BOARD OF TRUSTEES MEETING MINUTES
January 19, 2017, Board Room, 6:00 p.m.

Board of Trustees members present: Forrest Luke, Chair; Todd Jourgensen, Vice Chair; Cathrine Blevins, Secretary/Treasurer; Alman Nicodemus; Gary Ellgen; and Don Myers.

Hospital staff present: Andy Daniels, CEO; Annette Saylor, VP of Nursing; Amy Peck, Clinic Nursing Manager; Beka Warren, CQO; Bryan Curtis, VP of Information Technology; Denise Arola, CFO, VP of Finance; Jennifer Riley, VP of Hospital Operations; Dr. Scott Ellis; Chief Medical Officer; and Julie Hanna, Executive Assistant and Recorder.

Call to Order. The meeting was called to order by Forrest Luke, Board Chair.

Special Presentation. Andy Daniels made a presentation to Gary Ellgen who is resigning his position from the board after serving a five year term. Forrest Luke said that he appreciated having had the opportunity to work with him and thanked him. Mr. Ellgen said he was grateful for the opportunity to serve. Best wishes to Mr. Ellgen.

Amy Peck was introduced as the new Chief Nursing Officer. Welcome, Amy! Annette Saylor, outgoing CNO, will continue in her role as the Surgical Services Director. She said she appreciated her time CNO and is excited to see Amy step into the CNO role.

Opportunity for Public to Address the Board. The board received a thank you from Sasha Nelson whose fiancé underwent weeks of treatment in December, and who was treated very well by hospital staff.

Agenda Review. There were no changes.

Educational Opportunities. There were no educational opportunities to report.

February Calendar. The calendar was reviewed by the board. Some slight changes were made and a revised calendar will be distributed.

Consent Agenda – Meeting minutes and reports. The board reviewed the consent agenda.

MOTION 2017 – 1: Moved by Alman Nicodemus, seconded by Todd Jourgensen, That the Board of Trustees approve the Board of Trustees December 1, 2016, Meeting Minutes, accept the Finance Committee December 21, 2016, Meeting Minutes; accept the Finance Committee January 18, 2017, Meeting Minutes; and accept The Memorial Hospital Foundation November 28, 2016, Meeting Minutes. Ayes, all. Motion carried.

Consent Agenda – Projects and equipment. The board reviewed the consent agenda.

MOTION 2017 – 2 - Moved by Alman Nicodemus, seconded by Cathrine Blevins, That the Board of Trustees approve the Philips Mobile Diagnost Diamond Select Mobile X-ray for the Steamboat Springs Specialty Clinic at a cost of $81,561.89; and the E-Power Doc Coding
Module at a cost of $37,000.00. Ayes, all. Motion carried.

**Medical Staff Privileges.** Dr. Kristie Yarmer, Chief of Staff, presented the Medical Staff Privileges.

**MOTION 2017 - 3:** Moved by Alman Nicodemus, seconded by Cathrine Blevins, That the Board of Trustees approve the following privileges as reviewed and recommended by the Credentials Committee on January 3, 2017 and the Medical Executive Committee on January 4, 2017.

The following files were presented for **Provisional** appointment:

- **Joseph Z. Schaftel, MD-Hospitalist Medicine.** The Committee reviewed the file for Dr. Schaftel and has unanimously recommended his appointment to the Provisional Provider Staff of The Memorial Hospital.
- **Bridget M. Seidel, NP-Surgical First Assist Medicine.** The Committee reviewed the file for Bridget Seidel and has unanimously recommended her appointment to the Provisional Non-Physician Provider Staff of The Memorial Hospital.

The following files were presented for **Advancement**:

- **Alyssa Roche, PA-C- Orthopaedic Medicine.** The Committee reviewed the file for Alyssa Roche and unanimously recommended her appointment to the Non-Physician Provider Staff of The Memorial Hospital.
- **Kae Loverink, MD-Hospitalist Medicine.** The Committee reviewed the file for Dr. Loverink and unanimously recommended her appointment to the Associate Provider Staff of The Memorial Hospital.

