

COFFEY COUNTY HOSPITAL BOARD OF TRUSTEES MEETING

The Coffey County Hospital Board of Trustees met in regular session on June 15, 2015, in the Allen Woods II Conference Room. Board Members attending were: Steve Hopkins, Chairman, Peter Allegre, Vice-Chairman, Rosemary Rich, Secretary; Craig Stuke, Treasurer; Cameron Roth, Judy Reese, Tim Smith, and Dennis Young. Levi Saueressig was absent. Employees attending were: Tom Laux, Interim CEO; Tracy Campbell, Marketing Director; Melissa Hall, Vice President of Clinical Services; Dr. John Shell, Chief of Staff, Cheryl Batchelor, Interim Chief Financial Officer, Patty Thomsen, Vice President of Clinics, and Terri Tweedy, Administrative Assistant. Mark Petterson attended representing the newspaper. No visitors were in attendance.

Chairman, Steve Hopkins called the meeting to order at 6:00 p.m.

Treasurer, Craig Stuke, led the Pledge of Allegiance.

There were no additions or changes to the Agenda.

- Judy Reese moved and Tim Smith seconded the motion to approve the May 18, 2015 meeting minutes as presented. Motion carried unanimously.
- Tim Smith moved and Cameron Roth seconded the motion to approve the May 28, 2015 meeting minutes as presented. Motion carried unanimously.

Steve discussed committee appointments. He stated that three Trustees, Peter, Rosemary, and Judy, have volunteered for the Strategic Planning Committee. With no opposition from the board, Steve appointed those Trustees to the Strategic Planning Committee. Staff appointments and Chairperson will be determined at a later date. The Strategic Planning Committee will meet during the first full week in July. Tom Laux will create an agenda for this meeting. The first item to address is the annual Board Retreat. The Trustees would like this to be a one day event at minimal expense. Steve suggested that the event cover an overview of how the System operates and trustee responsibilities.

Appointed to the CEO/CFO search committee were Trustees Tim Smith, Craig Stuke, and Cameron Roth with staff members Melissa Hall, Dr. John Shell and Theresa Thoele. Tom will help to facilitate the process. Steve recommended that all candidates that are interviewed meet the Trustees in a meet and greet setting.

The Board selection committee will be led by trustee, Dennis Young. This committee will be formed in July with plans to have ideas by September, including evaluation of current board members' skills

Dr. Shell presented the Medical Staff Report. He reviewed the change regarding testing and treatment for Medicare patients. He explained that some tests are not paid if performed on the same day and that tests must be attached to a physician visit. This requires the patient to make multiple trips for their tests. Dr. Shell explained that the interior back door to the clinic is locked to preserve patient confidentiality and to secure the area.

Craig Stukey gave the Executive Finance Committee Report. Two county commissioners attended the last meeting. He reported that Robert Perry, Esquire, attended the meeting to review options for debt restructure. Patty Thomsen has begun creating a contract policy. She has contacted Health Innovations Network of Kansas (HINK) for their process. The Commissioners approved the budget as presented. The Ad Valorem Tax Money has been received. The checks were sent to the home address of a previous Trustee. This address has been changed with the County Courthouse so that all other mailings will be sent to the business address. Billing complaints were addressed and Cheryl asked that these types of complaints be directed to her. Ken Smith has been hired to help with building financial reports in Healthland and to help with the flow of patient charges for better processing of claims. Patty completed the swingbed revalidation through CMS. The new internal purchasing process will be given to the leadership staff at the next regular leadership meeting. Accounts Payable are at \$1.3 million. The Accounts Receivable Aging report was reviewed by the committee and found that the amount listed in the 120 Day and Over column was inaccurate due to the computer conversion. The final payment to Schneider Electric is scheduled to be paid. A no-cost, one year warranty extension was given by Schneider Electric due to issues encountered with the equipment. The maintenance contract is being negotiated. The Executive Finance Committee will meet later this week and will determine how to proceed with this payment and will review the revised Capital Equipment list. Cheryl presented the Cash Flow Report. She stated the report looks dismal. She stated that only patient care related vendors and payroll are being paid at this time. Tom discussed requesting additional funding from the Commission and the letter that was submitted to the Commission on June 9th. A bond issue did not appear favorable for CHS at this time. Steve said Commissioner, Arlen Meats, asked to have a breakdown created for the 2015-2016 Capital Equipment listing and to pare it down to essential items. Melissa will revise the spreadsheet and will add a column to document justification of each item. The revised list will be submitted to the Commission on Friday.

