

Nevada Regional Medical Center  
**BOARD OF DIRECTORS**  
**August 25, 2015**

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

**Members Absent:** Dr. Sean Gravely

**Others Present (Internal):** Cory Vokoun, CNO; Holly Bush, CQO; Heather Brockmeyer, HRAO; Steve Branstetter, LTCAO; Doug Hundley, Integrated Services Director; Michelle Casey, PFS & Clinic Director; Judy Herstein, CR/F Director, Dana White, Controller; Mandi Jordan, EA

**Others Present (External):** Bryan Breckenridge, Legal Counsel; Noah Jones, NDM Reporter

| Topic                                    | Discussion   | Action & Follow-Up  |
|--|--|---|
| <b>Presentation</b>                      | <p>Prior to the meeting being called to order, the Board heard a video conference presentation from Traci Burgkwist of the Center for Improvement in Healthcare Quality (CIHQ). This is an alternative accrediting agency to The Joint Commission whose standards align more closely with CMS Conditions of Participation. Traci explained their survey process, requirements, and fees.</p> <p>After the call ended, Mrs. Bush discussed current costs related to The Joint Commission, which includes \$12k per year just to send data to TJC them. She reported that our last survey cost NRMC \$26k. Mrs. Bush estimated the cost savings of moving from TJC to CIHQ to be \$8k per year while also better utilizing our resources. Mr. Leeper discussed timing of this potential change; if we determine to change accrediting agencies, we will need to have CIHQ onsite before December 31, 2015 to avoid the 2016 payment to TJC.</p> <p>Board members inquired about the impact to LTC and Home Health &amp; Hospice; Mrs. Bush clarified that they are not currently TJC, they only use State surveys which would continue. The group also discussed publicity implications and how to utilize this as a marketing tool.</p> | <p>Informational.<br/>No action taken.</p>  |
| <b>Call to Order</b>                     | Mr. Russ called the meeting to order at 6:17 p.m.  | No conflicts of interest were disclosed.  |
| <b>Celebration</b>                       | <ul style="list-style-type: none"> <li>• Mrs. Burch shared that she had a recent inpatient stay where she received excellent care.</li> <li>• Mr. Leeper reported that we exceeded budget during the first month of the fiscal year.</li> </ul>  | Informational.  |
| <b>Approval of Minutes &amp; Reports</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 – July 28, 2015</li> <li>• Board of Directors – July 28, 2015</li> <li>• Workforce Committee – August 13, 2015</li> <li>• Physician Relations Committee – August 17, 2015</li> <li>• Quality Committee – August 19, 2015</li> <li>• Auxiliary Annual Report (<i>tabled, report not yet available</i>)</li> <li>• Foundation Annual Report (<i>handout</i>)</li> <li>• Patient Satisfaction Dashboards</li> </ul>  | The minutes and reports were approved upon a motion made by Larry Bledsoe and a second by Bob Beaver. |

