

Nevada Regional Medical Center
BOARD OF DIRECTORS
March 28, 2017

Members Present: Steve Russ, Jenise Burch, Brad Copeland, Ron Chandler, Mike Farran, Delton Fast, Wayne Reinert, Dr. Candice Moore, Dr. Warren Lovinger, Kevin Leeper

Members Absent: Bob Beaver

Others Present (Internal): Mike Harbor, CFO; Cory Vokoun, CNO; Holly Bush, CQO; Heather Brockmeyer, HRAO; Marci Hardin, IT Manager; Mandi Jordan, Recorder

Others Present (External): Bryan Breckenridge, Legal; Jeff Hill, QHR; James Sneed, Consultant; Johannes Brann, NDM Reporter; Hannah Cook, KNEM/KNMO

Topic	Discussion	Action & Follow-Up
Call to Order	Mr. Russ called the meeting to order at 5:49 p.m. and noted that a quorum was present. No conflicts of interest were disclosed.	
Celebration of Good Things	<ul style="list-style-type: none"> • Mr. Leeper celebrated the collegiality between County, City, Healthy Nevada, NRMC Admin & Board toward PDMP effort. Thanked community for support. Mr. Russ was recognized in the MHA Trustee newsletter for his representation on this effort as well. • Mr. Leeper congratulated Dr. Lovinger for his upcoming inauguration as new President of the Missouri Medical Association. 	Informational.
Approval of Minutes	<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 – February 27, 2017 • Board of Directors – February 28, 2017 	Approved as written upon a motion made by Jenise Burch and a second by Brad Copeland.
Board Education	<p><u>Provided in packet:</u></p> <p>a. “Trustee Matters,” MHA, March 2017. Mr. Russ noted the <i>Trustee Matters</i>, asked for thoughts on building leadership, succession planning. Suggested that Workforce Cmte look into succession planning on mid-management level, as well as leadership development needs. Mr. Leeper noted NRMC’s longstanding participation in MHA Leadership Series, sending new managers to this 9 session training. Mr. Branstetter also noted LTC efforts, leadership development resources and Grow Your Own efforts.</p> <p>b. “Understanding Your Market Position,” Quorum Board Minutes, March 2017. QHR Board Minutes discussed understanding market position. Mr. Russ mentioned that Nevada’s market share has decreased. Suggested that new Networking Cmte discuss clinical affiliation options; QHR has presented on this in the past. Mr. Hill added that there may be additional opportunities for joint recruitment efforts, similar to Cardiology effort.</p> <p>c. <i>Mayo Clinic article</i> Mayo Clinic published article that they will prioritize patient payor mix. Mr. Leeper stated that some hospitals may practice similarly. ‘No margin, no mission’, getting harder and harder unless have fair amount of commercial insurance business. NRMC has seen a decline of 2% from Commercial and Self Pay has increased. Mayo made a bold statement, whereas we are obligated to serve anyone who seeks care, but we do need to be strategic to attract commercial insurance customers.</p>	<p>Informational.</p> <p>Workforce Cmte to discuss at next meeting.</p> <p>Networking Cmte to discuss at next meeting.</p>

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<p>Administrative Reports (cont.)</p>	<ul style="list-style-type: none"> ○ Additional property with RHC designation, increased reimbursement from \$45/visit to \$137/visit. Plan to move outpatient behavioral health and Dr. Lovinger’s nursing home billing to this model. Mercy moving offices over next few months. ○ Cardiologist ramping up, expect revenue to grow to \$90k/month. ○ Moved away from outsourced service for billing and collections to save money. ○ Focus on productivity management, staffing to pt demand. Participation across organization with daily/weekly targets, has saved the equivalent of 13FTEs since November; we will continue with this until we are able to offset with revenue. ○ Effective utilization of 340B program. ○ Clinical Documentation Improvement program. ○ Cerner negotiations in process, they may freeze increase for next 2 years that would save up to \$250k. ○ Modified health benefit pricing method for self-funded plan covering employees using outside services. 18% savings projected. ○ Market share data – reviewed utilization data over last 7 years. Interesting that there was not a huge correlation between Behavioral and Med/Surg census. ○ Outsourcing Home Health & Hospice billing, expect better results. ○ Updating SOLIC recommendations made 2 years ago to show bond insurer that we continue to track and monitor to manage NRMCM effectively. We have had some unexpected challenges, doing all we can to address, new consultants onsite to update. <p>Mr. Russ asked the Board to review and bring forward any questions and concerns. Mr. Russ stated that he appreciates the update on SOLIC action plan and updated reports, as the Board has to make decisions based on projections, good to get follow-up, want to see follow-through.</p>	<p>Update next month.</p>
<p>Financial Reports</p>	<p><u>QHR Report</u> –Mr. Hill discussed the following:</p> <ul style="list-style-type: none"> • In addition to reviewing SOLIC action plan, also reviewed prior PFS action plan and Revenue Cycle. Consultant analyzing outmigration to identify potential for recapture. • Will be reviewing nurse staffing, compliance program. • Upcoming Trustee Conference in August; Mr. Russ encouraged participation. <p><u>CFO Report</u> – Mr. Harbor provided the following highlights:</p> <ul style="list-style-type: none"> • Good month, small profit. Pt revenue was best it has been in over two years. • Strong charges and net revenue, plus we covered expenses. Biggest improvement was in inpatient, 18% over last year; BHU days up by 56% from last year. Clinic visits were strong, ER visits high. Surgeries are lower than last year. Deliveries are up. • Increase in expenses due to \$150k in health insurance claims held since Dec in order to reach stop loss. • Accrued \$220k for liability insurance rebate program; cash will be received in June before FYE. • Lag in cash collections, expect to catch up soon. 	<p>Informational.</p> <p>The financial report was approved upon a motion made by Jenise Burch and a second by Brad Copeland.</p>