**2017 TMH Strategic Plan Finalization.** Andy Daniels, CEO, presented the 2017 Strategic Planning Goals.

**MOTION 2017 – 4:** Moved by Todd Jourgensen, seconded by Gary Ellgen, That the Board of Trustees approve the 2017 TMH Strategic Plan. Ayes, all. Motion carried.

**Colorado End-of-Life Options Act (Patient’s Request for Medical Aid-in-Dying).** Dr. Kristie Yarmer, Chief of Staff, presented the recommendation from Medical Staff which is to opt out of the program. At this point in time there is inadequate access to all necessary services required by the Act. The Board of Trustees has also discussed the initiative. Policies and procedures will be put into place to reflect the resolution.

**THE MEMORIAL HOSPITAL**
**RESOLUTION No. 2017-001**
**A Resolution Concerning**
**The Colorado End of Life Options Act**

WHEREAS, electorate of the State of Colorado passed legislation in the November 2016 election concerning end of life options (25-48-101, et. seq., CRS); and

WHEREAS, this law allows an adult resident of Colorado to make a request to receive a prescription for medical aid in dying medication if the individual’s attending physician diagnosed the individual with a terminal illness with a prognosis of six months or less; the individuals’ attending physician determined the individual has mental capacity; the individual
has voluntarily expressed the wish to receive a prescription for medical aid-in-dying medication; and this right does not exist because of an individual’s age or disability; and

WHEREAS, one requirement of the law is that hospitals must notify its physicians and patients of its policy with regard to medical aid-in-dying; and

WHEREAS, at this time TMH is not prepared to implement all requirements under the statute to opt in; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MEMORIAL HOSPITAL AS FOLLOWS:

1. Recitals and Findings. The Recitals are incorporated into this Resolution by reference. The TMH Board also makes the following findings and determinations:

   (a) TMH elects to opt-out of permitting medical aid-in-dying on hospital premises at this time.

   (b) TMH shall develop notices, policies and procedures as required under this law.

   (c) TMH will recognize its care provider’s individual decision to participate or not and will not enforce penalties against any provider that wishes to participate in their private practices or off hospital premises.

2. Severability. If any part, section, sentence, clause or phrase of this Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining portions.

3. Effective Date. This Resolution shall take effect immediately upon its approval by the TMH Board.

ADOPTED THIS 19th DAY OF JANUARY, 2017

THE MEMORIAL HOSPITAL

By: __________________________________________________________________________
   Forrest Luke, Chairperson

Attest: __________________________________________________________________________
   Cathrine Blevins, Secretary

MOTION 2017 – 3: Moved by Alman Nicodemus, seconded by Don Myers, That the Board of Trustees approve the Colorado End-of-Life Options Act (Patient’s Request for Medical Aid-in-Dying) resolution and supporting policy. Ayes, all. Motion carried.

OB/GYN Remodel Project. CEO Andy Daniels discussed with the board the OB/GYN remodeling project. It has become necessary to increase the budgeted amount to complete the project. Four bids have been received and the projected expense was slightly higher than estimated in order to complete

MOTION 2017 – 4: Moved by Todd Jourgensen, seconded by Cathrine Blevins, That the Board of Trustees approve authorization for additional funds in the amount of $13,180.000 to
complete the OB/GYN project. Ayes, all. Motion carried.

**Quality Steering Report.** Andy Daniels, CEO, reviewed the report. The outputs being reviewed are employee certifications and the review from the medical staff concerning the Colorado End-of-Life Options Act.

**Board of Trustees By-Law Discussion.** Andy Daniels, CEO, summarized the proposed changes to the By-Laws. The members were asked to review the By-Laws which will be presented at the next meeting for final approval. Any additional changes should be forwarded to Andy Daniels prior to the next meeting. Annually the board members will review the By-Laws at the annual meeting in February.

**December EOY 2016 Financial Report.** Denise Arola, CFO, presented the report including this summary.

December had a net profit of approx. $41k bringing the YTD net loss to approx.

