

Nevada Regional Medical Center  
**BOARD OF DIRECTORS**  
**June 21, 2016**

**Members Present:** Steve Russ, Jenise Burch, Larry Bledsoe, Bill Denman, Brad Copeland, Mike Farran, Delton Fast, Kevin Leeper

**Members Absent:** Bob Beaver, Candice Moore, Dr. Russ Kemm

**Others Present (Internal):** Mike Harbor, CFO; Cory Vokoun, CNO; Holly Bush, CQO; Heather Brockmeyer, HRAO; Steve Branstetter, LTCAO; Dana White, Controller; Jennifer Eaton, EA

**Others Present (External):** Bryan Breckenridge, Legal Counsel; Herb Winters, QHR AVP; Johannes Brann, NDM Reporter

Topic	Discussion	Action & Follow-Up	
<b>Call to Order</b>	Mr. Russ called the meeting to order at 6:03 p.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>• Dr. Taylor return part time on BHU.</li> <li>• Rich Hill Clinic roof completed.</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 – May 23, 2016</li> <li>• Board of Directors – May 24, 2016</li> <li>• Special Board of Directors – June 1, 2016</li> </ul>	The minutes were approved upon a motion made by Larry Bledsoe and a second by Brad Copeland.	
<b>Board Education</b>	<p><i>Emailed prior to meeting:</i></p> <ul style="list-style-type: none"> <li>a. “Health Insurance Options Expected to Dwindle, Predominately in Rural Regions,” <i>Quorum QView</i>, June 2016.</li> <li>b. Supporting article: “Insurance Options Dwindle in Some Rural Regions,” <i>Wall Street Journal</i>, May 15, 2016.</li> <li>c. “CMS Announces New Hospital Quality Program,” <i>Quorum Board Minutes</i>, June 2016.</li> </ul> <ul style="list-style-type: none"> <li>• Mr. Russ inquired about health insurance options in our rural area. Mr. Leeper noted that managed Medicaid piece is moving closer to our area, which is a concern. More options over next several years as than in past. Mr. Bledsoe included those individuals that are covered through the exchange and rate increases in the future.</li> <li>• Mrs. Bush noted we have participated in programs such as outlined in “CMS Announces New Hospital Quality Program” article. Focus variations on quality metrics.</li> <li>• Mr. Leeper noted we just had Cerner security assessment last week; eager to learn findings related to cybersecurity.</li> </ul>	<p><i>Provided in packet:</i></p> <ul style="list-style-type: none"> <li>d. “Cybersecurity: A Growing Threat for Hospitals &amp; Health Systems,” <i>MHA Trustee Matters</i>, June 2016.</li> </ul>	Informational.
<b>Administrative Reports</b>	<p><i>CEO Report – Mr. Leeper provided the following highlights from the report provided in the packet:</i></p> <ul style="list-style-type: none"> <li>• Closed March well; presented best picture possible for refinance; bad month in April, another in May.</li> <li>• Outlined reasons in CEO report; clean-up of old AR taken back from HRG; volumes have been greatly affected this year. Physician turnovers, Dr. Loney retirement, Psychiatry coverage; General Surgery coverage will be limited over next couple months.</li> <li>• Dr. Wilberding’s arrival is Aug. 1<sup>st</sup>; great discussions over past several weeks; onboard with Medical Stabilization program.</li> </ul>	Informational.	

