Board Retreat
September 29, 2016
Gillette College Technical Center

The Campbell County Hospital District Board of Trustees met at Gillette College Technical Center on Wednesday, September 29, 2016.

Members present:

Mr. Randy Hite
Mr. Mike Dugan
Mr. George Dunlap
Dr. Sara Hartsaw
Mr. Harvey Jackson

Members excused:

Dr. Alan Mitchell

Also present:

Mr. Andy Fitzgerald, Chief Executive Officer
Mr. Dalton Huber, Chief Financial Officer
Ms. Deb Tonn, Vice President of Patient Care
Mr. John Fitch, Vice President of Human Resources
Mr. Bill Stangl, Vice President of Physician Services
Mr. Steve Crichton, Vice President of Facility and Plant
Dr. Lowell Amiotte, Chief of Staff
Dr. Jennifer Thomas, Chief of Staff Elect
Dr. Robert Neuwirth, Physician Leadership Council Chair
Ms. Ellen Rehard, Recorder
Public

OPENING

Call to Order

Mr. Hite called the meeting to order at 9:05 a.m.

Roll Call

Ms. Ellen Rehard called the roll of the Trustees of the Board of Campbell County Memorial Hospital District. Mr. Hite, Mr. Dugan, Mr. Dunlap, Mr. Jackson and Dr. Hartsaw are present. Dr. Mitchell is excused.

Mr. Hite announced Mr. Todd's resignation and extended his appreciation and wished him well.

Approval of Agenda
Mr. Dunlap moved, seconded by Mr. Dugan, to approve the agenda as presented. Mr. Hite, Mr. Dugan, Mr. Dunlap, Dr. Hartsaw and Mr. Jackson voted aye. Motion carried.

Consent Agenda
The following items were approved as part of the Consent Agenda.

Approval of Minutes
Minutes from August 25, 2016 Board regular meeting (copy appended to minutes).

Administrative Policy Review
Five Administrative polices, Control of Records, Disposal of Sharps and Needles, Flowers for Employees, Board Members and Physicians, Hospital Housing, and Observation Status (copy appended to minutes). **No motion required.**

Finance Meeting
Items requiring Board Action from the September 26, 2016 Finance Committee Meeting (copy appended to minutes).

Committee Reports
Campbell County Healthcare Foundation
Physician Recruitment and Retention
Quality
BHS Advisory Board
Facility Planning
Legacy Advisory Board

Dr. Hartsaw moved, seconded by Mr. Dunlap, to approve the consent agenda as presented. Mr. Hite, Mr. Dugan, Mr. Dunlap, Dr. Hartsaw and Mr. Jackson voted aye. Motion carried.

Recognition Items
City of Gillette Parks and Beautification Award
City of Gillette Parks and Beautification Board members presented Campbell County Health with the September Landscape Beautification Award. Each month during the summer months the award is presented to a beautiful place in Gillette. CCH was presented this award for the hospital grounds.

Employee Recognition
Mr. Fitzgerald recognized employees that have been selected for *Thanks for working here Thursday:*

Michelle Vogt	Main Clinic IS
Mike Pond	Plant Ops
Kathy McCoy	Material Management
Shawn Reznicek	Patient Accounting
Megan Kummerfeld	Maternal Child

Department recognized through *Department Discoveries:*
Professional Development – September

Public Questions or Comments
Mr. Hite asked if there were any comments or questions from the public at this time. Michelle, a representative from North Platte Physical Therapy, inquired how the hospital clinic physicians decide where to send patients for outpatient physical therapy. Mr. Fitzgerald explained that each physician can refer their patients to an independent provider and are not required to use CCH services. Michelle stated that patients are being told by CCH physicians that they cannot go to a provider they do not recommend. Dustin Martinson from Rehab Solutions concurred that this does occur. Mr. Fitzgerald stated that if he was provided with patient names and examples he would follow up with the physician. Neither of them was willing to provide Mr. Fitzgerald with this information, stating HIPPA regulations. Mr. Martinson added the referral form given to patients lists Gillette Physical Therapy on the top in bold letters followed by the remaining physical therapy groups. He believes this is an incredible conflict of interest. Mr. Hite stated that the referral form in question is provided by and paid for by Gillette Physical Therapy. Mr. Hite also requested that he and Mr. Martinson meet at a later time to discuss Mr. Martinson's concern regarding conflict of interest. Mr. Dunlap asked that in all fairness if it wouldn't be in the best interest to change the form.

