

COFFEY COUNTY HOSPITAL BOARD OF TRUSTEES MEETING

The Coffey County Hospital Board of Trustees met in regular session on April 24, 2017, in the Allen Woods II Conference Room. Board Members attending were: Judy Reese, Chair, Craig Stuke, Vice-Chair; Steve Hopkins, Treasurer; Peter Allegre, Secretary; Rosemary Rich; Jeff Clark; Dennis Young; Cameron Roth; and Jodi Thomas. Employees attending were: Leonard Hernandez, CEO; Dr. John Shell, Chief of Staff, Jim Van Hoet, Chief Financial Officer; Melissa Hall, Chief Nursing Officer; James Higgins, Vice President of Ancillary Services; Theresa Thoele, Vice President of Human Resources; Tracy Campbell, Marketing Director; Rebecca Thurman, Director of Quality Improvement, Risk Management, and HIPPA Privacy Officer; Stacy Augustyn, Director of Quality and Process Improvement; and Terri Tweedy, Executive Assistant. Patty Thomsen, Vice President of Medical Clinics was absent. No visitors were in attendance.

Chairperson Reese called the meeting to order at 6:30 p.m.

Thomas led the Pledge of Allegiance.

One addition was made to the Agenda. Hernandez requested adding an Executive Session to the Agenda to discuss Non-Elected Personnel.

Consent Agenda

There were no changes to the March 27, 2017 Minutes.

Dr. Shell gave the Medical Staff Report that was held on April 17, 2017. He said the primary topic of discussion was defining and creating an aggressive treatment procedure for Sepsis which is an infection that overwhelms the body and causes organ failure. There was one medical staff appointment, three re-appointments and the Medical Staff Bylaws were approved.

Thurman and Augustyn reviewed the Quality, Compliance, Risk Management (QCRM) Committee meeting. Topics discussed by Thurman were: the Corporate Compliance Plan should be complete and ready for approval at the July 2017 meeting; an I.T. person will be added as a QCRM committee member; a revision to the HIPPA Plan will be sent to legal regarding administrative requests from law enforcement agencies; two Risk Management claims from 2016 have been closed with no fault to CHS; two new Medicare regulations are being reviewed, Medicare Outpatient Observation Notice (MOON) and Protecting Access to Medicare Act (PAMA). BKD has determined CHS is not required to be in compliance for PAMA but is compliant for the MOON regulation.

Augustyn spoke about Merit Based Incentive Payment Systems (MIPS). This will replace three quality systems; PQRS, Meaningful Use, and the Value Based Patient Modifier program. MIPS will review hospital Medicare B services, the Ortho clinic, and the Gridley clinic. BKD was on site to give an overview of what can be expected from this program. A committee has been established to review the requirements of the program. BKD stressed the importance of a financial assessment being done before moving forward. This will be performed by our internal finance department. The criteria will be

submitted for the assessment after the committee determines what information is needed. The assessment will determine if the program should begin immediately or in the future. If the assessment deems the start-up costs outweigh the penalties, it may be better to delay implementation. In 2022, CHS could potentially gain or lose 9% in Medicare reimbursements for non-participation. She reviewed the Patient Satisfaction reports and explained how to read them. She noted the comparison between Kansas and Missouri is the best comparison to review. Another report to review is the Compare Preview Report at www.Hospitalcompare.gov which allows a comparison of three hospitals simultaneously. Patients use this to shop for their healthcare. Our current rating is four star with a satisfaction of five out of five.

Hopkins said we were just recognized for cleanliness but the current report shows a decline in the scores. Augustyn stated the scores were from the previous report which included the last quarter of 2016. The current report covers January through March of 2017. She anticipates the scores to improve on the next report as April trends are looking much better.

Augustyn is helping departments with their quality processes to prepare for the upcoming CAH survey. She expects every department to participate in quality related activities by end of 2017. Providers now receive quarterly quality reports that compares their individual performance to the average performance at CHS.

Augustyn said that 100% of patient transfers are being reviewed to determine where provider training is needed as well as identify potential new service lines to keep patients here.

Rich thanked Thurman and Augustyn for their reports and their efforts in monitoring the quality of our System.

Hernandez remarked that the committee meeting was very well run with Rich as the Chair.

Thurman and Augustyn left at 6:50 p.m.

Hopkins reviewed the Executive Finance Committee meeting. The Check Register was approved in the amount of \$771,838.46. Adam Haag, I.T. Manager, presented information about a time sensitive grant that expires June 30, 2017 for I.T. equipment upgrades. This may not be available after 2017. To replace the obsolete equipment, with the federal grant, would cost CHS approximately \$40,000 which is 35% of the overall cost. The terms of the payment of the \$40,000 have not been finalized but the plan is to include this item in the 2018 Capital Budget with payments to begin in 2018.

