

Nevada Regional Medical Center  
**BOARD OF DIRECTORS**  
**March 29, 2016**

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

**Members Absent:** Jenise Burch, Dr. Russ Kemm

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

**Others Present (External):** Bryan Breckenridge, Legal Counsel; Jeff Hill, QHR RVP; Johannes Brann, NDM Reporter

Topic	Discussion	Action & Follow-Up	
<b>Call to Order</b>	Mr. Russ called the meeting to order at 5:54p.m. and noted that a quorum was present. No conflicts of interest were disclosed.	None.	
<b>Celebration of Good Things</b>	<ul style="list-style-type: none"> <li>• Mr. Breckenridge shared a recent testimonial from an adoptive family, from out of state, very complimentary of the hospital.</li> <li>• Mr. Leeper stated that it is nice to report positive operations for the month. Running our business more efficiently.</li> </ul>	Informational.	
<b>Approval of Minutes</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>• Finance Committee – February 22, 2016</li> <li>• Board of Directors – February 23, 2016</li> <li>• Quality Outcomes Committee – March 16, 2016</li> <li>• Physician Relations Committee – March 21, 2016</li> </ul>	The minutes were approved upon a motion made by Bob Beaver and a second by Bill Denman.	
<b>Board Education</b>	<p><u><i>Emailed prior to meeting:</i></u></p> <ul style="list-style-type: none"> <li>a. “Financial Tips for Rural Providers,” <i>HealthLeaders Media</i>, February 29, 2016.</li> <li>b. “Urgent Care Facilities Filling Gaps in Healthcare,” <i>Quorum QView</i>, March 2016.</li> <li>c. “CMS Finalizes the 60-Day Parts A &amp; B Overpayment Return Rule,” <i>Quorum Board Minutes</i>, March 2016. (+ 2 attachments)</li> </ul> <p>Mr. Russ discussed link between quality and finance; Mr. Denman stated that we need to get the word out that we provide quality care. Mr. Leeper provided a brief update on our ACO path; go-live with Practice Transformation Network (PTN), hired effective Care Coordinator. Will not have access to Medicare claims data or shared savings until further into the process, expect to join ACO next year. Will need to identify a medical director for the program; Mr. Leeper stated that this position has not yet been identified. Excited for what is to come. Mr. Denman inquired about reimbursement; Mr. Leeper stated that there are billing codes for the Care Coordinator time spent. New RHC guidelines released, we have seen shift from inpatient to outpatient care, allowing more opportunity for encounters in RHCs effective October 1<sup>st</sup>. Looking forward to capitalizing on these changes, especially with our recent expansion with our fourth RHC. Mr. Denman inquired about Home Health; Mrs. Bush stated that this will be a good opportunity to</p>	<p><u><i>Provided in packet:</i></u></p> <ul style="list-style-type: none"> <li>d. “Community Need &amp; Preventable Hospitalizations,” <i>HealthLeaders Media Fact File</i>, March 2016.</li> <li>e. “Eliminating Health Disparities,” <i>Missouri Hospital Association Trustee Matters</i>, March 2016.</li> </ul>	Informational.