Strategic Plan
Mr. Fitzgerald explained that a limited amount of data has been updated on the Strategic Plan since we are only two months into the new fiscal year.

People:
Updates include the following:

- During the first two months of the fiscal year, 25 staff have left the organization.
- The employee engagement survey will be offered again in March. Scores from the survey have increased over the last three years.
- Recordable injuries continue to be lower than the national average. CCH met the goal last year and are working to reduce the score again this year.

- The leadership assessment goal is set at 58% and is showing continued improvement.

Quality and Safety:
Updates to the Quality and Safety plan include:
- Venous Thrombolysis (VTE) prophylactics ordered and administer with 24 hours and Sepsis management are both new goals this year.
- Decrease readmission rate within 30 days for patients over 64 from 9.1% to 8.7%. Are meeting this goal.
- Two LTC goals to decrease the number of residents who have moderate to severe pain and decrease weight loss are both new goals. Are making progress.
- Reduce serious safety event rate from 3.1 to 2.8. Did not meet this goal last year, but are on goal so far this year.

Service Excellence:
Updates to the Service Excellence Plan include:
- Increase the number of HCAHPS domains to 6 of 9 above 75th percentile. Scores have recently fallen.
- ECD scores for 8 of 17 questions above the 75th percentile. CCH is currently meeting this goal.
- Increase LTC satisfaction. Making some real progress.
- CG CAHPS goals were met last year, but have slipped these last two months.

Business:
Goals for Business include:
- Adjusted discharges have been short of budget for the first two months.
- Reduce AR days to 70 days. Bringing in a revenue cycle group to monitor what we can do to improve our processes in mid-October.

Strategic Projects:
<u>Service Plan</u>
- Diabetic Program – A community education session is scheduled in October.
- Chronic Care Management Clinic – Working on the final billing operations for the Coumadin clinic. Should be coming soon.

<u>Facility Plan</u>
- Mr. Crichton will provide an update later in the agenda.

<u>Information Technology Plan</u>
- Meditech clinic implementation - This is more complicated than the hospital piece. Software delivery will occur in December and are waiting for a site date. There may be issues since this is a new product from Meditech.
- New PACS system – Go live is scheduled for January 2017.

- Investigate home monitoring technology – The technology exists to monitor patients remotely.

Marketing/Recruitment

- Jet Marketing evaluates marketing strategies yearly.
- Bill Stangl has a detailed work plan for physician recruitment and retention strategies.

Business Enhancement

- Bundled pricing program - Mr. Fitzgerald and Mr. Huber are working on bundled pricing for hip and knee replacement. Medicare may force bundled payments in a few years.
- Productivity Monitoring System – Phase I is complete. Will recalibrate targets in the next 6 to 8 months to set more stringent goals.
- Revenue Cycle Management Project – Mr. Huber has discussed with Larsen Allen.

Five-Year Financial Forecast

Mr. Huber reported on four financial scenarios on cash flow projections for operations **u**sing the 2017 budget as a baseline. Mr. Huber included 2.5% growth in net revenue and 2% for expense growth. Mr. Huber also decreased the tax levy by 5% for 2018 and 2019, and kept flat going forward. Scenario #1 goes forward with cosmetic updates for patient care areas and no other construction.

