

**BOARD OF TRUSTEES MEETING MINUTES**  
**Thursday, June 2, 2016, Rooms A, B, C, 5:00 p.m. Meeting**

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

**Board of Trustees member absent:** Todd Jourgensen.

**Hospital Staff present:** Dr. Larry Kipe, Chief of Staff; Dr. Scott Ellis, CMO; Beka Warren, RN, CQO; Jennifer Riley, CMBD; Bryan Curtis, CIO; Bassam Kawwass, Clinic Administrator; Denise Arola, Interim CFO; Annette Saylor, Interim CNO; Gerald Parton, QHR Region 9 VP; and Julie Hanna, Executive Assistant and Recorder.

**Guests present:** Michael Leary, Craig Daily Press; and John Kinkaid, Moffat County Commissioner.

**Call to Order.** The meeting was called to order at 5:03 p.m. by Forrest Luke, Chair.

**Executive Session.** The board adjourned to executive as 5:05 p.m.

**MOTION 2016:47** – Moved by Alman Nicodemus seconded by Gary Ellgen, That the Board of Trustees adjourn to executive session for the purpose of reviewing matters of negotiation pursuant to C.R.S. § 24-6-402(4)(e), and for the purpose of reviewing personnel matters pursuant to C.R.S. § 24-6-402(4)(f). Ayes, all. Motion carried.

**MOTION 2016:48** – Moved by Don Myers, seconded by Gary Ellgen, That the Board of Trustees return to regular session at 5:55 p.m. Ayes, all. Motion carried.

**Opportunity for Public to Address the Board.** There were no requests to address the board. John Kinkaid, Moffat County Commissioner, said thank you to the board for “having vision and going big.”

**Agenda Review.** There were no changes.

**Educational Opportunities.** There were none for this month.

**June Calendar.** The June calendar was reviewed and a slight change made.

**Consent Agenda.** The Board of Trustees reviewed the consent agenda.

**MOTION 2016-48:** Moved by Alman Nicodemus, seconded by Gary Ellgen, that the Board of Trustees approve the consent agenda consisting of the Board of Trustees minutes of the meetings of April 28, 2016, May 2, 2016; May 3, 2016; May 4, 2016, May 5, 2016; and May 20, 2016; accept the Finance Committee minutes for the meeting of May 18, 2016, accept the Quality Committee minutes for the meeting of May 19, 2016; accept the Building Committee minutes for the meeting of May 17, 2016; accept TMH Foundation minutes for the meeting of May 23, 2016;

and accept TMH Foundation Board Reappointments as of May, 2016. Ayes, all. Motion carried.

**Medical Staff Privileges.** Larry Kipe, MD, Chief of Staff, presented the medical staff privileges.

**MOTION 2016 – 49:** Moved by Gary Ellgen, seconded by Alman Nicodemus, That the Board of Trustees approve the request for medical staff privileges as reviewed and recommended by the Credentials Committee on May 31, 2016 and the Medical Executive Committee on June 1, 2016.

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

- **Thomas M. Boden, MD-Radiology Medicine.** The Committee reviewed the file for Dr. Boden and has unanimously recommended his appointment to the Provisional Provider Staff of The Memorial Hospital.

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

- **Philippe Tirman, MD-Radiology Medicine.** The Committee reviewed the file for Dr. Tirman and unanimously recommended his appointment to the Associate Provider Staff of The Memorial Hospital.
- **Fernando Boschini, MD- Radiology Medicine.** The Committee reviewed the file for Dr. Boschini and unanimously recommended his appointment to the Associate Provider Staff of The Memorial Hospital.
- **Diana Hearne, MD- Emergency Medicine.** The Committee reviewed the file for Dr. Hearne and unanimously recommended her appointment to the Associate Provider Staff of The Memorial Hospital.

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

- **Andreas Sauerbrey, MD-Orthopaedic Surgery Medicine.** The Committee reviewed the file for Dr. Sauerbrey and unanimously recommended his reappointment to the Associate Provider Staff of The Memorial Hospital.

Ayes, all. Motion carried.

**Patient Monitoring Project.** Denise Arola presented the patient monitoring project. The current Mindray monitors are at end of life. Even the vendor is having trouble finding parts for this system and units go down often. Philips and Mindray were both brought in for demonstrations. Mindray's cost is less but uses public wi fi which is not secure, and does not have the newest technology. Philips has a secure private network with the newest technology and will provide training for two Biomed engineers and one day turn around for parts with a parts depot in house. The Philips monitors provide for accurate continuous monitoring for transporting patients from ED or OR to SCU, M/S or OB.

