

**BOARD OF TRUSTEES MEETING
TVHC Board Room
WEDNESDAY, MARCH 23, 2011**

Trustees Present: Steven Dietrich, Aaron Hansen, Chris Larson, Janine Jolley, David Work, Bob Benedict

Ex-Officio Present: Virgil Boss, Deborah Ray-Malheiro, Mo Brown

Guest Ex-Officio: Jeff Daniels, Jake Erickson

Minutes Recorded by: Marni Vasseur

Meeting called to order by Steven Dietrich, Board Chair, at 5:35 pm.

CHANGES/ADDITIONS TO THE AGENDA:

V. Boss added a quarterly summary by Foundation Director Diane Temple after committee reports.

MINUTE APPROVAL:

● **MOTION:** D. Work moved to approve the 2.23.10 minutes. Motion seconded by J. Jolley and carried unanimously.

FINANCIAL OPERATING REPORT: SEE ATTACHMENT

Jason Hotchkiss reported on financials saying that salary cost was down due to restructuring and better staffing levels. Hotchkiss estimated a savings of \$100,000 from last year in salaries.

He said that the capital lease for the CT scanner will help us hold on to levy money longer and stretch it out over several years. He is working with several vendors to find the best arrangement.

D. Work asked why surgeries and inpatient cases are down.

D. Ray-Malheiro asked if insurance companies were not paying for inpatient surgeries.

J. Hotchkiss replied that surgery cases were down from 4 to 1. This was a difference of \$113,000 from one year to the next. Acuity was driving this trend. We had more swing bed cases which means lower charges, but a higher number of cases. Observations were also lower but overall outpatient was consistent with last year.

J. Jolley asked for a comparison of inpatient versus observations. She asked if there are insurance changes or if the insurance companies are becoming more restrictive with what they will pay for.

A. Booker, Director of Nursing, said that insurance companies are becoming increasingly more restrictive and that observation has very strict requirements.

J. Hotchkiss said they reviewed all patient transfers and reported that all transfers were necessary and emergent. The weak economy is a driver of our financial situation as is community perception. We are considering all of these drivers when reviewing financials.

J. Jolley asked why the category of 'other expenses' was up.

J. Hotchkiss said 'other expenses' were up due to the KPMG audit.

D. Ray-Malheiro commented on community perception saying that she has heard that healthcare is more expensive at TVHC. Patients are shopping around. We can only compete to a certain degree with other, higher volume hospitals. Patients may have to pay more for the convenience of having a hospital locally.

J. Hotchkiss reported on the income statement saying that January and February were a little concerning, but felt that most of our peers were doing about the same. There were fewer flu and RSV cases this season. The trend for YTD is important to look at. We were above budget (not *over* budget). We are doing better than expected despite having 2 difficult months.

Hotchkiss reported on cash at month end saying that we were at 30 days cash on hand for February and doing well compared to December. He added that we had not gone below 18 days cash on hand since he has been with TVHC until today, and that we are averaging 24 days cash on hand. Days in A/R has improved, we are getting better at collecting cash. We are also doing better at paying our bills on time. Strength in cash position is improving. We are at 18 days cash on hand today. We had a lot of A/P go out plus a payroll of \$385,000 in 4 business days. We still have \$800,000 in the bank. Our average deposits are running about \$298,000 per week.

A. Hansen asked if we will collect on old self pay cases.

B. Benedict added that we have significant A/R that has not been collected from self pay.

J. Hotchkiss said that within the next month we will get a cash infusion from Medicaid. We are currently improving denials, working them upfront while they are fresh. There is also better follow up from billing.

Billing office procedures are improving under the management of the new Revenue Cycle Manager, Beverly Park. Current billing is improving.

We are having reoccurring problems with ACSI collections in two areas: we are not getting the data to ACSI and we lack confidence in the data that we are giving them. Hotchkiss said he does not want to embarrass the hospital with any more billing inaccuracies. He has identified areas that can be improved to provide accurate billing. Our Public Relations damage will decrease with better billing practices.

A. Hansen said that ACSI only gets paid on what they collect.

J. Hotchkiss said the public relations cost of ACSI sending out bad bills is not worth it. The cost benefit to spend resources in cleaning up patient accounts that may not be correct is hurting us more than helping us. In the future, we will send a letter giving patients a personal invitation to call with questions and let them know why we have delayed their bill.

