Campbell County Health
Excellence Every Day

Board Retreat
March 12 and 13, 2015
The Ranch at Ucross

The Campbell County Hospital District Board of Trustees met at The Ranch at Ucross on Thursday, March 12, 2015 and Friday, March 13, 2015.

Members present:

Mr. Randy Hite
Mr. Mike Dugan
Dr. Alan Mitchell
Mr. Allen Todd
Mr. George Dunlap
Mr. Harvey Jackson

Members Absent:

Dr. Sara Hartsaw

Also present:

Mr. Andy Fitzgerald, Chief Executive Officer
Mr. Dalton Huber, Chief Financial Officer
Ms. Deb Tonn, Vice President of Patient Care
Dr. Lowell Amiotte, Chief of Staff
Dr. Ian Swift, PLC
Ms. Ellen Rehard, Recorder
Noamie Niemitalo, Childcare Manager

Crucial Conversations Education

Ms. Noamie Niemitalo, a certified Crucial Conversations trainer, provided an abbreviated education on improving communication styles. Ms. Niemitalo believes that the root cause of almost all dysfunction in relationships on committees, boards and organizations is how we behave when people give us information that involves a crucial conversation. Ms. Niemitalo shared skills on how to accept and give information and how to spot crucial conversations. Board members plan to schedule additional time to continue education on Crucial Conversations.

Opening Comments and Review Agenda Items

Mr. Hite welcomed Board members to the retreat and thanked everyone for taking time out of their busy schedules.

Mission/Vision/Pillars/Values

Mr. Dugan read the Mission statement:
"Serving our community by providing a lifetime of care with dedication, skill and compassion."
Board members discussed what the Mission statement means to them and how they define community. They believe the Mission statement is appropriate for CCH at this time. The Physician Leadership Committee has adopted the mission statement as well.
Mr. Todd read the Vision statement:
"CCH will be the first choice for healthcare and wellness in Wyoming by providing Excellence Every Day."
Board members discussed excellence every day and what that means for CCH. Discussion was also held about serving Wyoming and the region. Mr. Fitzgerald stated that once we can prove through data that we are the best in Wyoming we can think about changing from Wyoming.
Mr. Fitzgerald reviewed the Pillars and Core Values. He suggested adding financial stability and fiscally responsible to the Core Values.
Mr. Dugan suggested posting the Mission/Vision/Pillars and Values in the lobby so that it is visible to employees and patients. Dr. Swift shared that his clinic starts the day with a morning huddle which seems to be very effective. Ms. Tonn stated that clinical areas have started doing a morning huddle as well and managers will be represented at a daily safety huddle beginning March 30th.

CCMH Strategic Plan

Mr. Fitzgerald pointed out the Top 10 Strategic Questions published by the AHA and suggested discussing those at a mini retreat. The management team previously met to discuss the current strengths, weaknesses, opportunities and threats of the organization.
Strengths include:

- Financials
- Physical Plan
- Capital Equipment
- Technology
- Payer Mix
- Specialist
- ISO9001
- Comprehensive Services
- Evidence-Based Practice in CCMH
- Longevity of Medical Staff
- Quality of People
- Training
- Longevity

- Wages/Benefits
- Continuum of Care
- Vertical/Horizontal integration

Weaknesses include:

- Lack of sense of urgency for change and adopting new procedures/practices
- Too many IT initiatives
- Need to turn data into information
- Staffing (selected areas)
- Succession Planning
- Cross Training
- Software Training
- Clinic Best Practices
- Staff not working at the top of their license
- Operational silos
- Interdepartmental communications
- Entry Level Wages
- Storage (actual and virtual)

Mr. Dugan stated that another weakness that should be included is marketing. When attending a recent meeting with one of the mines, he realized that they were not aware of the services that CCH provides. Dr. Swift agreed and believes that the community needs to be educated on what services are offered and how well they are provided. Mr. Fitzgerald will include Marketing on the Strategic Plan. Dr. Swift also stated that he believes payer mix could be considered a weakness as well since BlueCross seems to be the one payer in command.