Scenario #1: Only Cosmetic refresh on patient floors

Capital Expenditures	**2017**	**2018**	**2019**	**2020**	**2021**
Regular	4,109,000	7,500,000	7,500,000	7,500,000	7,500,000
Legacy Living Center	14,390,000				
WORI Remodel and Radiology	758,000				
New Laundry in Legacy	381,000				
PACS	1,385,000				
Landscaping	1,172,000				
Cardiac Rehab/Laundry	2,501,000				
Parking	442,100				
Other Facility Improvement	2,689,000				
Meditech	763,000				
Smoke Evac	841,000				
Inpatient Project	2,083,000	2,000,000			
Renovation of vacated space					5,000,000
Carryover-Property and Gillette College	810,000				
Contingency	600,000				
Emergency Dept Renovation/CT			3,600,000		
Total Capital Expenditures	32,924,100	9,500,000	11,100,000	7,500,000	7,500,000
Cash Balance	2017 64,396,150	2018 67,831,908	2019 69,937,699	2020 76,626,452	2021 79,382,844
Daily Cash	447,792	456,748	465,883	475,200	484,704
Days of cash on Hand	144	149	150	161	164
Target 125 Days of Cash	55,973,995	57,093,475	58,235,345	59,400,052	60,588,053

Mr. Huber added with this scenario there would be adequate cash going forward.
In this conservative cash scenario, spending $40M to retire debt, would take CCH well below 100 days cash on hand.

Scenario #2: Worst Case Scenario

Capital Expenditures	**2017**	**2018**	**2019**	**2020**	**2021**
Regular	4,109,000	7,500,000	7,500,000	7,500,000	7,500,000
Legacy Living Center	14,390,000				
WORI Remodel	758,000				
New Laundry in Legacy	381,000				
PACS	1,385,000				
Landscaping	1,172,000				
Cardiac Rehab/Laundry	2,501,000				
Parking	442,100				
Other Facility Improvements	2,689,000				
Meditech	763,000				
Smoke Evac	841,000				
Inpatient Project	2,083,000	10,805,916	7,718,512	7,718,512	4,631,107
Renovation of vacated space					5,000,000
Carryover – Property and Gillette College	810,000				
Contingency	600,000				
Emergency Dept Renovation / CT			3,600,000		
Total Capital Expenditures	32,924,100	18,305,916	18,818,512	15,218,512	17,131,107
Cash Balance	2017 64,396,150	2018 59,025,991	2019 53,413,270	2020 52,383,512	2021 59,508,797
Daily Cash	447,792	456,748	465,883	475,200	484,704
Days of cash on Hand	144	129	115	110	104
Target 125 Days of Cash	55,973,995	57,093,475	58,235,345	59,400,052	60,588,053

Mr. Huber stated that Mr. Crichton put together a four year capital projection for construction projects. Days cash on hand would drop from 129 in 2018 to under 100 days if operations stay the same.

Scenario #3: Improved operations by $2 million/year

Capital Expenditures	**2017**	**2018**	**2019**	**2020**	**2021**
Regular	4,109,000	7,500,000	7,500,000	7,500,000	7,500,000
Legacy Living Center	14,390,000				
WORI Remodel	758,000				
New Laundry in Legacy	381,000				
PACS	1,385,000				
Landscaping	1,172,000				
Cardiac Rehab/Laundry	2,501,000				
Parking	442,100				
Other Facility Improvements	2,689,000				
Meditech	763,000				
Smoke Evac	841,000				

Inpatient Project	2,083,000	10,805,916	7,718,512	7,718,512	4,631,107
Renovation of vacated space					5,000,000
Carryover – Property and Gillette College	810,000				
Contingency	600,000				
Emergency Dept Renovation / CT			3,600,000		
Total Capital Expenditures	32,924,100	18,305,916	18,818,512	15,218,512	17,131,107
Cash Balance	2017 66,396,150	2018 63,057,192	2019 59,522,399	2020 60,617,876	2021 60,915,607
Daily Cash	445,052	453,953	463,032	472,293	481,739
Days of cash on Hand	149	139	129	128	126
Target 125 Days of Cash	55,631,529	56,744,160	57,879,043	59,036,624	60,217,357

Mr. Huber explained the third scenario shows an improvement in operations of $2M. If CCH went forward with the inpatient project, the cash side would still be okay. With a little bit of operational improvement, the forecast is doable. In another year, Mr. Huber will look at where CCH is operationally and what the cash situation is to help determine if we are in a position to begin Phase I of the inpatient project.