C. Larson suggested tracking phone feedback from billing to see where areas of weakness are.

J. Hotchkiss said we will work this out with ACSI, they are taking the calls.

GEO REPORT: SEE ATTACHMENT

V. Boss reported that a new Human Resources Manager has been narrowed down to 3 candidates.

The Energy Project brought \$170,000 worth of capital improvements. The cost to TVHC was only \$30,000. We have already seen savings in our energy bill from January. We just started using the new solar panels for hot water and will see additional saving in the future.

Boss reported on Board education saying that the Governance Committee web site had the ideal ratio as 25% reporting, 25% education, 50% focus on progress and goals.

Boss reported that Dr. Reinertson will speak at TVHC without his normal expensive fee. He has provided consulting work to St. John's and was very effective. There is also an attorney that will speak on board governance. The image development piece also will be addressed. Boss said he is open to suggestions on how to help the BOT team. He will build a calendar 12 months out for planning upcoming events and training.

On Meaningful Use, Boss said this is an expansive project where we will utilize the help of Jeff Daniels. If we were a McKesson partner we would be in a better position to obtain the McKesson system for electronic medical records. J. Daniels has helped TVHC gain information and still thinks there is opportunity here. J. Hotchkiss is evaluating the cost and waiting to see how much reimbursement we get for meaningful use participation. We need to commit to an EMR system by the end of month.

D. R- Malheiro asked when the deadline is to participate in electronic med records.

J. Hotchkiss said it is 2 years out.

V. Boss said he knows the McKesson system from working at St. John's Medical Center.

D. Ray-Malheiro said that buying into something that will work long term is important.

J. Hotchkiss said that the McKesson system has Microsoft type language that is easier to understand due to familiarity as opposed to having to learn a new language. TVHC can share data with St. John's by using the same type of software.

Boss said he has confidence in his staff to be able to make the decision to stay with GE or move on to McKesson. Financially, it will be the same cost in the end. GE Healthland will have a module that will satisfy the new law but questions whether that is where we should stay.

J. Hotchkiss commented on how he will meet requirements to fix deficiencies in the Foundation audit. He said that issues in the Foundation audit were gap accounting or no ability to produce accrual basis accounting. This is not an issue until the end of year statement. Hotchkiss said he can adjust this at year end. Foundation accounting personnel will continue the process as is. Hotchkiss will review the books quarterly and will provide journal entries and prior year adjustments at year end. Policies have not been reviewed and will be in place soon.

Boss reported on the settlement with Jeannie Jorgenson and read a letter written by Jorgenson. In her statement, Jorgenson admitted wrong doing, gave an apology and said she was sorry for the waste of time, embarrassment and bad publicity that her actions brought to the hospital. She said that she accepts responsibility and is ashamed of her actions. She is being properly punished and will not put herself or anyone else in such a position again. She also said she was sorry to lose her job. Boss said this written statement was part of her court agreement and that we received a large part of Jorgenson's restitution.

Boss said he is working on improving TVHC's relationship with the newspapers. Boss will be the point person with the press going forward. The Board will receive training and guidance on how to speak to the press. Otherwise, they should circle back to Boss for comments.

C. Larson said that part of the messaging should be that Boss is a strong leader.

Boss reported on the Suicide Task Force saying that they have formed committees, have made appeals through the newspaper, have received another grant, and are negotiating with the SPAN Network. TVHC may be the SPAN of Teton valley at some point. There will be upcoming training for high school students and there will be students on the committee. The city of Jackson will also give grant money to the Task Force. Mental Health Counselor Adam Williamson is making himself available to the community at no charge.

Boss said that we are hiring a permanent midlevel and have narrowed our search down to 3 candidates. Additional candidates can be credentialed and ready if the need arises.

FOUNDATION REPORT: SEE ATTACHMENT

Diane Temple summarized the Foundation report. See attachment for details.

MED STAFF REPORT:

Dr. Brown reported on the most recent med staff meeting saying that radiology was a hot topic. They talked about the nighthawk system and the quality of images. Brown said that doctors were not satisfied with the MRI images they had been receiving.

Brown reported a good relationship between med staff and admin. He said that the new Controller brings confidence in answering questions. Brown commented on the lack of communication between providers and billing and that there has been a change in the med staff meeting agenda where the first 15 minutes is an exchange between billing and med staff.

