

Nevada Regional Medical Center
BOARD OF DIRECTORS
September 29, 2015

Members Present: Steve Russ, Jenise Burch, Larry Bledsoe, 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; Mandi Jordan, EA

Others Present (External): Bryan Breckenridge, Legal Counsel; Bill Donatelli, QHR; Noah Jones, NDM Reporter; Randy Leukonotte, The Wallstreet Group (departed 6:10pm); Kelli Brannan, HR Representative; Russ Warren, KNEM/KNMO

Topic	Discussion	Action & Follow-Up
<p>Presentation</p> <p>Employee Benefits by Randy Leukonotte, The Wallstreet Group</p>	<p>Prior to the meeting being called to order, the Board heard a presentation from Randy Leukonotte from The Wallstreet Group regarding employee benefits (health insurance, vision, dental, life insurance). Mr. Leukonotte reported that The Wallstreet Group has 115 healthcare facilities representing more than 70,000 covered employees. Discussed how the insurance pool benefits by leveling costs year to year, and group purchasing advantages. Emphasized importance of education to staff to understand the products available to them. Specifically to NRMC, Averaging \$300k per month in claims. Have seen group life insurance savings of \$15k, fixed cost savings of \$33k annually. Pharmacy savings \$100,000 in savings this year. Utilization drives premium costs. Explained that NRMC is partially self-funded since we buy stop loss after \$85k. Renewing stop loss may laser high claimants – the pool program takes lasering off the table. Design plan to encourage employees to come to NRMC facilities when possible. When we renew, purchasing stop loss for claims incurred during 2015. If we left partial self-funded to fully insured, no coverage for those claims – pay run out cost for roughly first three months, risk for costs to exceed \$1m.</p> <p>Mr. Breckenridge clarified that we are still being individually rated on our claims; Randy responded that re-insurance protection (\$85k stop loss) at good cost. Everyone's claims are not thrown in bucket and paid out. Mr. Bledsoe stated that most companies are going with higher deductible plans, but are we comparing same benefits; Randy responded that a fully insured plan is not as flexible with plan design, most of the cost goes to employees with higher deductible and copays.</p> <p>Mr. Russ stated that the City consultant recommended going to a fully insured plan; Mrs. Brockmeyer responded that it does not make financial or workforce sense.</p> <p>Mr. Leeper stated that some are dropping spousal coverage and giving an allowance to go to market to purchase their own insurance; Randy responded that every state has exchange, but to be eligible and individual cannot have coverage offered through their employer or their spouse's employer. If NRMC were to stop offering coverage, would open door for them to be eligible to shop exchanges. Warned that this is a risk to older spouses, as they would be rated by age. Some companies are dropping spousal coverage. Mr. Bledsoe stated that we would need to review our pool of employees to determine how many are in that situation; Randy stated that it is hard to have all the information needed; stated that companies under 100 covered lives are moving to partially self-funded. Stated that we can work on Utilization Review and Case Management, as well as Pharmacy, on how to be most cost effective. Costs increasing faster than inflation. Mr. Bledsoe asked if all in our pool have the same stop loss threshold; Randy responded that no, some pay more in premiums for lower stop loss deductible; this will also need to increase due to costs or premium costs will increase at higher rate.</p>	<p>Informational. No action taken.</p>

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Call to Order	Mr. Russ called the meeting to order at 6:16 p.m.	No conflicts of interest were disclosed.	
Celebration	<ul style="list-style-type: none"> • Kevin shared the QHR awards NRMC received at the Quorum leadership conference for Most Improved – both in our revenue category (30 hospitals) and overall encompasses leadership and performance. A lot of teamwork went into earning those awards. Mr. Russ expressed his appreciate of the leadership of our CEO and Operations Team. • Block Party was well-attended. • Mr. Breckenridge shared that a friend recently received treatment and complimented Dr. Parungao and all staff, very pleased with care. • Mrs. Burch also shared that a friend who had negative experience in the past, recently received care and was very pleased. • Mr. Farran shared that a friend went to the emergency room and was very satisfied. Also very satisfied with care and follow-through for grandchild, very encouraging. 	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"> • Finance Committee – August 24, 2015 • Board of Directors – August 25, 2015 • Patient Satisfaction Dashboards – Mrs. Bush added that she and Cory are working to push out data. She is a Missouri Quality board member, and will use information as a model to improve patient satisfaction at NRMC. 	The minutes and reports were approved upon a motion made by Bob Beaver and a second by Bill Denman.	
Board Education	<p><i>Emailed prior to meeting:</i></p> <ul style="list-style-type: none"> a. “How Cardiology Compensation is Changing,” <i>HealthLeaders Media</i>, September 3, 2015. b. “Using Paramedics Before – And After – An Emergency,” <i>QHR QView</i>, September 2015. c. “Tying the Right Components Together to Achieve Success in a VBP World,” <i>Quorum Board Minutes</i>, September 2015. <ul style="list-style-type: none"> i. The Board & Quality Update (slides) ii. Achieving Excellent Quality Outcomes: 5 Game Changers from Across the Nation (slides) <p>Mr. Russ noted the trend of population health and the effort to standardize cost of care across the country, as well as price & quality transparency.</p>	<p><i>Provided in packet:</i></p> <ul style="list-style-type: none"> d. “Efficient Purchasing & Performance,” <i>HealthLeaders Media Fact File</i>, September 13, 2015. e. “The importance of Hospital Price & Quality Transparency,” <i>Missouri Hospital Association Trustee Matters newsletter</i>, September 2015. 	Informational.