Scenario #4: Worst Case Scenario with 5 year construction

Capital Expenditures	**2017**	**2018**	**2019**	**2020**	**2021**
Regular	4,109,000	7,500,000	7,500,000	7,500,000	7,500,000
Legacy Living Center	14,390,000				
WORI Remodel	758,000				
New Laundry in Legacy	381,000				
PACS	1,385,000				
Landscaping	1,172,000				
Cardiac Rehab/Laundry	2,501,000				
Parking	442,100				
Other Facility Improvements	2,689,000				
Meditech	763,000				
Smoke Evac	841,000				
Inpatient Project	2,083,000	5,000,000	5,805,916	7,718,512	7,718,512
Renovation of vacated space					5,000,000
Carryover – Property and Gillette College	810,000				
Contingency	600,000				
Emergency Dept Renovation / CT			3,600,000		
Total Capital Expenditures	32,924,100	12,500,000	16,905,916	15,218,512	20,218,512
Cash Balance	2017 64,396,150	2018 64,831,908	2019 61,131,783	2020 60,102,024	2021 55,139,905
Daily Cash	447,792	456,748	465,883	475,200	484,704
Days of cash on Hand	144	142	131	126	114
Target 125 Days of Cash	55,973,995	57,093,475	58,235,345	59,400,052	60,588,053

Scenario #4 delays the inpatient project from four years to five years and includes the associated costs. Mr. Huber stated the $7.5M capital budget is larger than it has been in previous years. A few of the capital expenditures can be discussed and determine if there are ways for them to be a little less expensive or stretched out a bit. Rates at the Legacy will not be increased at this time, but can be re-evaluated next year.

Dr. Hartsaw pointed out that in the past the Board has decided to keep service lines that are essential to the community even when those services lose money. The Board may need to look at what service lines to keep in the near future. Mr. Hite agreed that the Board may need to have some tough conversations in the near future to address cost saving measures and how to proceed. Mr. Fitzgerald reminded Board members that previous 5 year forecasts had shown a drop in cash with the addition to the hospital and construction of long term care.

Master Facility Plan

Mr. Crichton reported on the following projects:

Landscaping

The grounds crew contacted the City of Gillette regarding some dead landscaping in the park area in front of the Legacy. The City crew cleaned up the area first thing the next morning.

Legacy Living Center

A tour is scheduled today at 12:30 p.m. Jonni Belden is unable to attend due to a survey taking place at Pioneer Manor. Substantial completion of the building was done on September 12. All required paperwork was submitted to the State on that day. The state licensing survey is scheduled for next Tuesday. CCH will be converting the property over from the builder risk insurance to the general property insurance on October 1. Residents are scheduled to move in on November 2.

Stocktrial Building Remodel

The PROS remodel is underway. The staff has been very patient with the contractors.

Smoke Evacuation

The main entry remodel is complete. The state did find a couple of issues with programing of the fire alarm system and will be back next week to follow up test. The project came in $217,000 under budget.

Cardiac Rehab/Laundry

Construction will be complete the end of November. The project is about $284,000 under budget.

Stocktrail Parking Lot

The parking lot is complete. A settlement has been reached with the contractor because of delays. The project will come in under budget $100,000.

North Landscaping

Work will begin on the project next week and will continue through this year and next.

Energy Management

Have a savings goal of $200,000 per year for energy costs.

