

COFFEY COUNTY HOSPITAL BOARD OF TRUSTEES MEETING

The Coffey County Hospital Board of Trustees met in regular session on June 16, 2014, in the Allen Woods II Conference Room. Board Members attending were: Jim Ochs, Chairman; Gene Merry, Vice-Chairman; Polly Epting, Secretary; Steve Hopkins, Treasurer; Levi Saueressig, Rosemary Rich, Peter Allegre, Tim Smith, and Tim Sipe. Employees attending were: Randy Lindauer, CEO; Dr. Chris Jarvis; Gus Rogers, CFO; Vic Blaufuss, Plant Operations Director; Patty Thomsen, Clinic Administrator; Tracy Campbell, Marketing Director; Connie Weseloh, Materials Management Director; Eric Cole, IT Director; James Higgins, EMS Director; and Terri Tweedy, Administrative Assistant. Mark Peterson attended representing the newspaper. Matt Brodine attended representing Schneider Electric.

Jim Ochs called the meeting to order at 6:00 p.m.

Recognize visitors: None.

Additions to Agenda: Topics added were: Needs Assessment and Bylaw Revision Committee. Gene Merry moved, Steve Hopkins seconded the motion to approve the Agenda as amended. Motion carried unanimously.

Matt Brodine from Schneider Electric gave a presentation on the new HVAC facilities improvement project. He spoke about the projected savings that CHS could expect once the project is complete.

Steve Hopkins mentioned that in the Administrator's Report, the word "of" should be "a" in the sentence concerning Randy joining the Rotary Club. Levi Saueressig moved, Rosemary Rich seconded the motion to approve the May 19, 2014 Meeting Minutes as corrected. Motion carried unanimously.

Dr. Jarvis gave the Medical Staff Report.

Gene Merry moved and Tim Smith seconded the motion to approve that Darren Klish, M.D., be reappointed to the Consulting Staff with the clinical Oncology privileges as requested for a term of July 1, 2014, to July 1, 2016. Motion carried unanimously.

Gene Merry moved and Tim Smith seconded the motion to approve that Laurel Louderbaugh, APRN., be reappointed with the Allied Health APRN as requested for a term of July 1, 2014, to July 1, 2016. Motion carried unanimously.

Gene Merry moved and Tim Smith seconded the motion to approve that Shekhar Challa, M.D., be reappointed to the Courtesy Staff with the gastroenterology privileges as requested for a term of July 1, 2014, to July 1, 2016. Motion carried unanimously.

Gene Merry moved and Tim Smith seconded the motion to approve additional privileges to read radiology plain films to: John Shell, M.D.; Christopher Jarvis, M.D.; Jon Sides, M.D.; Jeff Sloyer, M.D.; Donald Braun, M.D.; Beverly Clark, M.D.; John Atkin, M.D. and Richard Fox D.O. Motion carried unanimously.

Gus Rogers presented the May financial report. AR days are reducing; the Charge Master is being updated; the Cost Report has been submitted; the 2015 budget has been submitted to the Commissioners; preparation has begun on the 2016 budget; BKD will present the 2013 Audit at the July meeting; Home Health Pavroll Human Resources and Time & Attendance modules are still on the CPSI System and

need upgraded along with a module for Fixed Assets. Tim Smith requested that a report be submitted to the Board showing the progress of AR. Steve Hopkins asked about long term debt/short term debt. Randy stated the current long term debt is \$3.5 million and short term is \$160,000. Debt will be paid as dollars are received beginning with the short term debt. Long term debt includes capital leases. Jim Ochs stated employee pay increases need addressed as soon as finances are better.

Randy Lindauer gave the Administrator's Report. He asked that the Board review their November calendar so that the retreat can be scheduled. Terri will send out an email with available dates. The Leadership Development training will begin immediately following the retreat. CHS has been sued by a company called Creekridge which appears to be associated with Healthland. Attorneys are involved and working to resolve this issue. Payments to Healthland have been withheld until their system runs better. Randy stated that there is an addendum signed by Karen Smith that is only a signature page. The content page(s) have not been located. The original contract with Healthland is for \$1.2 million, but the total now is \$1.5 million. There are three other hospitals suing Healthland, and two are from Kansas. The Accounts Receivable and the coding issues are getting better. The LifeCare Regional VP, Divisional VP, and the Administrator came to visit last week and stated their concern that CHS is putting them out of business. Randy, of course, responded that CHS had no intentions of being the cause for them to shut down. The architects have been coming in with drawings for future construction/renovation. All will be notified when the appointments are scheduled.