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Administrative Reports	<p><u>CEO Report</u> – Mr. Leeper provided the following highlights:</p> <ul style="list-style-type: none"> • Received provider # for new Primary Care Clinic; working to schedule survey, targeted start date of Oct 19th. • Provided update on water damage claim; still waiting on response for loss of business. • Discussed Behavioral Health Services – difficulty finding providers to maintain coverage, Program Director of 13 years retiring in November. • Foundation Gala Oct 17th; encouraged attendance. • Provided update on 340B pharmaceutical discount program. • Working with Freeman to negotiate better discounts for tertiary services provided to employees. 	Informational.
	<p><u>QHR Report</u> – Mr. Donatelli provided the following highlights:</p> <ul style="list-style-type: none"> • Jeff Hill will be replacing Mike Stenger as RVP. Will start in October. • Still holding regular conference calls, restructured agenda to focus on denials, productivity, clinical documentation improvement. Developing new metrics to monitor. • Discussed claim scrubber; not recommending we change vendors as the issues lie in the information that goes into the scrubber, not the scrubber itself. 	None.
Financial Reports	<p><u>CFO Report</u> – Mr. Harbor provided the following highlights for period ending August 31, 2015:</p> <ul style="list-style-type: none"> • Volumes lighter during summer, weaker inpatient, stronger outpatient. Admissions are down but patient days are up; we are paid by admissions, so this is not financially ideal. Feel September will be a better month. • Operating revenue is down, under budget and prior year. Maintaining expenses. • Net Loss of (\$172,379) on a budget of (\$120,164); (\$307,686) YTD on a budget of (\$354,478). • Current liabilities dropped, Accounts Payable days down. • YTD Productivity shows 96%, target is to stay between 96-105. • Audit field work completed, auditor said everything looks favorable, AR looks appropriate, expect final report in November. Mr. Bledsoe discussed the LAGERS impact to balance sheet; we are required to disclose funding on defined benefit plan; does not impact P/L. 	As needed.
	<p><u>Approval Items:</u> summary provided in the packet:</p> <ol style="list-style-type: none"> 1. Nuclear Medicine equipment purchase 	<p>The Nuclear Medicine purchase was approved upon a motion made by Bob Beaver and a second by Bill Denman.</p> <p>The upgrades to CT &</p>

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<p>Financial Reports <i>(cont.)</i></p>	<p>2. CT & Mammo upgrades – Mr. Copeland stated that he is very impressed with pro forma and negotiating skills. Mr. Denman stated that he would like to see revenues reported on a regular basis.</p> <p>3. Transition from The Joint Commission to Center for Improvement of Healthcare Quality (CIHQ)</p>	<p>Mammo were approved upon a motion made by Larry Bledsoe and a second by Delton Fast. The transition from Joint Commission to CIHQ was approved upon a motion made by Larry Bledsoe and a second by Brad Copeland. Mr. Denman abstained from voting.</p>
<p>Board Governance</p>	<ul style="list-style-type: none"> • Strategic Planning – Mr. Leeper shared the final strategic planning report and key imperatives; expressed his appreciation for Board members’ participation in the retreat. Discussed the need to update Service Line Assessments; agreed on a rolling 4 quarters format. Have opportunity in Surgery. • QHR Performance Committee – Mr. Russ stated that he sent email to City consultant. Brad & Bob volunteered to serve on this committee. 	<p>Update SLA on quarterly basis, showing rolling 4 quarters.</p> <p>Schedule meeting.</p>
<p>New Business</p>	<ul style="list-style-type: none"> • Mr. Denman asked for mid-year review of procedures by external vendor; expressed his frustration with high risk areas - reconciliation, cash, AR, payables. Mr. Bledsoe stated that this would not be just an audit of the numbers, it would review whether or not we have proper procedures in place in PFS/Accounting. Stated that we need to define what we want done, budget estimate for services; Mr. Harbor stated that he can ask BKD for a proposal. Mr. Bledsoe discussed timing with audit presentation in November, schedule before end of year to start after December close. <p>Mr. Leeper reminded the group that BKD is reviewing AR through September and will incorporate into audit. Mr. Denman inquired about contractual allowances, do not want to see a repeat of history.</p> <p>The group agreed to authorize the Finance Committee to develop a proposal, define what to assess, and estimate cost; Mrs. Burch suggested that this be done six months after the audit.</p> <p>Mr. Denman stated that this is not directed toward Kevin Leeper & Mike Harbor, they are doing a great job turning things around. Mr. Leeper stated that he is not opposed, encouraged the</p>	<p>Finance Committee to develop proposal for mid-year review, including definition of what to assess and monitor ongoing,</p> <p>Approved upon a motion by Bill Denman and a second by Bob Beaver.</p>

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New Business (cont.)	Finance Committee to shop around; Mr. Donatelli added that QHR provides a Financial Operations Review, can provide form as a starting point so the Committee can choose what they want to validate.																			
	<ul style="list-style-type: none"> • Mrs. Burch shared that she attended a rural health conference sponsored by MHA; highly recommended ACOs. Discussed three key factors - high deductible insurance policies, state budget deficits and lack of Medicaid expansion, and Healthcare Reform. No longer providing sick care, providing health care; need to identify ways to keep people well. Discussed Healthy Nevada and how to think outside the box to generate revenue. 	As needed.																		
Adjournment	The meeting was adjourned at 8:11 p.m. upon a motion to move into Executive Session in accordance with RSMo (1994) Section 610.021 Subparagraph (1), (3), (12), and (13) 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 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
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Respectfully submitted,
Mandi Jordan, Executive Assistant