Inpatient Room Replacement

Design Schedule:

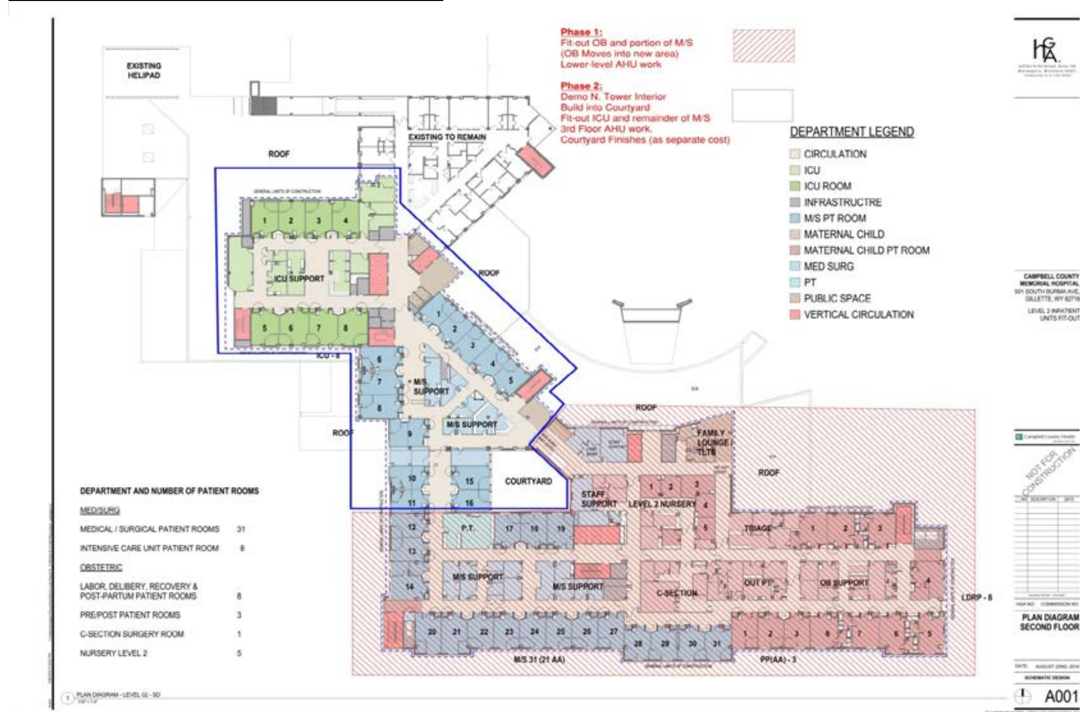
- January – Board approval for HGA to complete a design
- Weekly web meeting established.
- Lean design process began with HGA on-site meetings –

- o Design work flows (Current, Ideal, Future).
- o Involve teams from all departments including travel to visit other hospitals.
- o Once the patient care model is complete then we design spaces and rooms to fit the process.
- o Once the future state was complete we entered into a more traditional architectural design process starting with schematic design where rooms, sizes and locations are established.
- o During schematic design we brought a construction manager on board in addition to a medical equipment planner.
- o From schematic design we will be moving into design development where we will be looking into all of the rooms to start determining contents, finishes, equipment locations, etc.
- o Once design development is complete we will move directly in the preparation of construction documents or construction development phase.

Research to determine number of rooms by type:

- Estimating future population.
- Census analysis.
- OB outpatient analysis.
- Time frequency of C-sections.
- Probability of risk associated with C-section frequency.

<u>Overall Floor Plan for 2nd Floor</u>:



Department and number of patient rooms:

Med/Surg

• Medical /Surgical Patient Rooms	31
• Intensive Care Unit Patient Rooms	8

Obstetric

• Labor, Delivery, Recovery & Post-Partum Rooms	8
• Pre/Post Patient Rooms	3
• C-section Surgery Rooms	1
• Nursery level II	5

East end of the expansion space (area in pink) is maternal child. The blue area in the center which carries into what is currently 2S becomes Med/Surg. The green area is currently C-section rooms, labor and delivery and the nursery and becomes the ICU space. The three med/surg rooms adjacent to ICU have the potential for expansion to flex as ICU rooms. The rooftop area was already structurally designed to be built on top of in the event there is additional need for space. Med/Surg is designed with an area for PT, staff spaces, physician spaces, and pharmacy. The med/surg rooms are designed as a set of rooms with shaded glass windows allowing the nurse to have maximum visibility of two patients getting them closer to the patients. A charting station is set up at the head wall of the patient. Supply closets are located in each room which will contain a three day supply of 90% of supplies needed.