- Craig Stukey moved and Judy Reese seconded the motion to approve actions of Board committees and each Medical Staff Credentials/reappointments and Accounts Payables per consent agenda. Motion carried unanimously.

The Constitution and Bylaws are to be reviewed and will be added to the July Agenda. Rosemary is leading this project with input/assistance from Tom Laux. Steve would like to merge the Risk Management, Safety, Corporate Compliance, and Quality Improvement committees if possible. Steve will forward other comments to Rosemary.

Tom said the Attorney General Opinion Request letter concerning operating a clinic in Madison was not sent. The Coffey County Attorney did not sign the letter created by CHS attorney, Scott Palecki. Mr. Palecki signed and mailed the letter. He believes it may take approximately four weeks before a response is received. This opinion should also apply to the Yates Center Medical Clinic.

The City Council of Madison has voted to sponsor an application for a Community Development Block grant. Tracy is working to complete the application which is due in October with grantees to be announced January 2016.

There have been inquiries made to Advanced Homes Systems about selling the pre-fab building. Cameron suggested accepting sealed bids for the building or to possibly use it in Coffey County. Dennis asked if we should continue to move forward with this project. The proforma that Patty created will be in the July board packet and reviewed at the meeting.

The Gideon's have requested permission to place Bibles in the hospital. After discussion, it was decided that Tracy will respond to this request and that five Bibles be placed with the other Bibles at the nurses' station for distribution upon request.

The meeting recessed for five minutes at 7:37.

Tom reviewed the policy regarding the Quick Response Vehicle.

The Medicare Cost Report was submitted by Baird, Kurtz, and Dobson last week. After the computer history is cleaned up, and the annual audit is complete, the report will be reopened and reviewed after the annual audit is complete. Cheryl said facilities have three years to reopen and adjust Cost Reports. The preliminary visit to begin the annual audit has been completed. Cameron asked how in-depth the annual audit goes and should any of the past discrepancies been identified sooner? Cheryl said it is customary to change auditors every three to five years to reduce familiarity with a facility's accounting practices. This process will be put out for bid in the near future. The last audit report will be sent to the Board for review.

Discussion was held about pricing. Reports suggest CHS has under billed for the past seven or eight years. Tom said he has been in contact with a company that will help us compare our prices to similar facilities. Med Assets has given two proposals for this type of service. He said Rebecca received a report from CMS that compares our 2014 pricing to other Kansas and U.S. facilities. Tom suggests increasing prices to the fiftieth percentile, at a minimum, and to do so by July 1st. Melissa said the Charge Master update is approximately 65% to 70% complete and the amounts implemented were at the 75th percentile for 2014. As changes are made, Steve would like to have a spreadsheet created showing the current rate, new rate, date implemented and who made the changes. Tom and the Executive Team will begin this project.

A Symposium hosted by KHA begins Tuesday in Manhattan. Rosemary will attend the session on day 2. Terri will register her.

- Peter Allegre moved and Dennis Young seconded the motion to enter into Executive Session for twenty minutes with Interim CEO, Tom Laux; Interim CFO and Dr. John Shell, Chief of Staff to discuss non-elected personnel with open session to resume at 9:03 p.m. in Allen Woods II Conference Room. Motion carried unanimously.

Executive session began at 8:43 p.m.

Regular session resumed at 9:03 p.m. in Allen Woods II Conference Room.

- Dennis Young moved and Tim Smith seconded the motion to enter into Executive Session for ten minutes with Interim CEO, Tom Laux; Interim CFO, Dr. John Shell, Chief of Staff to discuss non-elected personnel with open session to resume at 9:13 p.m. in Allen Woods II Conference Room. Motion carried unanimously.

Executive session began at 9:03 p.m.

Regular session resumed at 9:13 p.m. in Allen Woods II Conference Room.

- Dennis Young moved and Tim Smith seconded the motion to enter into Executive Session for ten minutes with Interim CEO, Tom Laux; Interim CFO, Dr. John Shell, Chief of Staff to discuss non-

elected personnel with open session to resume at 9:23 p.m. in Allen Woods II Conference Room.
Motion carried unanimously.

Executive session began at 9:13 p.m.

Regular session resumed at 9:23 p.m. in Allen Woods II Conference Room.

- Tim Smith moved and Judy Reese seconded the motion to adjourn the meeting at 9:27 p.m.
Motion carried unanimously.

Rosemary Rich, Secretary

Items for follow-up at July meeting (not all inclusive)

Constitution/Bylaws revisions

Madison Clinic

Pro forma for clinic operation

Grant application progress

Offers on building