It was originally determined to purchase all the units over several years. For 2016 only ED budgeted for monitors for \$133,832. The Philips proposal for all the units would be \$984,420.00 for purchase. A leasing option is also available. The advantage of doing it all at once is to save money in re-installation and professional services rather than phase in by department over years. All the units would then be the same age. Most life spans on central monitoring systems are ten years. The Finance Committee recommended that the request be forwarded to the next Board of Trustees meeting for their consideration.

Interim CFO Denise Arola has researched various financing options and checked with David Perry of QHR on the cost report ramifications. One suggestion was to use the budgeted \$133,000.00 as a down payment towards a financing agreement. The Philips purchase of all the forty five (45) units at once would include wireless capabilities and a server that follows

patients' vitals from the door through discharge for better continuous patient care. The Philips agreement would include training for the Biomed department and a parts depot.

**MOTION 2016:50** - Moved by Don Myers, seconded by Gary Ellgen, That the Board of Trustees proceed with acquiring the Phillips patient monitors and that the project be approved with the best financing option as determined by administration. Ayes, all. Motion carried.

**AccuPost.** Denise Arola presented this request for software to be used in the billing office to automatically post payments from Medicare, Medicaid, and Blue Cross Blue Shield. Currently, reimbursements from these three companies are sent directly to the hospital bank account and then manually posted to each individual patient account requiring eighteen to twenty four hours per week. Additionally this should reduce days in AR and be more accurate. This was budgeted in the capital budget at \$21,960.00 which breaks down to \$13,500.00 for the initial cost of the software package and ½ year service contract for 2016 budgeted at \$8,460.00. The Finance Committee recommended the purchase and service agreement be forwarded to the Board of Trustees for their consideration.

**MOTION 2016-51:** Moved by Alman Nicodemus, seconded by Catherine Blevins, that the Board of Trustees approve the purchase of the AccuPost accounting software. Ayes all, motion carried.

**Siemens MRI Service Contract Renewal.** Bryan Curtis presented this contract service agreement renewal which is due to expire and provides for periodic maintenance and emergency service on the Siemens MRI. The Finance Committee recommended that the request be forwarded to the Board of Trustees for their consideration. The service agreement was budgeted at \$65,000, and the actual cost of the agreement is \$69,502.00.

**MOTION 2016:52** - Moved by Alman Nicodemus, seconded by Gary Ellgen, That the Board of Trustees approve the Siemens MRI service contract renewal agreement in the amount of \$69,502.00 annually for five years. Ayes, all. Motion carried.

**PT Mobile Devices.** Bryan Curtis presented the last part of the mobile device refresh project. This final part is for physical therapy for therapists consisting of nine laptops and docking stations. Now that PT has moved to their new location and will soon be implementing their new EHR system, it is appropriate to have the laptops available for use with that system. The Finance Committee recommended the purchase and that the request be forwarded to the Board of Trustees for their consideration.

**MOTION 2016:53** - Moved by Alman Nicodemus, seconded by Cathrine Blevins, That the Board of Trustees approved the purchase of the PT model mobile devices in the amount of the \$11,409.71. Ayes, all. Motion carried.

**MCG Milliman Care Guidelines Contract.** Beka Warren presented this renewal contract This is a web based tool that provides criteria about clinical indications for specific conditions or diseases all the way through length of the patients stay through discharge. The contract was budgeted for \$30,000. The actual cost is \$30,168.78 over three years or \$9,664.53 annually.

**MOTION 2016:54** - Moved by Alman Nicodemus, seconded by Gary Ellgen, That the Board of Trustees approve the renewal of the MCG Milliman Care Guidelines contract for three years at a cost of \$9,664.53 annually. Ayes, all. Motion carried.

**GPO Contract.** Denise Arola presented information on the need to have a group purchasing organization agreement in place to obtain better rates. She is suggesting a continuation of the QHR three-year contract with a 90 day out after the first year. This will allow for one year's time to evaluate all purchasing options in light of the QHR management agreement non-renewal. This contract provides for a \$5,000.00 annual fee which includes SSP utilization reporting, strategy service partners, and the MD byline capital pricing program.