Inpatient Room Replacement Construction Phasing Options

Phasing for Quickest Completion

Phase 1: Fit out OB and portion of Med/Surg (OB moves into new area)

Phase 2: Demo North tower interior. Build into courtyard. Fit out ICU and remainder of Med/Surg

Phasing for 4 Year Completion

Phase 1: Fit out OB and portion of Med/Surg. Relocate OB

Phase 2: Fit out Med/Surg in shell space. Build into Courtyard.

Phase 3: Demo North tower interior. Fit out Med/Surg in north tower.

Phase 4: Fit out ICU

Mr. Jackson inquired if there is a point of no return. Mr. Crichton advised at any point along the way are able to stop after any phase. There will be some logical breaking points. Dr. Hartsaw asked about disruptions to surgery. Mr. Crichton stated construction may have to be spread over a longer time period and this will have to be built into the thought process. They will plan to review the surgery schedule and try to work around it.

Project Budget
Total projected costs for Option A or a 2 phase project is $30,373,372.35. Total projected costs for Option B or a 4 phase project is $33,091,044.79.

Legacy Tour
Those attending the retreat were given a tour of the Legacy building.

Addition to Action Items
Mr. Hite recommended placing appointment of Board Secretary to replace Mr. Allen Todd following his resignation on the agenda under Action Item #2.

Physician Recruitment and Retention
Mr. Fitzgerald stated he included two articles on physician recruitment and retention for the Board to review. The 2014 Survey of America's Physicians stated, "Though broadly speaking the 2014 survey present a picture of the medical profession that has approached the edge of crisis, it also suggests that a changing of the guard may be taking place among physicians that could lead to a revised view of the profession among the physicians as the healthcare system transitions into a new era." The medical profession is changing. The article reported that 93% of the respondents state they don't want to go to a community under 25,000 and their single most important factor was leisure time or time off work. CCH is already facing those challenges in recruitment. Most of CCH's recruitment efforts are in primary care. Mr. Fitzgerald inquired about updating the current demand tool. Board members recommended holding off until the next Board retreat in order to have a better feel for the local economy in order to re-evaluate the need for an updated demand tool.

PRSC Transition Update
Mr. Fitzgerald reported the PRSC acquisitioned was finalized on January 1st and became wholly owned by CCH. Since that time surgeries have increased 11% from last year. One of the struggles CCH has encountered in changing ownership is refiling the Medicare 855. The form was initially filed, with the help of Larsen Allen, and sat with Medicare for several months. After several months CCH was contacted by Medicare only to be told that the wrong form had been filed. Michelle Kioschos submitted the corrected form to Medicare which was inexplicitly returned. She has refiled the form and is awaiting approval. Ms. Tonn added that Medicare bills are keyed up and ready to file. Blue Cross and other payers have been billed. Mr. Fitzgerald stated that administration has realized the need to reinstate monthly operational meetings to discuss other issues. Those meetings will start up again next week.

Board Improvement and Position Descriptions
Mr. Hite distributed copies of the current Board assessment and examples of job descriptions and asked for Board input. Mr. Jackson was appointed to find different forms of Board assessments. Board members would also like to improve the new Board

member orientation and will look into peer reviews. Mr. Hite requested that Board members review the job descriptions and will include them as an action item at the next Board meeting.

General Board Discussion
Board Education/Retreat
Mr. Hite related that the Rural Health Care Leadership Conference in Phoenix is very informative. Mr. Fitzgerald suggested the Board consider attending the Trustee Conference in Cody as another option.

