federal bill to help save rural hospitals. Encouraged board members to contact our legislators to get engaged. • <i>Time</i> magazine article about hidden bills, in-and out-of-network, professional fees. Wiling to address any concerns from the public. Reminded group of Self Pay discount program. • PFS processes now more efficient, helping improve front and back end operations, and bottom line. 	<p>Informational.</p>
	<p>Clint Lemasters, Cerner Client Results Executive, was onsite to address the Board. Mr. Leeper stated that NRMC serves as show site for Cerner, earn reference credits that can be used for future services. Discussed setting goals for NRMC to become gold-standard site for Cerner.</p> <ul style="list-style-type: none"> ○ Mr. Bledsoe discussed the over 6,000 service requests (SRs) that have been submitted since go-live, spending over \$1M on contract. Asked if there is anything in place to fix things overall for other hospitals in the system to prevent duplicative service requests and slowing of process. Clint stated that we are in a shared domain with 20-25 hospitals, so some changes can be done simultaneously, but has to make sense for all hospitals before the change is made. All 6,000 SRs are not global changes for the domain (architecture of system), most are local changes (touch and feel of system). Standardization for changes in domain is governed by those in the domain. Within that construct, we have the highest code level possible; those with their own domain may be 5-6 code levels behind. Mr. Bledsoe discussed time delay in response to SRs. Clint offered to share the response time to logged SRs, most of which are turned within seven days, some even within twenty-four hours; more complicated SRs within thirty days. He estimated that only 2% of SRs take longer. Mr. Bledsoe commented that service has improved in the last year since staff has become more familiar with system. Clint recognized the assistance by NRMC staff to move SRs through the system. Mr. Bledsoe stated that Board wants to ensure NRMC staff are getting level of service they deserve. Clint expressed his commitment. <p>Dr. Copeland inquired about the delay in updating the RVU reports based on CMS standards; Clint stated that we have spent a lot of time on this issue, and it is not yet resolved, but he does understand the sensitivity and takes it very seriously. Dr. Copeland asked that going forward this is expedited; Clint stated that we can set it up to automatically load; Mr. Leeper stated that he has put in standing order for these updates. Clint clarified that some clients do not want it updated, so Cerner has to work through those issues. Discussed where the process failed.</p> <p>Dr. Copeland expressed his concern with the growth of the Cerner Corporation and how it could impact the level of service to us as an existing client; Clint responded that a majority of the work had to be done in advance of the governmental contract, so they do not expect resources to be reallocated. He discussed IT as a growing industry; expect job growth, discussed challenge of Cerner hiring standards. Mr. Russ stated that as a Board, want to ensure NRMC staff are getting what they need from Cerner. Mrs. Hardin stated that it is a partnership and there are frustrations. Clint stated that he has been involved with NRMC for 4-5 months, and has six other clients. He</p> 	<p>Informational.</p>

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Administrative Reports (cont.)	<p>stated that the time to optimize our partnership is 18-24 months after go-live, that we now have ability to raise the bar, we have the support of Cerner to move forward successfully. Mr. Leeper thanked Clint for his commitment.</p> <p>Clint reported that NRMC is a HIMSS level 6 organization, out of 7 levels, based on how automated the system is, very few hospitals in the nation achieve. He stated that Cerner is not satisfied until we reach level 7, representing the top 2% of hospitals; assured the Board that we can get there.</p> <p>Mr. Leeper reiterated that the time lags are extremely frustrating, especially when we have already gone through the process before; Clint agreed, stated that there are various ways to get things done, and we are now making progress. Mr. Leeper requested that Clint return regularly.</p> <p>Clint commented on a board education article and stated that wearable technology (ex. FitBit, etc.) is a \$2B market and growing. Discussed how will tap into population health.</p> <p>Clint thanked the board for allowing him to attend, will share AMS statistics.</p>	<p>Informational.</p>
	<p><u>Performance Improvement Plan</u> – Mrs. Bush presented the report provided in the packet:</p> <ul style="list-style-type: none"> • Added language previously approved plan related to measuring quality of clinical contracts, in response to recent CIHQ accreditation survey. 	<p>The PI Plan was approved upon a motion made by Bob Beaver and a second by Larry Bledsoe.</p>