Net patient revenue for December was under budget by $12k and $352k more than December of 2015. 2016 YTD net patient revenue of $41.7m continues to be slightly below budget but exceeds YTD 2015 by $2.9m. These comparisons do not include any adjustments for the 2016 Medicare Cost Report. While every effort is made to estimate throughout the year, final numbers will not be known until after the year-end audit and cost report is completed. December's Medicare usage was approximately 3% less than the 2016 average. The offset went to commercial and Medicaid. The conversion rate of gross revenue to net revenue remains lower than prior year by approximately 4.2%.

December expenses were under budget by $131k. YTD expenses are $1.4m over budget. Supplies and Labor Costs continue to drive the variance. Both Supplies and Labor Costs are running at a higher percent of gross revenue compared to 2015. We will continue to watch as contract labor is being replaced by permanent staffing, labor cost percentages should decrease. A portion of the supplies variance is attributed to the increase in Ortho Surgery and Infusion volumes.

December's Med/Surg admissions were 9.9% ABOVE budget bringing year to date admissions 11.4% over prior year. Year to date volumes exceed budget for Med/Surg, Swing bed admissions, Clinic Visits, Lab, and Diagnostic Imaging Procedures. YTD volumes exceed prior year volumes for Med/Surg Admissions, Surgeries, ER Visits, Clinic Visits, Lab Procedures, and Diagnostic Imaging.

**CEO Monthly Report** – Andy Daniels, CEO, presented the updated report.

**December-2016 & January 2017 Update**

1. Implement 340B program to capitalize Critical Access Hospital Program to significantly reduce the cost of infusion and related drugs. Estimated first year annual savings of over $206,000.00+ in reduced drug supply costs. **Financial Goal**

**December-2016 & January 2017 Update:** We are now “collecting” our eligible 340B scripts. As mentioned we are implemented Sentry Data Systems for our 340B compliance tracking. Once implemented, we will get “credit” back toward those counts and our savings will be captured toward the latter part of 2017. We are also starting the process working toward retail 340B. We are conducting a study to determine if we “self-operate” our own retail pharmacy with 340B pricing or partner with an existing retail pharmacy. The estimated timeframe to accomplish 340B retail is 1/1/2018 at the latest. We are looking at regulations regarding the timing of when our clinics show up as Provider Based on our cost report which is required before we can roll this out.
to our clinics. We are looking at the possibility of filing a mid-year cost report to speed up our eligibility.

2. Fully research and if possible, apply for Rural Healthcare Clinic Status for our existing primary care and pediatrics clinics to allow TMH to bill cost reimbursement for Medicare/Medicaid to improve bottom line performance. One of the outcomes will be an analysis and model that can be shared with the board to show the differences in reimbursement related to Provider Based and RHC clinics. **Financial Goal**

**December-2016 & January-2017 Update:** Effective 1/1/2017 we are now registered and billing as a provider based clinic for Medicare. Our next step is to complete the application for selected clinics and achieve Rural Healthcare Clinic Status. Our goal is to complete this by July of 2017. As discussed; we are also looking at the possibility of becoming an FQHC (Federally Qualified Health Center). We learned that although an exception does exist for a pseudo-government owned hospital to own a FQHC – we do not qualify because under Colorado Statue our board is fixed at seven members and the minimum requirement for an FQHC is nine. We have some other options we are exploring and will continue to until options are exhausted. We will be presenting to the board an analysis that will demonstrate what our 12-month historical financials would have looked like as an FQHC and we can make a decision at that time on how far to pursue this option.

3. Develop a program with the goal of fostering an organizational culture that promotes a stronger spirit of ownership and partnership between the hospital and clinic. The measurement for success will note improvement from the results of a before and after cultural assessment. **People Goal**

**December-2016 & January-2017 Update:** We met with our “Spark Plug Team” the week before Christmas and they will be receiving their first session of additional training the week of January 16th. The objective is to complete 6 webinars and work on an internal assessment of culture and create a plan for improvement. We have received feedback on our daily alignment from hospital staff and will be making some adjustments in format and timing based upon those suggestions to hopefully improve participation. Morning alignment at the clinic remains strong and very positive.

4. Initially recruit the following: Pediatrics (Combination of either two mid-levels or one mid-level and pediatrician. Primary Care (two primary care physicians, each a minimum of one mid-level). Orthopedics (Surgical Podiatrist and at minimum, additional orthopedic coverage to ensure full time hospital and service line continuity. **Growth Goal**

**December-2016 & January-2017 Update:**

- **Emergency Department**
  - Dr. Wardrop has signed her contract. Her start date March 1st.