Opportunities include:

- Adult Day Care
- TCU/Rehab
- Chronic Care Management and Palliative Care
- Telemedicine
- Evidence Based Clinic Practices
- Continue to Recruit Primary Care
- Growth
- EED Cultural Change
- Identify Private Pay More Quickly
- Acquisition
- Home Medical Model
- New Payment Models

Mr. Todd inquired about outside acquisitions. Mr. Dunlap stated that CCH physicians can go outside of Campbell County, but he didn't think CCH could make a purchase

outside of Campbell County. Mr. Fitzgerald recommended that there are currently quite a few things going on right not and that may be something that CCH could look at in the future under the guidance of Mr. Lubnau. Board members discussed the need to focus on educating the community of the physicians and services already established within the community.

Threats include:

- Economy
- Competition
- Mission related service lines
- Acquisition by Other System
- Industry Building Primary Care In-house
- Provider/worker shortage
- Changing workforce
- Misperception of quality
- Social media
- Misperception of Tax Subsidy and Financial condition
- IT Training/IT HR obsolescence
- Healthcare reform
- Reimbursement
- Increasing cost
- Slow response to changing environment

The plan is broken down into four pillars:

1. People Pillar
2. Quality & Safety Pillar
3. Service Excellence Pillar
4. Business Pillar.

People:

- Reduce employee voluntary turnover from 15.9% to 15.1% - Keep but recalibrate for FY 2016.
- Employee Engagement score will increase from 31.5% to 32% - Recommend to complete every other year. Put back on for FY 2017.
- Physician Satisfaction will be above 50th percentile – Recommend to complete every other year. Put back on for FY 2017.
- Recordable injuries will decrease from 6.2% to 5.9% - Keep but recalibrate for FY 2016.
- Management training and orientation program – Put together a comprehensive manager and supervisor training program.

Quality and Safety:

- Increase Overall Core Measure Compliance Score – Recommend taking that goal off the plan. We are doing quite well.
- Decrease readmission rate within 30 days for patients over 64 – Recalibrate for FY 16.
- Reduce falls per 1000 acute care days – Recommend deleting. Falls tracking will be added to serious safety events.
- Reduce LTC pressure ulcers – Recommend adding back onto the plan. Scores have increased.
- Reduce falls for LTC – Recalibrate for FY 16.
- Core Measure Value Based purchasing – This will be a more focused goals from CMS.
- Serious Safety Event Rate Reduction – This is a new goal which is a volume-adjusted measure of events resulting in moderate to severe harm or death.

Service Excellence:

- Increase the number of HCAHPS domains – Keep but set a stronger goal.
- ECD scores for 8 of 17 questions at or above the 50th percentile of patient experience as measured by Health Streams – Keep but recalibrate goal.
- Outpatient scores – Recommend deleting, but putting on individual outpatient LEMS. Board members expressed concerns about scores slipping if taken off of the Strategic Plan. Mr. Fitzgerald will meet with the management group to revise the scoring and leave this item on the Strategic Plan.
- Increase Long Term Care satisfaction – Keep but recalibrate goal.
- Increase Physician Clinic scores – Keep but recalibrate goal.

Board members suggested leaving the Outpatient HCAHPS scores on the plan. Scores that are measured get attention. Mr. Fitzgerald will leave the outpatient scores on the plan and will meet with the management group to rethink the scores.

Business:

- Increase adjusted discharges to 100% of budget – Keep but recalibrate goal.
- Increase Operating Margin to budget – Keep but recalibrate goal.
- Maintain cash days on hand of no less than 230 – Keep but recalibrate goal.

Projects:

<u>Service Plan</u>

- Diabetic Program – Continue with this project.
- Chronic Care Management Clinic – This is a new project to develop a chronic care clinic that could see wound care and Coumadin patients.

<u>Facility Plan</u>

- Legacy Living Center – Completion in May, 2016.

- New Nursing Floor Plan
- Parking Structure//Solution
- New Walk in Clinic

Information Technology Plan

- Single Sign on/Session Portability/VDI
- Meditech 6.x Implementation
- Meditech Ambulatory Solution
- New PACS

Marketing/Recruitment

- Improve and increase marketing for CCH – Board members requested this item be added to the Strategic Plan to focus on strategic relationships and physician relationships. (new item)
- Recruitment of Physicians – Ongoing.

Campbell County Medical Group

- Implement Work Plan to enhance and improve clinic finances and operations.

Business Enhancement

- Implement a bundled pricing program – bring business back to Gillette.
- Implement a productivity monitoring system.
- Revenue Cycle Management Project – The clinics have already gone through this process and are in pretty good shape. Will work on a better system for the hospital side.

