

COFFEY COUNTY HOSPITAL BOARD OF TRUSTEES MEETING

The Coffey County Hospital Board of Trustees met in regular session on February 16, 2015, in the Allen Woods II Conference Room. Board Members attending were: Jim Ochs, Chairman; Gene Merry, Vice-Chairman; Rosemary Rich, Secretary; Steve Hopkins, Treasurer; Levi Saueressig, Peter Allegre, Cameron Roth, Craig Stukey. Board Member, Tim Smith arrived at 7:40 p.m. Employees attending were: Randy Lindauer, Chief Executive Officer; Patty Thomsen, Clinic Administrator; Tracy Campbell, Marketing Director; Melissa Hall, Chief Nursing Officer; Theresa Thoele, Vice President of Human Resources; James Higgins, Emergency Medical Services Director; Dr. John Shell, Chief of Staff; Vic Blaufuss, Facilities Director; Sean Awad, Chief Information Officer; Cindy Cole, Long Term Care Environmental Service Supervisor; Alberta Andrick, Dietary Manager; Stacy Augustyn, Nursing Supervisor and Terri Tweedy, Administrative Assistant. Mark Petterson attended representing the newspaper. Visitor attending was: Dean Ohmart.

Jim Ochs called the meeting to order at 6:05 p.m.

Mark Petterson addressed the meeting concerning the Kansas Open Records and Kansas Open Meeting Acts. Gene Merry stated that he would like to have the County Attorney provide training to the Board about the Kansas Open Meeting and Kansas Open Records Acts and to add this item to New Business. Gene stated that when special meetings take place, only what is advertised on the Agenda is to be addressed. He said that administering the Oath of Office to Craig Stukey was not on the advertised Agenda, therefore was an illegal action and should be done at the regular meeting. Steve stated that in the Constitution, there is an allowance to add or modify the agenda at each meeting but was uncertain if that included special meetings. Gene stated that on a regular meeting agenda, revisions may be made but not on advertised special meetings. Jim stated that the appointment at the special meeting was an innocent error.

Additions to the Agenda were to add: Administer Oath of Office and under New Business, Kansas Open Records and Kansas Open Meeting Act Education. Gene Merry moved and Levi Saueressig seconded the motion to approve the Agenda as amended. Motion carried unanimously.

Jim Ochs administered the Oath of Office to Craig Stukey.

Corrections to the January 19, 2015 Minutes were: Remove the motion stating payment of \$5000 per month would be paid toward the Fiber Project; add that the Executive Finance Committee met on January 19th at 4:30 p.m.; and to note that Randy had stated that by adding Dr. Hargreaves to the staff, this would fulfill state and federal requirements concerning dental care. Corrections to the February 9, 2015 Minutes were: to note that Jim Ochs voted against the motion to enter into a one hour Executive Session to discuss non-elected personnel and to correct the vote count to 6 to 1 to remove Craig's vote. Steve Hopkins moved and Gene Merry seconded the motion to approve the January 19 and February 9, 2015 Minutes as corrected. Motion carried unanimously.

Discussion was held concerning Trustee appointment. Rosemary stated she understood that once the Commission appointed a Trustee, they were a member of the Board. Steve clarified that was correct but that the new member was not qualified until administered the oath of office according to the Bylaws. Gene stated the correction to the Special Meeting Minutes should state that Craig Stukey was included in the Executive Sessions and was qualified by oath at the following regular meeting. Also, document that Craig was erroneously sworn in at the special meeting.

Dr. Shell gave the Medical Staff Report. He stated that there was a Medical Staff Bylaw Amendment concerning the DEA license for credentialing that needed approval.

Gene Merry moved and Peter Allegre seconded the motion to approve changes to the Medical Staff Bylaws for addition of verbiage “current DEA license (as applicable)” to be added to Article XII, Section 10, Letter (e), Number (12) on the recommendation of the Chief of Staff. Motion carried unanimously.

Steve Hopkins moved and Gene Merry seconded the motion to approve that Dhiraj Singh, M.D., be appointed to the Courtesy Staff with the Pediatric Cardiology privileges as requested for a term of March 1, 2015, to March 1, 2017. Motion carried unanimously.