- **Orthopedics**
  - Dr. Heather Menze has declined to continue to interview with TMH.
  - Joe Province, Orthopedic PA is interviewing with Dr. Borchard 1/12/2017.

- **Family Practice**
  - Dr. Reed officially starts 2/1/2017 seeing patients in the clinic.
  - We interviewed Hillary Underwood, PA to work with Dr. Reed on 1/10/2017 and we have positive feedback from Dr. Reed.
5. Develop master site planning that takes into account both functional flow and maximum reimbursement for the organization. When completed, bid and develop full set of plans in preparation for construction bid of new medical clinic space. **Growth**

**December-2016 & January-2017 Update:** We have a conference call scheduled with Davis Partnerships on January 17th for a preliminary review with a presentation to the TMH Building Committee on February 6th with a preview to the board on February 16th. In tandem; we are working with Davis on a contract for the new building. The contract will need to come to board for approval and then to USDA for concurrence prior to execution. Following our master site planning we need formal preliminary architectural review (PAR) completed and submitted to USDA to complete our application. We also need to complete Alta Surveys and a feasibility study. The Alta Surveys of all land is in process, and I am holding on the feasibility study due to our financials.

6. Develop, propose and implement a plan for an e-ICU (Electronic Intensive Care Unit) with the goal of transferring fewer patients from TMH for critical care medical related issues (i.e. Sepsis, etc.). **Service Goal**

**December-2016 & January-2017 Update:** Avera on-site was canceled due to our inpatient manager being out on medical leave for an extended period of time. We are behind on this project. We should hear from Caring for Colorado Foundation in February if our project has been awarded grant monies to help with this project.

7. Develop, propose and request funds for a plan to relocate (at minimum) the OB/GYN physician clinics to the hospital campus thereby improving patient flow and reducing the number of cancelled/rescheduled appointments from the existing OB/GYN operations. **Service Goal**

**November-2016 Update:** We have started relocating several departments to vacate the areas of the building requiring modification to vacate current Administration for the larger construction project. Finance areas are scheduled to begin the week of 11/21/2016, and the plan is to have the HIM department relocated to the basement of clinic (under Northwest Colorado Health section) along with several other personnel moves completed before the end of November. We are still working with the architects on the final building plans for the new OB Clinic, and once we have a proposed final version we will solicit approval from the OB/GYN physicians.

**December-2016 & January-2017 Update:** We received four bids for this project: AXIS ($218,880.00 or $77.00 per square foot); APH ($473,730.00 of $167.00 per square foot); CALCON ($337,685.00 or $133.00 per square foot); and FCI ($544,016.00 or $192.00 per square foot). In full disclosure, AXIS followed me from Ohio and bid on this project but are using local subs. Both Axis and Calcon have significant healthcare experience. The total project (not including office modifications to vacate existing admin) is now at $33,000.00 (Davis Partnership) and $218,880.00 for (AXIS) for a total of $251,880.00. I was authorized at $237,700.00 which was based on preliminary estimates. I am asking for board permission to spend the additional $13,180.00.

8. Address and resolve Athena EMR issues list and streamline related clinic processes. The measurement will be an elimination/closure of the gathered issues from physicians and staff. **Service Goal**

**December-2016 & January-2017 Update:** I believe that this goal is completed at least from standpoint of the initial list of inherited items. We are going to survey the providers once again and ask for any outstanding issues regarding Athena, templates, etc. Even with the conversion to
provider-based billing I am not hearing much in terms of issues from the providers.

9. Revamp current hospitalist and ED programs to reduce the overall costs, improve patient retention in the system and improve provider continuity to the community (i.e. – stop the rotation of so many providers, attempt to build program ourselves and implement method to review cases being shipped that we could have kept at TMH). **Service Goal**

**December-2016 & January-2017 Update:** Denise Arola completed an analysis of the impact to our patients based on charges if we combined the ED with the Walk-In Clinic as a “Fast-Track ED” and adjusting our charges. Although it would certainly (and dramatically) increase our charges – it would cost our patients much more for services they are receiving today. I do not recommend this approach.