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| <p><b>Board Education</b></p>        | <p><i>Emailed prior to meeting:</i></p> <ul style="list-style-type: none"> <li>a. "Bundling Risk," <i>Modern Healthcare</i></li> <li>b. "Population Health? Slash Health Disparities First," <i>HealthLeaders Media</i></li> <li>c. "Strategic Planning Process diagram," <i>HFMA Leadership</i></li> <li>d. "Medicare Bundled Payments: New Program," <i>Quorum Board Minutes</i></li> <li>e. "Caring For Your Caregivers," <i>QView</i></li> </ul> <p><i>Provided in packet:</i></p> <ul style="list-style-type: none"> <li>f. "Health System Achievers," <i>HealthLeaders Media</i> Fact File</li> <li>g. "Hospitals to Get \$565M More From CMS in FY 2016," <i>Bloomberg BNA</i></li> </ul> <p>Mrs. Bush explained that CMS's Two-Midnight Rule is contradictory, stating that if a pt stays past two midnights they are considered an inpatient, but CMS does not want to pay inpatient reimbursement for ambulatory observation pts. Discussed the impact to medical necessity interpretation and how this could result in RAC takebacks. Mrs. Bush also gave a brief background on RAC (Recovery Audit Contractors) who began with 2005-2006 balanced budget initiatives, who are paid based on findings of intentional or unintentional errors in billing, NRMC has a 86% keep rate, very successful process in place to fight to keep every dollar we earn for services.</p>   | <p>Informational.</p>   |
| <p><b>Administrative Reports</b></p> | <p><b><u>CEO Report</u></b> – <i>Mr. Leeper provided the following highlights:</i></p> <ul style="list-style-type: none"> <li>• Reported that one of his personal goals is to be more engaged in the community, targeting two businesses per quarter to help their employees utilize NRMC as a service provider to meet their needs. With our successful recruitment of an Athletic Trainer after several months, we have successfully contracted with Cottey College and Nevada R5 to share salary costs.</li> <li>• Physicians - Dr. Candice Moore will be moving into our Outpatient Behavioral Health Clinic space for her Child/Adolescent Psych practice. Adding Dermatologist to Specialty Clinic rotation. Spoke to OBGYN candidate.</li> <li>• Performance Evaluations – one-on-one conversations with employees will take place in the next couple weeks, pay increases will go into effect first pay period in September.</li> <li>• Rural ACO –of 96 hospitals who applied, 50 are managed by QHR. QHR added staff to help manage efforts, will visit our facility and provide resources during the process.</li> <li>• Board Strategic Planning – encouraged the board to attend to focus on long-term plans.</li> </ul> <p><b><u>Quarterly CNO Update</u></b> –<br/> Mr. Vokoun emphasized NRMC's priority on Quality of Care resulting in very low to zero infection rates for catheter use and surgical sites. We are very successful in this realm and need to communicate this better.</p> <p><b><u>Quarterly Quality &amp; Compliance Report</u></b> – <i>Mrs. Bush provided the following highlights:</i></p> <ul style="list-style-type: none"> <li>• Quality Outcomes &amp; Strategic Initiatives <ul style="list-style-type: none"> <li>1. reducing falls with injury: we are significantly lower than states, but still working to reduce on high risk units.</li> </ul> </li> </ul> | <p>Informational.</p> <p>Informational.</p> <p>As needed.</p> |

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| <b>Administrative Reports (cont.)</b> | <ol style="list-style-type: none"> <li>2. reduction of medication errors by utilizing bedside medication verification bar coding system</li> <li>3. air way safety and management</li> <li>4. VBP scores dropped to 0.9986 due to immunization documentation, patient satisfaction scores, and 30 day mortality rates. We did well in patient safety, low infection rates, and Medicare spending per beneficiary. Mr. Harbor reminded that group that the drop in scores attributes to around \$10-15k less in Medicare inpatient revenue.</li> <li>5. Readmissions: await readmissions penalty information. Discussed HBIPS.</li> </ol> <ul style="list-style-type: none"> <li>• PI Plan</li> <li>• Safety and Subcommittee Evaluations – Mr. Hundley reported that they expanded the badge lock system to the ED to reduce the risk of elopement, recommended by local law enforcement, Also discussed efforts around Ebola and infectious disease preparedness, and the OR chiller.</li> <li>• Safety/EOC Operations Plan</li> <li>• Appointment of Doug Hundley as Safety Officer</li> <li>• Compliance – discussed HIPAA, case management self-assessment, and external compliance assessment.</li> </ul>   | <p>The updated PI Plan, Strategic Initiatives, Safety and Subcommittee Evaluations, Safety/ Emergency Operations Plan, and the appointment of Doug Hundley as the Safety Officer were approved upon a motion made by Bob Beaver and a second by Mike Farran.</p>                                    |
|                                       | <p><b><i>QHR Report</i></b> – there was no representative present from QHR.</p>  | <p>None.</p>  |
| <b>Financial Reports</b>              | <p><b><i>CFO Report</i></b> – Mr. Harbor provided the following highlights for period ending July 31, 2015:</p> <ul style="list-style-type: none"> <li>• Did not receive any extra payments, had lower volumes, yet still exceeded budget and prior year. Good start to fiscal year.</li> <li>• Volumes were down in inpatient and surgeries; BHU strong, ED, Outpatient and Clinic favorable.</li> <li>• Revenues and Expenses lower than budget but better than last year.</li> <li>• Net Loss \$135k on a budget of \$235k loss.</li> <li>• Cash decreased to 78.7 days, 63.2 bond days.</li> <li>• FTE/AOB up at 3.75.</li> <li>• August volumes improved on inpatient side, still slow during summer months.</li> </ul> <p><b><i>Approval Items:</i></b> summary provided in the packet:<br/> Mr. Bledsoe reported on items approved within the Finance Committee’ spending authority.</p> <ol style="list-style-type: none"> <li>1. Property Insurance – increased due to water damage claim</li> <li>2. Sterilizer Equipment Maintenance - \$55k for full-service, requested weekday only coverage for cost savings \$21k per year for two years. Mr. Vokoun explained what the equipment does for surgery tools.</li> </ol> <p><b><i>Financial Policies –</i></b></p> <ol style="list-style-type: none"> <li>a. Capital Acquisition Policy #950.175</li> <li>b. Financial Assistance Program #950.459 – charity care policy, updating to comply with ACA guidelines</li> <li>c. Collections Policy #950.250 – establishes 55% automatic discount to uninsured patients, additional 10% discount for payment in full within 30 days, 25% to employees for payment in full within 30 days. Discussed billing statement messages and marketing. Clarified up front</li> </ol> | <p>As needed.</p> <p>The property insurance and lower level of sterilizer maintenance coverage were approved upon a motion made by Bob Beaver and a second by Jenise Burch.</p> <p>The revised financial policies were approved upon a motion made by Bob Beaver and a second by Larry Bledsoe.</p> |