Steve Hopkins moved and Gene Merry seconded the motion to approve that Christopher R. Sidden, M.D., be appointed to the Consulting Staff with the Teleradiology privileges as requested for a term of March 1, 2015, to March 1, 2017. Motion carried unanimously.

Steve Hopkins moved and Gene Merry seconded the motion to approve that Christin Weller, M.D., be re appointed to the Consulting Staff with the Pathology privileges as requested for a term of March 1, 2015, to March 1, 2017. Motion carried unanimously.

Steve Hopkins moved and Gene Merry seconded the motion to approve that John Atkin, M.D., be re appointed to the Active Staff with the Family Practice privileges as requested for a term of March 1, 2015, to March 1, 2017. Motion carried unanimously.

Steve Hopkins moved and Gene Merry seconded the motion to approve that Donney Kastner, M.D., be re appointed to the Consulting Staff with the Cardiology privileges as requested for a term of March 1, 2015, to March 1, 2017. Motion carried unanimously.

Steve Hopkins moved and Gene Merry seconded the motion to approve that Cynthia Hildebrand, APRN, be re appointed to the Allied Health Staff with the Allied Health APRN privileges as requested for a term of March 1, 2015, to March 1, 2017. Motion carried unanimously.

Steve Hopkins moved and Gene Merry seconded the motion to extend currently held privileges to Monty John, CRNA; Jeffrey Glasgow, CRNA; and William Walkelett, M.D. until March 17, 2015, for completion and processing of the application for reappointment. Motion carried unanimously.

Randy Lindauer gave the Financial Report. He distributed a document outlining how repayments will occur from the Meaningful Use Monies. Once the money is received, \$200,000 will be paid to the Line of Credit at Central National Bank, \$50,000 will be paid to the County Commission, \$104,000 will be paid to the Physician’s Pension Accounts, \$70,000 will go toward the Madison Clinic, \$100,000 will be paid for Physician back pay incentive and \$50,000 will go to re-payment of Foundation monies. Steve Hopkins asked if the Disproportionate Share Money has been received. Randy stated he does not expect to receive that money. Jim asked about the \$500,000 Grant that was applied for. Randy said he should receive information concerning that Grant in February or March. The money would be applied to the Madison Clinic, vehicles and the hospital building. He stated that Tracy and Lacey have taken over the Grant Writing duties and he will get all information regarding the grants to Tracy and Lacey. All the voice and electronic mails from the Compliance Office have been forwarded to Randy. He will get with Vic on the voice mail access code so that he can access the recordings. All information in these correspondences will be given to Tracy and Lacey.

Gene stated that at the Executive Finance Committee meeting, three motions were in need of Board approval. Motions are to approve the January and partial February check registers, authorization of Blue and Company to complete the Medicaid Cost Report, and recommend that Blue and Company or a recruitment firm provide an interim CFO while proceeding with a search for a permanent CFO including the St. Francis and in-house efforts. Randy explained the voucher process will be a better tracking system of expenses.

Gene Merry moved and Steve Hopkins seconded the motion to approve the January and partial February check registers of 605 vendors. Motion carried unanimously.

Gene said the Medicaid Cost Report is due February 28th. If this report is not submitted, reimbursements could be shut off for a year or whatever Medicaid decides. Gene Merry moved and Steve Hopkins seconded the motion to authorize Blue and Company to complete the Medicaid Cost Report. Peter Allegre asked what the cost was for the service. Randy said that in the past, Blue and Company charged approximately \$15,000 to \$20,000 for Medicaid Cost Report completion. He said this was reasonable. He said Medicaid is approximately 30% of our business. Motion carried unanimously.

Gene Merry moved and Peter Allegre seconded the motion to recommend that Blue and Company or a recruitment firm provide an interim CFO while proceeding with a search for a permanent CFO including the St. Francis and in-house efforts. Randy said that St. Francis is willing to send us temporary financial personnel. Levi asked how it was decided to use Blue and Company. Gene stated that it's a nationally known company that can be viewed on line. Randy said he spoke to Bill Reese from Blue and Company out of Indianapolis and he thinks they can go ahead and do the Medicaid cost report really quickly. Motion carried unanimously.