Long Term Initiatives:

- Initiate a discussion with a payer partner to discuss a risk contracting strategy.
- Investigate home monitoring technology to enhance home care and increase efficiency.
- Succession plan for Senior Leaders.

Medical Staff Review and Physician Alignment

Dr. Amiotte reviewed medical staff composition and statistics with Board members.
CCH medical staff includes:

- 104 active medical staff
  - 68 physicians
  - 37 mid-level providers
  - 33 courtesy staff
  - 60 courtesy telemedicine

Patient Contacts	2014	2015
• Inpatient admissions	2,957	2,847
• Surgeries (PRSC not included)	3,778	3,727
• ER visits	22,518	22,827
• WIC visits	30,341	32,387
• Deliveries	755	759
• Level 2 nursery admissions	78	52
• Clinic visits	99,641	96,725

Committee Participation:

- Bylaws Committee
- Credentials Committee
- Critical Care Committee
- Medical Records Committee
- Pharmacy & Therapeutics Committee
- Joint Conference committee
- Quality/Risk Committee
- Infection Control Committee
- Ethics committee
- TASC
- Medical Executive committee

Community Education:

- CCSD Health Classes and Career Fair
- Community outreach through CCMH
- Educational programs to CCMH departments
- Serving on various community boards including:
    - Campbell County Board of Health
    - Campbell County Healthcare Foundation
    - Campbell County School Board
    - CCSD Mental Health Advisory Board

Mentorship and Teaching:

- High school students participating in the Mentorship
- College students in pre-med programs
- Medical students during the first year break
- Medical students from Creighton University
- Medical students from the WWAMI program
- Physician Assistant students
- Nurse Practitioner students
- Nursing students from Gillette College

Community Involvement:

- Rotary Club
- Toastmasters
- Volunteer coaches
- Support CCSD activities including band and musicals
- Members of numerous church organizations
- Volunteer for Healthcare Foundation physicals
- Medical Director for Rocky Mountain Honor flights
- Summer of Hope adoption organization physician
- MIT applicant interviewer
- Cub Scouts project mentor
- Member of the Regional Advisory Board for The Doctors Company

Chief of Staff

- Community Involvement
  - Feature a service group in each month newsletter
- Vision/Mission Statement for Chief of Staff
- Code of Conduct in the Bylaws
- Pledge of support between the Medical Staff and the Hospital
- Continue the positive momentum for CCH

Dr. Amiotte stated that there is a more positive atmosphere between physicians and administration.

PLC Update and Clinic Assessment

CCH is rapidly enlarging the employed medical staff which currently includes 45 physicians and mid-levels. That group is split up into 3 distinctive groups; Emergency room physicians and hospitalist, employed physicians in traditional clinic settings and the PROS model. The governing body of the CCMG physicians offers strategic and medical advice to administration as it pertains to the management and structure of the CCMG clinics. Composition of the CCMG is made up of five physicians, the CEO, CFO and the VP of physician services. The PLC has accomplished establishing a charter, ratification of the Code of Conduct, assisting in the development of the main clinic, involvement in the Risk Management initiative, sending out a newsletter to CCMG, CBO changes, development of a fiscal dashboard for physicians, fee schedule and marketing advice.

Future possibilities that the PLC is looking at include:

- Improve patient care with constant commitment to service excellence.
- PLC Finance and Operations sub-committees.
- Consolidate employed physicians.
- Fiscal responsible clinic management.
- Consideration of Chief Medical Officer.

The regular meeting recessed at 5:25 p.m.

The regular meeting reconvened at 8:15 a.m. on March 14, 2015.

Facility Planning

Mr. Fitzgerald reviewed the Master Plan completed by the Hammes Company.

Option A (All on 2nd Floor – LDRP):

- Acute inpatient services to the 2nd floor – Existing bed tower and shell space.
- Existing bed tower – 24 med/surg beds with improved patient care and staff utilization
- Shell space to accommodate Women's Services and ICU including:
  - 10 LDRP's, C-Section Suite, triage, well baby and NICU, GYN patient care.

Option B (All in 2nd floor shell and 3rd floor addition):

- 2nd floor shell space to accommodate Women's Services and ICU including:
  - 10 LDRP's, C-section suite, triage, well baby and NICU, GYN patient care.
- 3rd floor new construction to accommodate 24 med/surg beds with shell space to accommodate an additional 8 bed unit for acuity adaptable beds.