Mr. Tom Linden inquired about the vacant Board seat. Mr. Hite advised that the County Clerk stated the vacancy is filled by statute for the remainder of the term. The public is invited to apply with a written application. Mr. Dunlap suggested appointing the candidate that comes in fourth in the election.

Action Items
Medical Staff Appointments
Dr. Lowell Amiotte recommended approving the following medical staff appointments as recommended by the appropriate Department Chairman, Credentials Committee, and Executive Committee.

New Appointment:
Active:
Department of Medicine
Nahida S. Khan, MD Internal Medicine/Ambulatory

Courtesy – Telemedicine:
Department of Surgery
Janice J. Hwang, MD Radiology
Roi M. Lotan, MD Radiology
Shareef M. Riad, MD Radiology

Limited Health Care Practitioner:
Department of Surgery
David A. Boedeker, PA-C Orthopedic Surgery

Mr. Hite, Mr. Dugan, Mr. Dunlap, Dr. Hartsaw and Mr. Jackson voted aye. Motion carried.

Provisional Reviews:
Active:
Department of Surgery
Peter Chase, MD Emergency Medicine

Limited Health Care Practitioner:

Department of Medicine

Helen Tedesco, APRN Pulmonary/Sleep Medicine

Mr. Hite, Mr. Dugan, Mr. Dunlap, Dr. Hartsaw and Mr. Jackson voted aye. Motion carried.

Reappointments:

Active:

Department of Medicine

Kelly McMillin, MD Family Medicine

Department of surgery

Mark Kellam, MD Emergency Medicine

Departments of Surgery and Powder River Surgery

John Mansell, MD Anesthesiology / Pain Medicine

Erik Johnsrud, MD Anesthesiology

Department of Maternal / Child

David Beck, MD OB / GYN

Department of Surgery

Bret Birrer, MD Emergency Medicine

NOTE: Category change from Active to Courtesy

Department of Medicine

Alexandru David, MD Infectious Disease

ADDITIONAL PRIVILEGE REQUEST

Laine Russell, MD Dr. Russell is requesting privileges to read NIOSH PFTs ONLY

Mr. Hite, Mr. Dugan, Mr. Dunlap, Dr. Hartsaw and Mr. Jackson voted aye. Motion carried.

30 Day Extensions Requested – Applications Not Received and/or Complete

Darlene Brown, DO
Jonathan Coll, MD – StatRad
Robert Fortuna, MD – StatRad
Morton Hyson, MD
Theodore Lawson, MD
Romer Mosquera, MD
Dipti Nevrekar, MD – StatRad
Christopher Park, MD – StatRad
Michael Pettersen, MD
Sanjeevi Vridhachalam, MD – StatRad
Katharine Yoler, MD – StatRad

Campbell County Health
Excellence Every Day

Mr. Hite, Mr. Dugan, Mr. Dunlap, Dr. Hartsaw and Mr. Jackson voted aye. Motion carried.

MEDICAL STAFF RESIGNATIONS TO NOTE:
Ryan Noonan, MD Effective September 30, 2016

The regular meeting recessed into Executive Session at 3:34 p.m.

The regular meeting reconvened at 5:22 p.m.

ACTION ITEMS

CEO Bonus Compensation
Mr. Dugan moved, seconded by Mr. Dunlap, to pay the contractually obligated CEO compensation bonus of $46,437.50. Mr. Hite, Mr. Dugan, Mr. Dunlap, Dr. Hartsaw and Mr. Jackson voted aye. Motion carried.

CEO Contract
Mr. Dugan moved, seconded by Mr. Dunlap, to renew the CEO employment contract on the same terms as the last contract. Mr. Hite, Mr. Dugan, Mr. Dunlap, Dr. Hartsaw and Mr. Jackson voted aye. Motion carried.

ADJOURNMENT
There being no further business the meeting adjourned at 5:23 p.m.

The next regularly scheduled Board meeting is October 27, 2016 at 5:00 p.m. in Classroom 1.

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Harvey Jackson, Secretary

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Ellen L. Rehard, Recorder