**MOTION 2016:55** - Moved by Alman Nicodemus, seconded by Catherine Blevins, That the Board of Trustees enter into a purchasing contract with QHR with an annual fee of \$5,000 and a ninety (90) day out after the first year. Ayes, all. Motion carried

**Contract Management Policy.** Denise Arola presented proposed changes to the policy which governs contract management.

**MOTION 2016:56** - Moved by Alman Nicodemus, seconded by Gary Ellgen, That the Board of Trustees approve the changes to the contract management policy as presented, and with additional changes as discussed. Ayes, all. Motion carried

**Baxter IV Solutions Contract.** Denise Arola presented this informational item. This is a contract for IV solutions that needed to be renewed. It is a continuation of the existing contract that has been used for many years. The contract provides for a commitment of \$43,000 to receive Tier 2 pricing. If purchases fall below that mark due to volume, there will not be a penalty, but there might be a penalty if TMH has moved away from using this company. The request was sent to the board members to receive emergency approval which was received. This is an informational item only

**Asset Acquisition Loan Update.** Cathrine Blevins. The USDA feasibility study is complete and awaiting approval. The loan application should be submitted to the USDA by June 10 with an anticipated answer by the end of the month.

**County Wide Disaster Drill.** Jennifer Riley. Every year the county holds emergency disaster drills involving multiple county agencies. The next drill is scheduled for fall and will involve a situation with the CNCC as the main location. The college wants to take the lead on this drill as they are testing emergency plans. Jennifer Riley attended a planning session today. There will be a tabletop session scheduled for Tuesday, June 7, and the actual drill is scheduled for October 5 beginning at 8:30 a.m. completing at 12:30 p.m. EMS is planning to participate in this drill and it will largely involve the ED. The main concern is that the drill is on a Wednesday which is a busy day for TMH. The county needs to know if TMH is going to participate. It is understood that a midweek first part of the day drill could potentially impact TMH operations. David Mucha is the emergency preparedness director having taken over the position from Richard Nichols. Participating in the tabletop drill will not impact the organization, and provide for better take away for the actual drill. Jennifer Riley will attend that tabletop drill, and bring back more information to the Board of Trustees meeting in July.

**April Financial Report.** Denise Arola, Interim CFO presented the April financial report.

April had a net income of approx. \$213k bringing the YTD net income to approximately \$40k. The 2016 YTD net income exceeds 2015 YTD loss by \$200k. April's net income is made up of \$770k from the hospital and \$(557k) clinic loss.

Net patient revenue for April exceeded budget by \$399k and April of 2015 by \$816k. 2016 YTD net patient revenue of \$14m is over budget by \$457k and \$3m over YTD 2016. The conversion

rate from gross revenue to net revenue is lower than prior year as contractual adjustments are higher. There has been a shift in payor mix with increases in Medicare and Medicaid and a decrease in Commercial.

April expenses were \$179k over budget as a result of increased employee benefits and pharmacy and surgical supplies. YTD expenses are \$448k over budget primarily as a result of supplies, employee benefits, contract labor, and professional fees.

April's Med/Surg admissions were at a record high. They were 44% over budget bringing YTD admissions 9.5% over budget and 15.2% over prior year. Outpatient volumes continue to exceed budget and prior year for Clinic Visits, lab Procedures, Radiology Procedures and Physical Therapy Treatments.

Cash decreased in April by \$789k as a result of a \$582k increase in accounts receivables and \$300k in capital purchases.

**QHR Monthly Report.** Gerald Parton, Region 9 VP, presented the QHR report. He drew attention to the Quorum Board Minutes discussing a potential physician payment overhaul between two different systems measuring outcomes and quality that is being proposed to take place in 2017. Additionally, the state of Colorado provider fee has been eliminated which will result in \$150 million less reimbursement to all hospitals in Colorado.

**TMH Medical Clinic Report.** Bassam Kawwass, Clinic Administrator, presented the May clinic report by specialty and responded to questions.

**TMH Quality Report.** Beka Warren, RN, CQO, presented the Quality Report for Q1 2016. The Lab was surveyed yesterday by state department. Only two minor findings were named by the surveyor and both have been addressed.

Physical therapy was successful in moving to 473 Yampa and patient visits are going very well. Plans for an open house are being developed. Patients are being interviewed about their parking experience at that location. Beka will keep the trustees posted.

**Executive Session.** At 8 p.m. the board adjourned to executive session.

**MOTION 2016:57** - Moved by Don Cook, seconded by Gary Ellgen, That the Board of Trustees adjourn to executive session for the purpose of reviewing matters of negotiation pursuant to C.R.S. § 24-6-402(4)(e); and for the purpose of reviewing personnel matters pursuant to C.R.S. § 24-6-402(4)(f). Ayes, all. Motion carried

At 8:42 p.m. the board returned to regular session.

**MOTION 2016:58** - Moved by Gary Ellgen, seconded by Alman Nicodemus, That the Board of Trustees continue the chief executive officer search. Ayes, all. Motion carried.

**Adjournment.** The meeting was adjourned at 8:44 p.m.

Respectfully submitted,

*Julie Hanna*

Julie Hanna  
Executive Assistant and Recorder