Mr. Fitzgerald explained that with both Option A and Option B the bed numbers would remain the same but there is the possibility of different bed distribution. This would be determined by looking at the population demographics, population growth and length of stay. CCH should continue to see decreased length of stay as procedures are driven to an outpatient setting. Technology and drugs are driving the inpatient setting down as well.

Parking Garage Options:

- Add 1 level to existing parking structure.
- Two level parking structure with connector to cross street.
- Two level parking structure with close access to the new clinic.
- Remote surface staff parking at Pioneer Manor lot with shuttle.

The contract is being finalized with HGA, Inc. who will be moving forward with the parking plan and reviewing the Hammes study and placement of services. Mr. Fitzgerald will keep the Board informed of HGA's recommendations.

Financial Projection

Mr. Huber reported the following:

CCMH 5 Year Projection

Volume growth assumptions:

- Inpatient numbers would stay flat
- Outpatient services grow 3% a year
- Physician services would remain flat
- Long Term Care grow 5% after 2016
  - There is more growth opportunity in rehab

Revenue/Expense Assumptions:

- Revenue – 4% growth includes volume and payer growth
  - 3% outpatient
  - 5% nursing home
- Depreciation – 5% growth per year plus $2M for Legacy and other projects starting in 2016
- Total Expenses – 4% growth per year $2M for Legacy in 2016
- Mill levy – 2% growth per year

Cash flow projections for building projects:

2015

-3.5% Operating Margin
-7.5% Bottom line
16.0% EBIDA
2017
-3.5% Operating Margin
-7.0% Bottom line after Mill Levy
15.7% EBIDA
Mr. Huber is concerned about the expense structure and would like to make sure that staffing is appropriate. There are consultants that can help determine which areas are staffed heavily and can help with an attrition plan and how to restructure resources.

Standards and Poors:

Median Operating Margins for 2013
Stand-alone hospitals were at 2.1
CCH was at -5.
EBIDA
Stand-alone hospitals were at 11
CCH is more profitable than other stand-alone hospitals

Cash Balance:

Going with Option B of the construction project, the cash balance will dip down to about $80M in 2019 and will rebound after the project is completed.

Days of Cash on Hand:

Our low will be about 150 days and we would dip below the Standards and Poors 192 days cash on hand.

Capital Expenditures:

	2014	2015	2016	2017	2018	2019	2020	
Capital Expenditures								
Regular		16,000,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	
Legacy Living Center		20,000,000	21,367,000					
WORI Remodel and Radiology		4,200,000						
Clinic and Radiology Completion		13,000,000						
Cardiac Rehab		1,800,000						**Total Construction Project**
Parking		2,900,000	2,100,000					5,000,000
New Inpatient Project		1,000,000	1,000,000	12,595,981	12,595,981	12,595,981		39,787,944
Equipment						5,660,000		5,660,000
Existing Tower - Clinic Space							5,000,000	5,000,000
								55,447,944
Total Capital Expenditures		58,900,000	31,967,000	20,095,981	20,095,981	25,755,981	12,500,000	
	130,157,709	90,102,918	77,313,391	77,197,154	77,921,770	73,853,981	83,950,287	

Expenses for the WIC were missed and will be added in.

Dr. Swift asked if there should be more days cash on hand with the implementation of ICD-10. Mr. Huber explained that there is talk about it being delayed one more year. When implemented it will probably slow up the cash flow but it shouldn't be long term. Mr. Huber is more concerned about the payers and that they won't be ready.

Mr. Fitzgerald asked Board members if the information presented has changed their opinion about going forward with the construction projects presented. Board members

discussed their concerns and opinions. There are a lot of items that need to be addressed on the inpatient unit. Mr. Huber stated CCH is in a good cash position, but from a CFO viewpoint he would like to see a few years between projects to get cash built up. The cash flow expenditures do not include additional debt beyond the Legacy borrowing. The additional expenditures are from cash reserves. Mr. Fitzgerald stated that big cash spending should be done by 2020 and each year after 2020 cash days on hand should steadily increase. Mr. Dugan believes that Gillette has diversified itself and the infrastructure continues to grow. If you have a strong hospital and school system, citizens will remain in the community.