D. R-Malheiro agreed that communication is key between doctors coding their procedures and billers getting the coding right. Clarification before denials is the way to go.

M. Brown said that the new CRNA is doing well. He commented that it is difficult with the CRNA living in Rexburg. Brown said there is a plan for training nursing staff to use the drug propofol for emergency anesthesia. Staff needs training on good airway management and how quickly to push the med. Dave Allen, CRNA uses propofol for colonoscopies and will train staff to do this anesthesia procedure.

Brown commented on how the new C-arm will be an improvement in quality of care in the Radiology department. It will bring better imaging, it is easier on the patient by causing less movement for broken bones. The C-arm comes to patient instead of moving patient to the imaging camera. It also emits a minute amount of radiation compared to our current set up and is much easier to maneuver. Brown said that the C-arm will be used in most surgeries performed at TVHC.

QUALITY SERVICE COMMITTEE:

L. Piquet presented med staff bios for approval.

● **MOTION:** S. Dietrich moved to approve the med staff bios. Motion seconded by D. Work and passed unanimously.

D. R-Malheiro reported on quality indicators. She said that smoking cessation is part of meaningful use and we need to track and find a consistent location to have smoking cessation classes.

Pharmacy will start reporting medication errors. Pharmacy looks at this regularly but it is not reported. They will report on what meds occurred, errors that reached the patient and others that did not.

Quality is continuing to work on patient satisfaction surveys. They are also working on a clinic survey for the near future. Ann Loyola will work on getting the surveys on TVHC's website so patients can access the surveys online. They are also working on a patient safety culture survey.

L. Piquet has made a calendar for compliance plan deadlines and policies and procedures. Piquet will meet with each department and give clarity on the compliance plan by areas of responsibility. This will be reviewed annually.

CAPITAL PROJECT PRESENTATION:

Matt Eagens, Support Services Supervisor over Dietary, Maintenance and Housekeeping presented proposed capital project improvements.

Eagens showed the layout of the hospital with the proposed changes and the new CT location. Ambulatory services will go to the pool room in Physical Therapy and CT will go next to the ER where it is better and more easily utilized. There is better patient privacy and less radiation for the techs. There will be a larger viewing window and space for a parent to accompany a child where in the past the parent had to wait in hall. The tech will be able to see the patient better where currently, they see the patient on a camera. The patient can access the CT table from both sides with the new set up. There will also be room for a hospital bed to enter the CT area. In the new Mammogram area, there will be access to a bathroom and changing room within. There will be warm décor and in floor heating. The new layout won't take away from Physical Therapy patient space. There will be a consult room and space for another person to accompany the patient. Eagens said that med staff has been involved in the space design to best utilize what we have.

V. Boss said that he and Angela Booker went to the Star Valley hospital to look at their mammography suite. Boss is confident that we can give the expected level of care with this upgrade. He said that he is assessing all facets of radiology from techs to doctors to billing in order to see that we are doing the most business possible for our capacity.

J. Jolley asked if we are making any changes with the current x-ray space.

M. Eagens said not at this time.

Eagens said that the new layout will be in the news during the month of April, then in May we will award the construction contract and the project should be completed 45 to 60 days after that.

Boss added that the State has to approve the plan upfront. The Department of Health and Welfare said the plan will be reviewed in 4-9 weeks and should only take 2 days to review.

We will have an open house to celebrate and promote the new equipment and space layout.

● **MOTION:** S. Dietrich moved to go into Executive Session pursuant to Idaho Code 67-2345 1 (b) to conduct deliberations concerning personnel issues. Motion seconded by C. Larson and carried unanimously by roll call vote.

Executive Session began at 8:10 pm

Trustees Present: Steven Dietrich, Aaron Hansen, Chris Larson, Bob Benedict, Janine Jolley, David Work

Ex-Officio members present: Virgil Boss, Deborah Ray-Malheiro

Guest Ex-Officio members present: Jeff Daniels, Jake Erickson, Mo Brown

● **MOTION:** C. Larson made the motion to adopt the CEO bonus goals as outlined and go back to public session. Motion seconded by J. Jolley and passed unanimously.

Executive Session ended at 10:07 pm

● **MOTION:** B. Benedict made the motion to adjourn at 10:10 pm. J. Jolley seconded the motion and it was passed unanimously.

10:10 pm: Meeting adjourned.

Steven Dietrich, Chairman

Marni Vasseur, Executive Assistant