Randy said that memorial contributions in the amount of \$4000 has been received from the Horst family from Madison. An account will be opened in the Foundation's name to deposit this money and to accept further donations for the Madison Clinic.

Randy reviewed the Income Statement. He said CHS had \$3 million dollars in revenue for January. After expenses were deducted, CHS would have had a loss on the statement, however, with the CMS settlement (\$528,000) and the county subsidy (\$572,000) that were received in January, CHS had a positive bottom line. If the county subsidy had not been received in January, CHS would have still had a profit of \$484,496 from the revenue stream. Gene asked how much Accounts Payable are in arrears. Randy stated it is close to half a million. Randy would like to decrease the vendor list from 1200 to 400. January was a very good month. Gene asked about the physician incentive pay, if the payment listed would catch the physician's up. Randy said no, that they would still be owed around \$200,000. Jim asked if the Relative Value Units (RVUs) were taken care of. Randy said they were.

The 3% raises went into effect February 1st. The increase to payroll was \$10,770 per pay period. There was a decrease of \$535,000 in wages per year due to personnel leaving the System.

Levi asked if Premier Purchasing Partners would save money. Randy said Premier Purchasing Partners will do an audit. They will be given a list of current supplies with cost. Randy stated that an actual list is not easy to access because only \$2 million of the supply cost is going through Materials and there is another \$6 million being purchased by individual departments. All vendors and invoices will have to be gone through to get a true figure. Randy said that there would be a 90 day contract with Premier to begin. There are no buy outs with Med Assets. Premier will set par levels. Randy told them he wants to reduce the Accounts Payable from \$8 million to \$4 million. Randy stated Premier does not have a problem with that whatsoever. He worked with them at St Vincent and the Mayo Clinic and they are a very reputable

company. No contract is signed yet. To get started, the 90 day contract will need to be signed and the list will need submitted to them. After the 90 days we can decide to stay with them or go back to Med Assets. Cameron asked if there was a cost in getting out of our current agreement. Randy said not that he could find. Jim asked if Randy was aware of any penalty for getting out of the contract. Randy said he was not aware of any penalty. Dennis George, Med Assets CEO, has contacted Randy to set up a meeting to review the contract. Randy wants a report from Premier before meeting with Mr. George.

Steve Hopkins reviewed the revisions to Constitution and Bylaws. He recommended putting together a subcommittee to work on Board Assessment as this is an annual Agenda Item. Peter asked how many board members can meet together without it being an open meeting. Steve stated less than 5. Steve mentioned a replacement is needed on the Executive Finance Committee. Gene Merry moved and Cameron Roth seconded the motion to appoint Craig Stukey to the Executive Finance Committee. Motion carried unanimously.

Peter asked about section 1.2.6 in the Bylaws concerning preparing a budget and has this been done. Steve said it's the CEO and staff's responsibility to prepare a budget and present it to the Board for approval and then submit to the Commissioners. Has the Board approved the annual and long term goals as specified in Section 1.2.7 of the Bylaws? This has not been done. Steve stated there are things in the Bylaws that still need worked on. Steve said that an incorrect version of the Bylaws was presented and approved last November which is the reason for revisiting this subject. Steve Hopkins moved and Levi Saueressig seconded the motion to approve the Constitution and Bylaw revision as presented. Motion carried unanimously.