	<p><u>QHR Report</u> –Mr. Winters reminded the board that annual value report was shared last month. QHR completed a Productivity review, working with HIM on Coding review, reviewing Bad Debt and Contractuals in conjunction with Financial Operations Review (FOR). Discussed preliminary FOR findings, shared areas of focus:</p> <ul style="list-style-type: none"> ○ Have had issues with lack of reliable data, effective and efficient reconciliation leading to audit adjustments – can report that reconciliations are being completed and tie to general ledger. ○ Policies and procedures are being done but are not yet formalized, can provide samples. ○ Discussed improvement in revenue cycle and AR. Have some recommendations for Revenue Cycle Team on chart review to ensure timely billing and collecting. ○ Bad Debt and Contractuals improved during last audit, credit balances now down to \$480k, less than 2 days gross revenue, good benchmark. Discussed IT issues that played a part. Mr. Denman inquired about impact to income or credit to cash; Mr. Winters assured the Board that we have allowed for enough to cover credit balances. Can setup liability account and reclassify credit balances if preferred. Mr. Bledsoe asked if this could be reconciled monthly; Mr. Harbor stated that there were problems within Cerner system last year that prevented this, but it has improved. Mr. Leeper stated that the balances from November in the amount of \$1.4M are now down to \$480k; Mr. Winters stated that the allowance is kept on the Balance Sheet. ○ Mr. Branstetter added that LTC does not carry credit balances, reconciles on a daily basis. ○ Physician Payment Reconciliation is kept current and in compliance. ○ Reviewed Balance Sheet accounts, only a few exceptions, not significant. ○ Mr. Bledsoe agreed that we are at a better comfort level now with financial reports we can rely on. 	<p>Informational.</p>

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Financial Reports	<p><u>CFO Report</u> – Mr. Harbor provided the following highlights:</p> <ul style="list-style-type: none"> • Booked \$480k for MU, found out we have \$81k to book next month also. • Would have had a loss without MU, was bad month, discussed warm winter. Not seeing pt volumes, both inpatient and outpatient. Rehab and Home Health was up. Mr. Leeper commented that ED visits were very low, only two months lower within past five years. • Reviewed the financial comparison between Fiscal Year 2015 and 2016; Mr. Russ reminded the group that while we are staying in line with last year, our goals for this year are different than last year. • Discussed clean claim rate around 74%, targeting 90%. Working with Cerner to correct. • Mr. Denman asked for recent outmigration data; Mr. Leeper stated that all Missouri hospitals are down, QHR hospitals are down, soft volumes both inpatient and outpatient. • We petitioned for DSH payment, received \$900k last year, booked half; this year we expect \$1.5M, and book 2/3 of it to shorten the bridge from current loss to profitable bottom line. • Looking at refinancing bonds, submitted information to be reviewed. Could decrease interest expense, revise bond covenants, and provide funds for capital projects. • Mr. Beaver inquired about bond days cash; Mr. Copeland agreed that this is still a concern as it was last year, but optimistic that operations have improved, now we need volumes to catch up. 	<p>The financial reports were approved upon a motion made by</p>																
	<p><u>Approval Items:</u> summary provided in the packet</p> <ul style="list-style-type: none"> • All items approved by Finance Committee 	<p>Informational.</p>																
Board Committee Reports	<ul style="list-style-type: none"> • Physician Relations Committee – Mr. Russ reported that Dr. Kraig Lage attended as guest. Interesting discussion about physician engagement survey, physician feedback indicated that this committee meets their needs and a survey is not necessary, especially if it costs money. 	<p>Informational.</p>																
Board Governance	<ul style="list-style-type: none"> • Board Succession – Mr. Russ stated that he will put committee together to review long range plans for Board. 	<p>Mr. Russ to appoint committee and scheduled meeting.</p>																
Adjournment	<p>The meeting was adjourned at 7:17 p.m. upon a motion to move into Executive Session in accordance with RSMo (1994) Section 610.021 Subparagraph (1), (2), (3), and (13) made by Jenise Burch and a second by Bob Beaver. Results of a Roll Call vote are as follows:</p>	<table style="width: 100%; border: none;"> <tr> <td style="width: 80%;">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;">Yea</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>Steve Russ</td> <td style="text-align: right;">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	Steve Russ	Yea
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Respectfully submitted,
Mandi Jordan, Executive Assistant