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| <b>Financial Reports (cont.)</b> | collections procedure and amounts.<br>d. RHC Sliding Fee Scale Program Policy #981.220B – updated to comply with ACA.<br>e. Investment Policy #950.508 – standard policy, responsibility rests with Finance Committee who has delegated authority to CFO.  |  |            |     |               |     |              |     |               |     |             |     |             |     |             |     |                  |     |            |     |
| <b>Board Committee Reports</b>   | <b>Workforce</b> – Mrs. Brockmeyer reported that the Committee discussed turnover and separating student positions at LTC. The productivity review team is reviewing and validating data. Discussed that we are near the state average for nursing turnover; Mrs. Brock elaborated that NRMC offers and exit interview upon termination, and they review data for trends; payscale is a recurring theme. Mr. Leeper stated that we will keep dissecting the data; we have modified pay ranges for some job positions, but we cannot afford to tackle everything at once. Discussed performance evaluations and pay increases tied to results on goals.   | Informational.   |            |     |               |     |              |     |               |     |             |     |             |     |             |     |                  |     |            |     |
|                                  | <b>Physician Relations Committee</b> – Mr. Russ reported that the Committee is inviting Dr. Crymes to the next meeting to give an update on the Hospitalist Program.   | Informational.   |            |     |               |     |              |     |               |     |             |     |             |     |             |     |                  |     |            |     |
| <b>Board Governance</b>          | <ul style="list-style-type: none"> <li>• <b>Strategic Planning Session</b> – Mr. Leeper encouraged attendance and Friday’s session.</li> <li>• <b>QHR Performance Committee</b> – Mr. Russ stated that he has two volunteers to serve on the, the challenge will be to identify how and what to monitor. Anticipate quarterly meetings, will work to schedule first meeting. Discussed City Council involvement on ongoing basis.</li> <li>• <b>Joint Conference</b> – Mr. Russ encouraged board members to attend, reminded that this is a joint meeting between the Board and Medical Staff held twice per year. Mr. Leeper commented that he finds the meeting loses effectiveness due to the formal structure; Mr. Breckenridge inquired whether or not business is being conducted by quorum of Board, would determine requirements for Sunshine Law. Mr. Russ stated that the intention is for hot button issues to be discussed at Physician Relations Committee meetings, so they are able to act on and report progress at Medical Staff or Joint Conference. Dr. Gravely agreed and stated that the Board is invited to all Medical Staff meetings to provide input in discussion.</li> <li>• <b>Board Education</b> – Mr. Russ encouraged members to participate in the MHA Governance Excellence Certificate Program; Dr. Parungao has volunteered to attend.</li> </ul> | Informational.<br><br>Mr. Breckenridge to provide recommendation on structure of Joint Conference.   |            |     |               |     |              |     |               |     |             |     |             |     |             |     |                  |     |            |     |
| <b>Adjournment</b>               | The meeting was adjourned at 7:38 p.m. upon a motion to move into Executive Session in accordance with RSMo (1994) Section 610.021 Subparagraph (1), (3) and (3) made by Bob Beaver 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 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>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 | 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