Polly asked about the cancellation of the Studer Group contract. Randy stated that they are a leadership development company and that CHS no longer needs them as we will be doing the development on our own.

Jim stated the need to discuss the bank Resolution that was sent out in error. Jim apologized. The document was from a template. This was not taken to commissioners or the bank. Both entities are wanting a letter of commitment stating we need a 1 million dollar loan just in case the commissioners need to sign off at the bank. This was previously discussed when Dr. Shell was Interim CEO. Randy stated that there is a need for a line of credit. Jim Ochs asked if the Board was in agreement with the line of credit issue or if there were any other questions. The original approval was for Dr. Shell to be authorized to complete this banking transaction, as he was serving as the Interim CEO. The resolution needs to state that Randy is now authorized to sign. Jim Ochs read a resolution stating, "Resolved: that Randy Lindauer, the CEO of Coffey Health System be hereby authorized to act on behalf of CHS to borrow the sum of 1 million dollars from Central National Bank, hereafter referred to as "Bank", on the terms set out in the loan instrument set out by Central National Bank. Further resolved that said CEO is authorized to sign and execute the loan instrument document and whatever other documents are necessary or required by said bank to evidence indebtedness of Coffey Health System to "Bank". Levi Saueressig asked if it would be in writing that there has to be Board approval? Randy said that could be added. After discussion, Jim Ochs read the resolution as follows: "With prior approval of the Board of Directors of Coffey Health System, be it resolved that Randy Lindauer, the CEO of Coffey Health System, be hereby authorized to act on behalf of Coffey Health System to establish a line of credit up to 1 million dollars." Tim Sipe stated that he didn't think it was necessary for the Board to be contacted for each transaction. Randy assured the Board that they would be contacted prior to accessing the line of credit. Jim read a third revision of the resolution; "With prior approval of the Board of Directors, Randy Lindauer, the CEO of Coffey Health System, be hereby authorized to act on behalf of Coffey Health System to establish a line of credit up to the sum of 1 million dollars." Jim stated, "The rest of it to read exactly as it did before". Tim Sipe moved and Tim Smith seconded to approve the resolution as read. Motion carried unanimously.

The Board packet included a CEO evaluation and Board Self Evaluation to be reviewed and adopted at the August meeting. The CEO 90 Day Evaluation is due in August. Jim stated changes and/or

recommendations to the documents would be addressed at the July meeting. Jim said that there was to be no email communication regarding the evaluations.

The architect meeting schedule will be sent out concerning plans for the Long Term Care Unit.

No other information to report concerning Healthland.

The Needs Assessment Report was distributed. Randy suggested the Board review it and contact Randy or Tracy with questions. Tracy noted that this information was compiled from the phone interviews that were conducted earlier this year, and that Woodson and Coffey counties were surveyed. Over 400 surveys were completed from Coffey, with just under 200 surveys coming from Woodson. This information should be a great tool while moving forward to become a regional organization.

The question was asked about the relationship with St. Francis Hospital in Topeka. Randy stated that we are only networking with them. There are no contracts with them. CHS transfers patients to them and uses some of their specialists. Gene mentioned that he and Dr Shell visited with the St Francis CEO earlier this year and that they are very happy to work with us however we need.

For the Healthcare Update Randy reported that Healthcare Resource Group (HRG) has begun working with the Accounts Receivable and that our reimbursement from Blue Cross Blue Shield should increase by 1.5%.

Jim asked about the Bylaws Committee. Steve stated that Randy, Polly, Gene and he were the committee and that the final draft should be presented at the August Board meeting.

Steve Hopkins moved and Levi Saueressig seconded the motion to enter into a five minute executive session to discuss non-elected personnel. Motion carried unanimously.

Executive session began at 7:35 p.m.

Regular session resumed at 7:40 p.m.

Peter Allegre moved and Tim Smith seconded the motion to adjourn. Motion carried unanimously.

Meeting adjourned at 7:40 p.m.

Polly Ann Epting, Secretary