Hopkins said Juanita white, Controller, did an excellent job of presenting the finance reports in Jim's absence.

Van Hoet stated volumes were strong in March with the net revenue being 4.3% higher than budgeted. He said the budget figures were divided equally over 12 months so fluctuation in volumes were not a factor in the budgeted numbers. Net income was \$7000 for the month and \$161,000 for the year. Patient cash collected for the month was \$2.1 million. Information has been submitted to BKD to review contractals. No information has been received to date. Department budgets are being sent

monthly to supervisors. Hopkins congratulated everyone for having a positive bottom line through-out 2017.

Allegre gave the Strategic Plan committee report from April 18th. The committee reviewed the list that was created at the retreat. Items added to the 3 year plan were to: coordinate with public transportation to transport patients for services; create a patient flow analysis with a 5 year projection of possible changes; adjust the wage scale to be competitive with regional employers; begin discussion with Woodson County to offer Ambulance service; and Trustee KOMA training to be offered as needed every 1 to 3 years. The committee also discussed what to do with the old Home Health building and increase advertising in surrounding counties, especially Woodson County. The committee decided not pursue DME service due to low reimbursements; not to offer geriatric outpatient psych services; not to offer sleep lab due to new regulations and high cost; and not to begin services at Lyndon or Beto at this time. The committee felt it would be better to focus on existing service lines at this time.

Hopkin asked about the KOMA education and if it had been verified that the Constitution does not require annual training. There was no requirement stated in the Constitution. Rich found that the Sunflower Coalition works with the Attorney General's Office for KOMA training and may be able to perform the training. Allegre mentioned it may be possible to consolidate with other local boards for the training as the State requires a minimum of 40 people be in attendance.

Thomas asked if population health was discussed at the Strategic Planning meeting. Campbell said the community needs assessment is being done and should be complete by September.

- Stukey moved and Thomas seconded the motion to approve the actions of the Board committees, each Medical Staff Credentials/reappointments and the Medical Staff Bylaws per consent agenda. Motion carried unanimously.

CEO Report

Hernandez found that the State of Kansas would not be able to perform the Critical Access Survey this year and may not be able to do it in 2018. They suggested an outside firm perform the survey and offered three entities that were accredited to do the survey. After researching the firms, Hernandez signed an Agreement with DNV-GL for 3 years as they are deemed accredited, the other two were not. The mock survey will begin on May 15th and should run the entire week. DNV-GL will not perform their survey until after June 1st. It will be unscheduled for the first year, then will be performed on the anniversary of the initial survey for the next two years. Once complete, we will apply for the 340B contract so that it can be in place for the last quarter of 2017.

There are 27 out of 36 residents for a 75% occupancy rate at Sunset and 22 out of 26 residents for an 85% occupancy rate at the Meadows.

Hernandez said the water pressure at Sunset will be corrected once the line from the tower to the hydrant is replaced by the City of Waverly. Line replacement is being done now.

The annual Audit by BKD will be presented at the May meeting. The annual Cost Report will be complete and submitted by the May deadline. Hopkins asked why there was a delay in the completion

of the audit. Van Hoet said that the CAH application and completion of the Medicare Bad Debt Log were very time consuming.

Hernandez said there were 2 Residential Care patients last month. Each were charged \$300 per day. These were short term stays. Once CAH is in place, rooms can be designated for this service. A policy is being created for this service line.

Hopkins asked if the claim release had been received from the City of Madison for the foundation clean up. Hernandez said it had arrived, was signed and returned. A copy with both signatures is expected any day.

Hernandez said with the announcement of St. Francis closing, an employment ad for family practice physicians was placed in the Sunday edition of the Topeka Capital.

Hernandez stated the billboard is now up and looks very nice. Campbell was able to purchase locally and save approximately \$2000 on the project.

Thomas asked if it was possible to rent apartments at the Meadows for short term stays. Higgins said this causes problems with the residents. They are required to sign a one year lease when they move in and don't feel it's fair for the rooms to be used as short term stays. When families visit residents, accommodations are made but that is the only time vacant rooms are used.

Consultation Items

There were no Consultation Items.

Information, Other

- Allegre moved and Clark seconded the motion to enter into a 10 minute Executive Session with Leonard Hernandez, CEO and Terri Tweedy, Executive Assistant, to discuss non-elected personnel with open session to resume at 7:24 p.m. in Allen Woods II Conference Room. Motion carried unanimously.

Executive session began at 7:14 p.m.

Regular session resumed at 7:24 p.m. in Allen Woods II Conference Room.

- Hopkins moved and Roth seconded the motion to adjourn the meeting at 7:26 p.m. Motion carried unanimously.

Peter Allegre, Secretary