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<p>Financial Reports (cont.)</p>	<ul style="list-style-type: none"> • Recorded purchase of property, increase capital assets and long term debt. • Productivity strong at 99%. • Expenses holding strong at only 9.7% of net revenue. • Mr. Harbor discussed change in pt flow. Group discussed that \$3.2M in revenue is needed to breakeven; Mr. Leeper noted that it is much harder now to get to \$3.2M net revenue. <p>Approval Items: <i>summary provided in the packet</i></p> <p>1. Exchange Migration & Upgrade (\$58,550) – email server upgrade Marci Hardin, IT Manager, presented this approval item and explained the need at this time. This project began in 2012/2013, close to Cerner go-live timeframe. During that time, we had IT staff turnover and were also scrutinizing costs, pushed back priorities. Gathered quotes in 2016 to add this project to the FY18 budget. Recent incident with email going down shined light of importance, as the backup process failed and there was loss of important communication. The 2003 server is showing its age. Proposal to upgrade includes minimal labor (4 days); the licenses are the highest expense. Concern that if we do not move forward on this now, we may be left with no inbound email service, crippling our business operations. Due to vendor scheduling, April 16th is soonest date to start upgrade project. Mr. Russ discussed cost cutting measures, asked if there are other lurking projects or needs; Marci complimented our Network Administrator who is working to update our system, emphasizes security, and is investigating other needs.</p>	<p>The financial report was approved upon a motion made by Jenise Burch and a second by Brad Copeland.</p> <p>The Exchange migration & upgrade was approved upon a motion made by Brad Copeland and a second by Delton Fast.</p>																		
<p>Board Committee Reports</p>	<p>Technology Cmte – Mr. Copeland reported that ISG presented an analysis of our system and needs, such as offsite data backup. Expect more IT projects and requests.</p>	<p>The Committee minutes were approved upon a motion made by Brad Copeland and a second by Mike Farran.</p>																		
<p>Board Governance</p>	<ul style="list-style-type: none"> • Mr. Russ sent around a sign-up sheet for Board members to attend Medical Staff meetings. Stated it is a good opportunity to experience their meetings and be available for them to ask questions of the Board. Encouraged participation. • Mr. Russ introduced Mr. Jim Sneed, Consultant with City of Nevada, in attendance to observe. 	<p>Informational.</p>																		
<p>Adjournment</p>	<p>The meeting was adjourned at 7:12 p.m. upon a motion to move into Executive Session in accordance with RSMo (1994) Section 610.021 Subparagraph (1), (3), and (13) made by Delton Fast and a second by Brad Copeland. Results of a Roll Call vote are as follows:</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Bob Beaver</td> <td style="text-align: right;">Absent</td> </tr> <tr> <td>Jenise Burch</td> <td style="text-align: right;">Yea</td> </tr> <tr> <td>Ron Chandler</td> <td style="text-align: right;">Yea</td> </tr> <tr> <td>Brad Copeland</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>Candice Moore</td> <td style="text-align: right;">Yea</td> </tr> <tr> <td>Wayne Reinert</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	Absent	Jenise Burch	Yea	Ron Chandler	Yea	Brad Copeland	Yea	Mike Farran	Yea	Delton Fast	Yea	Candice Moore	Yea	Wayne Reinert	Yea	Steve Russ	Yea
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Respectfully submitted, Mandi Jordan, Recorder