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<b>Administrative Reports cont</b>	<ul style="list-style-type: none"> <li>• Husband/wife team (FPOB/Psychiatrist) coming on site tomorrow; very optimistic.</li> <li>• Mr. Bledsoe noted footholds seem to be in place for a strong 1<sup>st</sup> quarter 2017.</li> </ul> <p><i>Organizational Chart Review – Mr. Leeper noted the following update to the organizational chart:</i></p> <ul style="list-style-type: none"> <li>• Mr. Leeper noted a slight change that Medical Director does not require direct reporting to CEO.</li> </ul> <p><i>QHR Report –Mr. Winters provided the following:</i></p> <ul style="list-style-type: none"> <li>• Mr. Winters shared that he is a new grandfather.</li> <li>• Monthly client calls continue, budget review, coding review recently completed, chargemaster review to be done soon.</li> <li>• QHR Leadership meetings in August in Nashville.</li> <li>• GPO disclosure letter should have been received by Board Chair. Mr. Russ will check to confirm receipt.</li> <li>• CEO evaluations due next week; evaluation to be done in Executive Session next month.</li> </ul>	<p>Informational.</p>
<b>Financial Reports</b>	<p><i>CFO Report – Mr. Harbor provided the following highlights:</i></p> <ul style="list-style-type: none"> <li>• 20 transfers out in May; could have resulted in additional \$250k.</li> <li>• BHU inpatients Q1 – 24; Q2 – 20; Q3/4 – 15; resulted in \$171k downturn.</li> <li>• Other downturns in Outpatient visits, surgery, and clinic.</li> <li>• Refinance update: 4 banks considering, should have interest update by Friday.</li> <li>• Mr. Bledsoe noted positive outlook that BHU figures will turn around once fully staffed again soon.</li> <li>• Mr. Harbor noted BKD pre-audit letter notice to be conducted soon.</li> </ul> <p><i>Approval Items: summary provided in the packet</i>  Approval items were voted on in Finance meeting. No other outstanding items required approval.</p>	<p>The financial reports were approved upon a motion made by Larry Bledsoe and a second by Brad Copeland.</p>
<b>FY17 Budget</b>	<p><i><b>FY17 Budget:</b> summary provided in packet</i></p> <p><i>Operating:</i></p> <ul style="list-style-type: none"> <li>• Major assumption that occurrences this year since January will return to normal by end of this year; Hospitalists improving inpatient census.</li> <li>• Based off of calendar year 2015; to set baseline.</li> <li>• Inpatient growth in medical stabilization unit; 2 patient average a day; 20/month.</li> <li>• Chargemaster increase of 5%; has not occurred since 2014. Contractuals/bad debt increase of 14%. Meaningful Use monies; factoring ½ of what was received this year. 340B program changes.</li> <li>• Salary/wages increase primarily moving CRNA’s from professional fees to employed positions.</li> <li>• Assuming productivity improvements; will make adjustments for merit/market increases; there is room in budget.</li> <li>• Overall realistic budget presented; Mr. Bledsoe noted should expect higher results if all goes right.</li> <li>• Finish bond days cash at 84; total cash 95 at end of FY17.</li> </ul> <p><i>Capital:</i></p> <ul style="list-style-type: none"> <li>• Just under \$800k; managers ranked needs in order of importance.</li> <li>• Mr. Fast inquired about review of budget in 6 months; Mr. Harbor noted this is not typically done as</li> </ul>	<p>The Operating and Capital Budgets were approved upon a motion by Larry Bledsoe and a second by Brad Copeland.</p>

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<b>FY17 Budget</b>	staff evaluations, performance are tied to these figures; unless refinance or other substantial item is presented.																			
<b>Board Committee Reports</b>	<p><b><i>Physician Relations Committee</i></b> – Guest physician was Dr. George Hubbell, GYN. He noted good experiences since arriving. Conversations around marketing his service, issues with Cerner platform.</p> <p><b><i>Workforce Committee</i></b> – review of minutes from prior month. General overview of employee engagement survey results; staff would like to see leadership to hear concerns, ideas, etc. Mr. Denman mentioned Studer program ideals and if it should be re-implemented. Mr. Leeper confirmed focus on key aspects, but do not follow program strictly; need to hold each other accountable. Mrs. Burch asked about board member rounds once a month, send thank you notes to Shining Stars, etc. Executive Assistant will have monthly signup sheet at next board meeting; Mrs. Brockmeyer to make name badges for board members.</p> <p><b><i>Patient Satisfaction Dashboards</i></b> – Press Ganey has numerous resources available as well as ongoing monthly support calls; inpatient HCAHPS scores value based purchasing excellent performance YTD; outpatient moving slowly to 50<sup>th</sup> %; ED has remained flat; very low #'s in April.</p>	The board committee reports and minutes were approved upon a motion made by Brad Copeland and a second by Delton Fast.																		
<b>Board Governance</b>	<ul style="list-style-type: none"> <li>Appointment of Mrs. Burch to Workforce Chair.</li> </ul>	The appointment was approved upon a motion made by Bill Denman and a second by Larry Bledsoe.																		
<b>Adjournment</b>	The meeting was adjourned at 7:25 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 Delton Fast and a second by Larry Bledsoe. Results of a Roll Call vote are as follows:	<table border="0"> <tr><td>Bob Beaver</td><td>Absent</td></tr> <tr><td>Larry Bledsoe</td><td>Yea</td></tr> <tr><td>Jenise Burch</td><td>Yea</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>Absent</td></tr> <tr><td>Steve Russ</td><td>Yea</td></tr> </table>	Bob Beaver	Absent	Larry Bledsoe	Yea	Jenise Burch	Yea	Brad Copeland	Yea	Bill Denman	Yea	Mike Farran	Yea	Delton Fast	Yea	Candice Moore	Absent	Steve Russ	Yea
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<b>Call Back to Order</b>	Mr. Russ called the meeting back to order at 8:44 p.m. and noted that a quorum was present. No conflicts of interest were disclosed.																			
<b>Financial Report</b>	Discussion regarding the LTC pre-payment advance for services rendered was made. Mr. Leeper requested pre-payment advancement of up to 1 year from LTC for services rendered, not expecting it to be more than 4 or 5 months advance.	The request was approved upon a motion made by Bill Denman and a second by Larry Bledsoe.																		
<b>Adjournment</b>	The meeting was adjourned at 8:46 p.m. upon a motion to move back into LTC Open Session made by Brad Copeland and a second by Delton Fast.																			

Respectfully submitted,  
Jennifer Eaton, Executive Assistant