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<p><b>Board Education</b> <i>(cont.)</i></p>	<p>collaborate to provide extra resources for patient needs.          Discussed hours of operations at NowCare and RHCs. Mr. Leeper discussed potential for additional providers, may be able to expand hours of operations. Mr. Russ inquired about urgent care in ED; Mr. Leeper stated that the Clinics are meeting the need for walk-in access.          Discussed socioeconomic factors in healthcare. Mr. Denman inquired about the term ‘transformational’ change; Mr. Leeper stated that we are ahead of the curve on the shift from fee-for-service to pay for performance. Focus on chronic conditions. Mr. Bledsoe expressed concern related to bundled payments; Mr. Leeper agreed that it will force alignment in order to distribute funds appropriately. PTN gives us a chance to learn how to operate before we actually join ACO. Mr. Hill reported that several QHR hospitals are participating in ACOs, opportunity to build infrastructure and market share. Mr. Leeper stated that we are learning as we go. Mr. Bledsoe stated that patients cannot afford healthcare, population may end up less healthy; Mr. Harbor stated that the Care Coordinator is an important factor in managing the patient’s healthcare needs and resources. Mr. Russ discussed overutilization and other factors, very complicated issues. Mr. Denman stated that we will need to track revenues and costs associated; Mr. Harbor assured the board that the Service Line Assessments will be updated at least each year. Mr. Russ stated that the Board needs solid data in order to make good decisions.          Mr. Russ encouraged board members to attend QHR education.          Mr. Jeff Hill shared his perspective on the CMS 60 day overpayment final rule. Mr. Denman clarified that if we were to purchase assets, the onus would be on the seller, not the buyer; suggested that it be clarified in any contract.</p>	<p>Informational.</p>
<p><b>Administrative Reports</b></p>	<p><b><i>CEO Report</i></b> – Mr. Leeper provided the following highlights from the report provided in the packet:</p> <ul style="list-style-type: none"> <li>• Finalizing Fiscal Year 2016, finished last year strong, expect similar path this year with strong finish. MU payment should be received any day, gaining efficiencies out of new system. Budget will get tighter for next year, have to keep managing more effectively.</li> <li>• Focused on reaching bond covenant of 70 days cash. Refinancing project moving forward, hope to know more soon.</li> </ul> <p><b><i>QHR Report</i></b> –Mr. Hill thanked board members for their time with Bob Vento, Senior VP of Operations. Herb Winters, AVP, completed Financial Operations Review (FOR). Finalizing Contractual &amp; Bad Debt Review and Coding Review – expect reports soon. Continue monthly calls. Complimented NRMC staff, have done a great job turning things around. Mr. Bledsoe stated that he is thankful for some continuity in leadership. Mr. Russ stated that it says a lot about staff who stayed through hard times, appreciate everyone’s hard work.</p>	<p>Informational.</p>
<p><b>Financial Reports</b></p>	<p><b><i>CFO Report</i></b> – Mr. Harbor provided the following highlights:</p> <ul style="list-style-type: none"> <li>• Profitable month, mostly due to operations. \$38k on a budget of \$143,129; YTD (-\$618,296 on a budget of \$164,842.</li> <li>• Discussed lower BHU volumes due to lack of provider. Strong outpatient visits. Home Health had best month ever. Discussed mild winter, lack of flu, low inpatient admissions. Surgeries trending up, best month since 2011.</li> </ul>	<p>The financial reports were approved upon a motion made by Larry Bledsoe and a second by Brad Copeland.</p>