Service Line Review

Behavioral Health Services

Ms. Tonn stated outpatient Behavioral Health services continue to be busy and continue to have only one psychiatrist. Recruitment efforts are ongoing and BHS is currently dependent on locums and Faspsych to augment coverage. CCH has also been dependent on grant funding through the State of Wyoming and were just recently re-funded $2.2M which will be received in July. CCH is in the second year of the Ellbogen grant for the operation of the Kid Clinic which had its busiest month in February. The behavioral health inpatient census is at an average length of stay of 3 days and is currently running full every day.

Inpatient Admits

Inpatient admits in 2013 and 2014 were down. The projection for 2015 is comparable. Admits are up a bit this year due to the flu.

Patient Days

Length of stay days have come down which is a positive. We had thought those days would increase due to more stays with cardiology, but many of those patients still go out. Ventilator days are down as well.

Maternal/Child Services

Maternal Child is 48 deliveries ahead of 2014. The donor milk depot is now available with many women from the community coming forward.

Emergency Department visits

ER visits were on a downward trend in 2013 and 2014. There has been a significant increase in ER visits in 2015 and patient satisfaction scores are improving as well. The ER is still working very hard on wait times. There is an ER scribe system used to capture documentation which seems to be helping.

Walk-In Clinic Visits

The 2015 Walk in clinic visits are comparable to 2014, although the last few months have been very busy. This will continue to be an area of growth. The Walk-in Clinic actively refers to Family Practice providers. Some patients of the Walk-in Clinic like the in and out delivery method for ambulatory services. Family Practice providers are becoming gradually busier.

Emergency and Walk-In Clinic Visits

There is steady growth for both the ER and Walk-in Clinic going forward.

Surgery
December 2014 was the busiest reported month for the surgery department. OR is working on scheduling issues and block times to help with efficiency. Mr. Fitzgerald stated that CCH may consider putting one additional outpatient surgery room at the Powder River Surgery Center in a year or two to be used for all specialties. Dr. Amiotte

asked about 24 hour overnight stay rooms. Ms. Tonn reported the Cath Lab has been open since June and they have seen 212 patients through the Cath Lab and have done a combined 327 procedures.

Dialysis
Dialysis continues to grow and is providing services six days a week.

Oncology
Dr. John Stamato has increased his presence in the community and Dr. Mills remains busy including seeing patients in Newcastle and Sundance.

Homecare/Hospice Outpatient Visits
There has been growth in homecare/hospice outpatient visits and are exploring telemedicine and telemonitoring.

Pioneer Manor
There has been pretty good growth, mostly in TCU. TCU beds at The Legacy will be expanded to 20.

Rehab
PT, OT and speech all continue to be busy and are all now on one floor at the WORI building.

Clinic Visits
With the addition of new physicians the clinic has seen growth. The community has been using the WIC for every need so we need to work on bridging that gap by letting them know that primary care is available.

EXECUTIVE SESSION

The regular meeting recessed into Executive Session at 11:00 a.m.

The regular meeting reconvened at 12:35 p.m.

Governance Assessment
Mr. Fitzgerald reviewed the Board assessment with Board members. Seven assessments were completed. Board members had previously submitted answers to questions on the following categories:

- Roles and responsibilities
- Governance
- Mission/Planning
- Board Development

- Board Effectiveness
- Financial
- Foundation/Fund-raising
- Quality Assurance/Performance Improvement

Questions that were discussed from the assessment include:
#14 Committee chairs receive leadership training for the position - Board members would like to see roles and responsibilities defined for officers.
#27 Board members participate in continuing education - Board memberd should try to attend at least one educational conference during the year. The Rural Healthcare Conference is an excellent opportunity. Currently more money is budgeted for Board training than is spent.
#30 Full Board engages in formal self-assessment at least annually - Board members discussed assessing themselves and other Board members on strengths and weaknesses. Discussion was also held regarding better communication between Board members.
#34 Board chair's performance – The chair and each officer plan to work on creating a job description or definition to include their duties.
#39 Process for peer review - Complete more frequent peer reviews and brainstorm on ways to move forward.
#49-53 Foundation/Fund-Raising – The Healthcare Foundation has been working more closely aligned with CCH. They have a scholarship program, have given money to oncology, purchased items and done a lot for Pioneer Manor.
Top three priorities:

- Internal Medicine
- Marketing
- Physician Recruitment

ADJOURNMENT
There being no further business the meeting adjourned at 12:58 p.m.

The next regularly scheduled Board meeting is March 26, 2015 at 5:00 p.m. in Classroom 1.

_____
Allen Todd, Secretary

_____
Ellen L. Rehard, Recorder