

Nevada Regional Medical Center
BOARD OF DIRECTORS
July 28, 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"> • New timekeeping system up and running. • Dr. Wilson has arrived and is jumping in. • Received compliment from patient; passed around for Board members to read. • Celebrated Mr. Leeper's first year at NRMC. 	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"> • Rural Health Clinic Annual Assessment – May 30, 2015 • Finance Committee – June 29, 2015 • Board of Directors – June 30, 2015 • Special Board of Directors – July 7, 2015 • Physician Relations Committee – July 20, 2015 • Patient Satisfaction Dashboards 	The minutes and reports were approved upon a motion made by Bob Beaver and a second by Larry Bledsoe.
Board Education	<p>Board articles were emailed in advance of meeting.</p> <ol style="list-style-type: none"> a. "Commercial Payers Move Toward Value-Based Care–Are You on Board?" <i>QHR Board Minutes</i>, June 2015. b. "What the King v. Burwell Decision Means to Your Hospital," <i>QHR Board Minutes</i>, July 2015. c. "Key Collaborations Improve Patient Care in Statewide Initiatives," <i>QHR QView</i>, July 2015. d. "Helping Your Board Understand Real Hospital Revenue," <i>QHR Financial Matters</i>, July 2015. <p>Discussed cost accounting.</p>	Informational.
Administrative Reports	<p><u>CEO Report</u> – Mr. Leeper provided the following highlights:</p> <ul style="list-style-type: none"> • Presented the FY16 Organizational Goals, will push out to staff for them to identify individual goals that will help the organization be successful. Continue to use Studer pillars of People, Service, Quality, Growth, and Finance. Will share with staff during All Employee Meetings later this week. Will report progress quarterly. <p>Discussed patient satisfaction survey process. We were focused on financial turnaround last year, need to concentrate on improving patient satisfaction scores. Discussed coaching and scripting, do what we can to ensure patients have a good experience. Discussed dashboards that are provided each month.</p>	Informational.

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Administrative Reports (cont.)	<ul style="list-style-type: none"> Discussed Performance Evaluation process with FY15 results, Board approved 3% pay increases, working on roll-out plan with effective date first pay period in September. Expect process to be more formalized next year. Provided update on water damage; work is mostly completed, well-organized by Doug Hundley, Integrated Services Director. Discussed insurance payments for expenses and lost business. Imperative to respond to SOLIC's implementation proposal; provided a handout that identifies how NRMC can address their recommendations. Recommended increasing self pay discount from 35% to up to 55%, as well as rethink our charges for services. Mr. Bledsoe discussed how this would help keep patients at NRMC, be more competitive. Mr. Denman stated that Children's Mercy offers 55% discount. Dr. Fast expressed his support. Mr. Leeper discussed how participating in the ACO will help rethink price structure. Discussed the need to determine how to handle patients with high deductible and copay insurance plans; Mr. Donatelli stated the importance to comply with Stark Laws. Mr. Breckenridge clarified that all charges are the same, we are discussing discounts to the out of pocket costs from patients. Mr. Leeper reported that NRMC has not received any correspondence from the Bond Insurer, and SOLIC has not shared the implementation proposal with ACA; Mr. Breckenridge suggested that may be because of what we are doing in-house. Mr. Leeper stated that City's consultant can also help keep on track, QHR involved heavily in tracking progress. Discussed substantial progress with assuming custodianship of records from local clinic that closed, also purchasing supplies and equipment at discounted cost. Will help equip new primary care RHC. Will announce in newspaper once finalized. 	<p>Informational.</p> <p>The Board approved moving forward by addressing recommendations without engaging SOLIC for implementation upon a motion made by Larry Bledsoe and a second by Brad Copeland.</p>
	<p><u>Compliance Update</u> – Mrs. Bush provided the following highlights:</p> <ul style="list-style-type: none"> Shared the Plans of Care which require annual approval by the Board. These describe the services provided by each department. 	<p>The Plans of Care were approved upon a motion made by Larry Bledsoe and a second by Bob Beaver.</p>
	<p><u>QHR Report</u> – Mr. Bill Donatelli was onsite to provide the following highlights:</p> <ul style="list-style-type: none"> New staff on board at QHR to help coordinate 50 QHR hospitals participating with NRACO, will serve as liaison and visit the hospitals. Interviewing to replace Mike Stenger. Reviewing managed care contracts, supply chain, and clinical documentation improvement. 	<p>Informational.</p>
Financial Reports	<p><u>CFO Report</u> – Mr. Harbor provided the following highlights for period ending June 30, 2015:</p> <ul style="list-style-type: none"> Unaudited financial reports, but have been reviewed by BKD auditor. Do not anticipate any audit adjustments, confident in numbers. Two major wins – 1) financial recovery from \$8m loss to \$1m loss, great success of leadership and staff. Revenue cycle and PFS staff have done tremendous job; 2) cash improvements; bond days in April 34, ended year with 78 days. Back in compliance with bond covenants. 	<p>See page 3.</p>

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Financial Reports (cont.)	<ul style="list-style-type: none"> • Volumes increased in nearly all areas between 12-21%; revenues increased also. Summer season shows lower volumes as expected. • Clarified that PIP payment can be used toward bottom line. • YTD loss (\$1,070,620) compared to budget (\$2,169,135). Improved by over \$8m from previous year. • Total margin -2.82% up from -28.84% last year. • EBIDA indicator for cash flow 7.40%, improved from -13.70% last year. • Strong balance sheet, still need to increase cash and decrease debt, but will take longer than one year to achieve. Need to reinvest back into capital in next few years. • AR decreased by over \$1m. • FTE/AOB strong at 3.73. Salaries as % Net Revenue at 38.5%, down from 49.2% last year; Supplies as % Net Revenue 10.6% down from 14.1% last year. <p><i>Approval Items:</i> <i>summary provided in the packet:</i></p> <ol style="list-style-type: none"> 1. NOVA Biomedical StatStrip renewal 2. Baxter Infusion Pumps software update on existing pumps <ul style="list-style-type: none"> • Audit Engagement Letter: Mr. Harbor stated that we need authorization for BKD audit. Fees are higher due to difficult audits past couple years; have discussed a decrease next year if audit goes more smoothly. 	<p>The financial reports and approval items were approved upon a motion made by Bob Beaver and a second by Larry Bledsoe.</p> <p>The audit engagement was approved upon a motion made by Bob Beaver and a second by Larry Bledsoe.</p>																		
Board Committee Reports	Physician Relations Committee – Mr. Russ reported that Dr. Dodd was the guest physician. Committee holding engaged worthwhile discussions. Continue to discuss important issues.	Informational.																		
Board Governance	Strategic Planning Session – Mr. Leeper stated that we have condensed the agenda for Friday, August 28 th only. Provided a handout as an opportunity to provide input to our QHR consultant.	Informational.																		
Adjournment	The meeting was adjourned at 7:00 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 Bill Denman and a second by Larry Bledsoe. 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>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>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	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