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<p><b>Financial Reports (cont.)</b></p>	<ul style="list-style-type: none"> <li>• New 64-slice CT, Nuclear Medicine back to operational, 3D Mammo.</li> <li>• Mr. Denman inquired about Case Mix Index; Mr. Harbor stated that while we had fewer inpatients, they may have been higher acuity. Discussed Hospitalist Program and retaining patients.</li> <li>• Revenues close to budget, expenses were higher.</li> <li>• DSH adjustment netting \$1,550,000 due to underpayment.</li> <li>• Expect positive bottom line next month and for fiscal year end.</li> <li>• Cash still low.</li> <li>• AR trending up slightly due to timely coding of charts.</li> <li>• Labor &amp; Productivity indicators improved from last year.</li> <li>• \$3M swing from last year due to operations.</li> <li>• Mr. Denman expressed concern with bad debt and contractals; last year \$1M write off, do not want to have another surprise. Mr. Harbor stated that the model we are using is consistent. QHR conducted assessment, stated that we are adequately reserved; expect written report soon. Discussed credit balances significantly improved by nearly \$1M, impacts calculation.</li> </ul>	<p>The financial reports were approved upon a motion made by Larry Bledsoe and a second by Brad Copeland.</p>
	<p><b><u>Approval Items:</u></b> <i>summary provided in the packet</i></p> <ol style="list-style-type: none"> <li>1. <b>Firewall Upgrade</b> – \$25,093 – discussed security risks. Defer payment for 120 days, which will be next fiscal year.</li> <li>2. <b>Virtual Network Upgrade</b> – \$66,785 – discussed impact of not carrying support, needed to complete other projects. 60 day window to move expense to next fiscal year.</li> <li>3. <b>Stericycle Medical Waste Disposal</b> - \$48,000 for 5 years – Delton/Mike</li> </ol>	<p>The firewall upgrade was approved upon a motion made by Larry Bledsoe and a second by Brad Copeland. The network upgrade was approved upon a motion made by Bill Denman and a second by Larry Bledsoe. The Stericycle renewal was approved upon a motion made by Delton Fast and a second by Mike Farran.</p>
	<p><b><u>Standard &amp; Poor's Bond Rating Report:</u></b> <i>handout in the packet</i>  Mr. Harbor reported that S&amp;P downgraded our bonds last year to B- with negative outlook, this year upgraded to B with stable outlook. Indicates that we are headed in right direction.</p>	<p>Informational.</p>
	<p><b><u>QHR FOR:</u></b> <i>handout in the packet</i>  Mr. Hill stated that Herb Winters presented preliminary report last month. Mr. Harbor added that the review of accounting systems and internal controls show that we are in compliance overall, improved from previous year, additional areas of opportunity. Discussed clean claim rate and Cerner issues. 65% is the best we will be able to do, Cerner best practice,</p>	<p>The QHR FOR report was approved upon a motion made by Brad Copeland and a second by Bill Denman.</p>

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<p><b>Board Committee Reports</b></p>	<p><b><u>Quality Outcomes Committee</u></b> – Mrs. Bush presented a report including CIHQ survey results and shared quality initiatives as well as new patient satisfaction dashboards. HCAHPS have improved, pleased with pain management score. Outpatient scores need focus and improvement; drilling down further to identify specific projects to implement. Emergency Department scores have stabilized. Immunization compliance has improved to 93% for employees, 91% overall – part of Value Based Purchasing. Readmission rate is at 4.8% overall, lowest so far. MHA provided estimation for Value Based Purchasing, may lose \$3k this year. CIHQ survey prompted changes to documentation requirements, infection control procedures, as well as a few other items. Overall we did very well, extremely pleased with transition from Joint Commission to CIHQ. Mr. Vokoun added that managers were complimentary of experience, more of a learning experience rather than punitive process.</p>	<p>Informational.</p>																		
	<p><b><u>Physician Relations Committee</u></b> – Mr. Russ reported that Dr. Wilson attended as guest physician, discussed NowCare layout, on-boarding process. Mr. Leeper added that primary care recruitment efforts were discussed, sensitive issue with other local primary care providers. Mr. Russ discussed lack of engagement at Joint Conference; stated that this Committee has taken the place. Discussed need to change/update Bylaws if changes made to meetings, structure, and membership.</p>	<p>Informational.  Board and CEO to review and present changes to Bylaws as needed.</p>																		
<p><b>Adjournment</b></p>	<p>The meeting was adjourned at 7: 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 Larry Bledsoe and a second by Bill Denman. Results of a Roll Call vote are as follows:</p>	<table> <tr><td>Bob Beaver</td><td>Yea</td></tr> <tr><td>Larry Bledsoe</td><td>Yea</td></tr> <tr><td>Jenise Burch</td><td>Absent</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>Candice Moore</td><td>Yea</td></tr> <tr><td>Steve Russ</td><td>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	Candice Moore	Yea	Steve Russ	Yea
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Respectfully submitted,  
Mandi Jordan, Executive Assistant