10. Implement ISO-9000-2015 Quality Management System and achieve ISO-9001 Certification (This is a multi-year goal). **Quality Goal**

**December-2016 & January-2017 Update:** In December we met with the management team to begin the process of sub-meetings and information flow through committees (inputs and outputs) to the **Quality Steering Committee**.

The “new” Quality Steering Committee met on 1/11/2017 and we received positive initial feedback. We will continue to tweak our reporting to make the format consistent. A Quality Steering Committee Report is included in your board report. We expect the Suboxone clinic to be operational again by February 2017.

**December-2016 & January-2017 Update:**

**USDA Financing Update:** We were notified on 1/9/2017 that we will be delayed by one month for our refinance closing. The new date is set for 2/27/17. Final resolutions will not be presented at the January board meeting and we had to cancel the Facilities Corporation Board meeting as well. We had to present a written presentation of the steps we are taking to improve our bottom line. Denise and I answered questions regarding our proposed plan the week of New Years. We have been assured that this loan will close and some of the delay is due to the change in leadership at USDA.

**VP of Provider Practice Operations:** Todd Coe is on an official leave of absence for the next 30 days beginning 1/11/2017. In the interim, I have relocated to the clinic to provide continuity. We wish Todd a speedy recovery.

**New Proposed Goals for 2017:** In your board packet please find a list of proposed 2017 goals for the new year based upon our strategic planning sessions. I am asking for approval by the Board to make these goals official.

**Proposed By-Law Revisions:** Included in your board packet is a set of revised bylaws. The objective of the revision was to simplify committees, re-define the requirements of the Quality Steering Committee and update language to bring any gaps into compliance. No action is needed at this board meeting. The objective was to present a set of revised By-Laws for consideration and comment, and then hopefully adopt at the February Board Meeting. From these revisions, we will begin the process of working with Dr. Yarmer as Chief of Staff to revise the Medical Staff By-laws, Committee Structures and Rules and Regulations.

**CNO:** Amy Peck has accepted the position of Chief Nursing Officer. Annette Saylor will return to the OR Department as Director of Surgical Services. This was a difficult decision for
Annette, but ultimately she decided that her passion is with surgery and felt that this was in the best interest of our organization. We would like to thank Annette for her work as CNO. We are also pleased to welcome Amy Peck as our new CNO effective 2/1/2017.

**Disaster Recovery:** We now have an official written Disaster Recovery Plan. Bryan Curtis did an excellent job boiling down a complex process. The next step will be “tabletop” drills and further refinement. As this preparedness continues to evolve the drills will become more and more complex until we are able to fully test critical systems.

**CMEDP:** On 1/11/2017 I was elected to the Craig-Moffat Economic Development Partnership Board. As one of the main drivers of the economy if Moffat County I am pleased to represent our organization.

**Executive Session.** At 7:05 p.m. the board adjourned to Executive Session for the purpose of reviewing personnel matters pursuant to C.R.S. § 24-6-402(4)(f), Provider contracts; and to Executive Session for matters required to be kept confidential pursuant to the Colorado Open Meetings Law C.R.S. § 24-6-402(4)(c) subject to the Colorado Professional Review Act, C.R.S. § 12-36.5-104(15); and for matters required for hospital quality management information pursuant to C.R.S. 25-3-109. Risk Management and Compliance Report (2016).

At 8:07 p.m. the board returned to regular session.

**MOTION 2017 – 5:** Moved by Todd Jourgensen, seconded by Gary Ellgen, That the Board of Trustees approve the PA contracts for Carol Bolt, Jarod Schoberl, Margaret Schoberl, and James Zimmerman. Ayes, all. Motion carried.

**MOTION 2017 – 6:** Moved by Alman Nicodemus, seconded by Gary Ellgen, That the Board of Trustees approve the 2016 Risk and Compliance Report. Ayes, all. Motion carried.

**Adjournment.** The meeting was adjourned at 8:15 p.m.

Respectfully submitted,

*Julie Hanna,* Julie Hanna, Executive Assistant and Recorder