The Madison Clinic is in the process of being built. The completion date is sometime in May. The community is excited about the project. Steve asked if a list has been put together for the internal needs of the facility. Patty Thomsen has been working on that. Levi asked how we are doing budget wise. Randy stated we are under for the building. Vic has worked diligently to reduce the building cost. It was \$356,000 and is down to \$305,000. Rosemary asked if there was an estimate as to the cost of equipping the building. Randy said when he did the proforma, it was no more than \$65,000. A refurbished x-ray machine would be installed. Jim asked Vic what was changed to reduce the cost. Vic stated the stone coated steel roof was removed which reduced the cost by \$20,000, the outside utility hook-up was removed from the loan but will still need paid for which reduced the total by \$5,000, and flooring was not in the price. He received a quote for techno flooring of \$32,000 to \$33,000. He is getting another quote. Randy said the Madison City Council stated they would help with the utility costs. Vic said the building would come in five pieces due to the width. The first furniture quote is \$2200 to 2500. The medical equipment costs would be additional. Levi asked how much was the grant for. Randy said \$450,000. Levi said if we get the grant, we are right at \$25,000 over that. Randy stated the grant was on-going, year after year.

The Stormont Vail contract was discussed. Randy stated he did not think we need it. There are going to be changes at Stormont. He said when he attends the meetings they are not willing to work together as a group and nothing is accomplished. CHS did not receive help with the health insurance quote. Stormont is more individualized. He likes working with St Francis and KHA. Randy stated there was going to be a lot of changes with Stormont Vail. Gene asked if the change was a merger. Randy affirmed Gene's question. Peter asked if the merger would be between Stormont and St Francis. Randy said, "I'm not saying". Melissa stated she and some of her departments utilize Stormont Vail's resources. Randy said he and Melissa would get together before a final decision is made to discuss the contract. Peter Allegre moved and Cameron Roth seconded the motion to table the Stormont Vail contract until the next regular meeting. Motion carried unanimously.

Discussion was held concerning Quantum Leadership Institute. Randy stated the Board training would cost \$13,000 and would last a day and one half. Randy said the Leadership Team's perspective was that they would like the Board to go through the training so that everyone would have the same education. Jim asked how many would commit to the training. Several expressed concern about the cost. The question was asked if it could be afforded now. Leadership members were asked if they felt it would be valuable for the Board to attend. Some felt it would be beneficial, some did not feel it would help with being a better Board member. Randy stated another test would be done in 6 months to see how the group has grown. Gene Merry moved to hire Quantum Leadership Institute for \$13,000 for the Board of Trustees subject to a suitable date. Motion died for lack of a second.

The KHA annual membership fee is \$30,502. Randy says it's a good organization to stay in but does not agree with the cost. Says he doesn't get a whole lot from it. Rosemary asked if they charged extra for coming to the Retreat in November. Randy said they did not. Jim asked what we get for \$30,000. Randy said healthcare information and legislative information received is good. KHA is the only voice for Kansas healthcare and they good advocates with the government. Randy will ask if the fee could be spread out over 12 months.

After discussion, Peter Allegre moved and Craig Stukey seconded the motion to allow the Leadership Team and Administration to determine whether or not to continue the KHA and Stormont Vail affiliations. Motion carried unanimously.

Kansas Open Meeting Act (KOMA) training was addressed. Jim asked if the self assessment and KOMA training could be done at the same time. Gene stated the KOMA training should be about 2 to 3 hours in duration. Jim suggested coming in early before the next meeting for the training. Gene stated he felt it may have to be a separate meeting as several members could not come in that early. It was suggested printing the KOMA brochure from the Attorney General's web site. Terri will contact the Attorney General's Office for KOMA brochures.

Levi Saueressig moved and Cameron Roth seconded the motion to enter into Executive Session for twenty minutes with Randy Lindauer, CEO, to discuss Non-elected Personnel with open session to resume at 7:55 p.m. in Allen Woods II Conference Room. Motion carried unanimously.

Executive session began at 7:35 p.m.

Tim Smith arrived at 7:40 p.m.

Cameron Roth was called away unexpectedly as regular session resumed at 7:55 p.m. in Allen Woods II Conference Room.

Peter Allegre moved and Gene Merry seconded the motion to enter into Executive Session for five minutes to discuss Non-elected Personnel with open session to resume at 8:05 p.m. in Allen Woods II Conference Room. Motion carried unanimously.

Executive session began at 8:00 p.m.

Regular session resumed at 8:05 p.m. in Allen Woods II Conference Room.

Jim Ochs adjourned the meeting adjourned at 8:05 p.m.

Rosemary Rich, Secretary