

**BOARD OF TRUSTEES MEETING
TVHC Board Room
WEDNESDAY, DECEMBER 7, 2011**

Trustees Present: Steven Dietrich, Aaron Hansen, Chris Larson, Janine Jolley, Bob Benedict, Keith Gnagey, Thomas Simmons

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

Minutes Recorded by: Marni Vasseur

Meeting called to order by Steven Dietrich, Board Chair, at 5:32 pm.

CHANGES/ADDITIONS TO THE AGENDA:

MINUTE APPROVAL:

● **MOTION:** C. Larson moved to approve the 10.26.11 minutes as amended. Motion seconded by B. Benedict and carried unanimously.

TRUSTEE EDUCATION: CREDENTIALING

Kim Stanger spoke on governance and board responsibilities.

Stanger recommended that all board members read the Ethics in Government manual.

Stanger presented facts on the board's role in the credentialing process.

B. Benedict asked if boards typically review the med staff files or just look at the summary reports.

Stanger said that med staff is reappointed every 2 years so files are reviewed on that schedule. The file will be reviewed by med staff and they make recommendations. If you get a recommendation on a problem physician, you may have to take a look at that recommendation closer and review the file. Always use a fair hearing process.

S. Dietrich asked, when presented with long lists of med staff bios at every meeting, how does the board demonstrate that they know their responsibility and are doing random checks. Should the board spot check the files or have med staff go over the files with the board?

K. Stanger said that the peer review process should cover that.

V. Boss said that Dr. Murphy, a 3rd party retired physician leads our peer review. We get nearly 100% attendance by med staff at peer review meetings. The process is very objective using a 3rd party physician.

K. Stanger said this sounds like a good process.

V. Boss continued by saying that the process is handed off to Laura Piquet after peer review, and she reports to the board for their approval.

K. Stanger said that the board is part of the peer review committee. The board should check on management or med staff, not on files of physicians, to make sure that the credentialing process is thorough. Laura can present to the board a checklist that all the steps have been done for credentialing. If there are potential problems they will be brought to the board. Otherwise, the process looks good.

Stanger said that there is a new rule in place for credentialing radiologists who are not employed by TVHC. It is allowed for critical access hospitals to rely on other hospital's credentialing; the hospital that employs the radiologist. They have to certify that they are doing their due diligence. There should be a contract in place between the 2 parties. Stanger said he will get the appropriate form to Boss so he may follow up. This rule only applies to telemedicine providers.

V. Boss asked if TVHC can use BMH's credentialing for their visiting specialists.

Stanger reiterated that it is only for telemedicine.

J. Jolley asked, if the board has a problem with a physician whether they should go to V. Boss with the complaint.

Boss replied that that would be the correct course of action and that he would refer to Dr. Murphy. They would then pull charts for review. Boss said they can do patient specific reviews. There is a process for a plan of correction already in place.

K. Gnagey said that he wants to see the credentialing process checklist signed with each approved provider. Boss agreed and said that there are different steps for different privileges but the checklist would be valuable. Boss added that he is glad to hear about proxy credentialing for telemedicine staff. It will save TVHC \$200 per physician plus the time Laura and her staff are spending on the credentialing process for our telemedicine providers.

CHAIRMAN'S COMMENTS:

S. Dietrich commented on The Festival of Trees saying that he did not attend last year, but had a very enjoyable evening at this year's event. Dietrich went on to say that he felt a lot of positive energy and appreciates the hard work from Foundation members.

MED STAFF APPOINTMENTS: SEE ATTACHMENT

L. Piquet presented med staff credentialing for reappointment.

● **MOTION:** J. Jolley moved to approve the med staff bios. Motion seconded by T. Simmons and passed unanimously.

QUALITY SERVICE COMMITTEE: SEE ATTACHMENT

Laura Piquet reported that the QI Committee was working on customer service training, branding and customer service surveys. The Policy Tech Committee has not met but are working on systems and goals. The Patient Safety Committee met in October. They are working on patient identification and will meet again in December or January. The Continuity of Care Committee met in October and are working on patient flow from one department to the next. They are working on a routing ticket to get patients to the correct departments. This committee will meet again in December.

J. Jolley reported on a community comment. Jolley said that she heard when patients get tests, they wait for their results, but aren't hearing back from a nurse or doctor for follow up. What is protocol?

Angela Booker said that a provider should follow up. Jolley will give Booker the names so she can follow up with these patients.

K. Gnagey asked when to expect goals to be set for new committees.

L. Piquet said she would report on goals at the January meeting.

Deborah Ray-Malheiro reported on the Quality Services Committee- see attachment.

K. Gnagey commented that specialist cases were down in the 4th quarter but were up for the year. He asked if surgery referrals were down.

D. R-Malheiro said that surgery cases were down. One specialist got referrals and took them to another hospital. That doctor will not be doing surgeries at TVHC anymore.

V. Boss said that pain management has had a full schedule. Early treatment is usually a spinal or surgical procedure, then maintenance. The number of crisis pain management cases was down. We are providing quality care but are at the point where most cases are at a maintenance level. Our visiting urologist cancelled his clinic at TVHC and is now doing procedures at Teton Outpatient Services.

Boss added that sometimes cases don't match up. For example, a patient may need ICU after surgery therefore we could not take that case. We had interest from a retired surgeon that recently moved to Island Park, he may work part time in the future. We are reviewing our options. General surgery is our best bet but cases must match up.

D. R-Malheiro asked about our new ENT.

Boss said that his DEA license took 5 months to complete. He is scheduled for January at TVHC. He is currently doing cases in Star Valley with his Wyoming license while waiting for his Idaho license to arrive. Malheiro said we are working with Madison Memorial to get more specialists as well.

Boss added that the doctor would be Madison's employee but can do visiting specialist clinics here. We are looking at new urologist.

Malheiro said we are also looking for a GYN doctor.

Boss said that some physicians from Madison and EIRMC are potential GYN candidates.

Malheiro also reported on quality measures saying that the rural hospital initiatives are being worked on. In patient satisfaction, we are still reviewing surveys. Malheiro will put together a presentation with a year's worth of data from the surveys and report to the board.

Malheiro said that the idea of having a survey on the web had been discussed but there are confidentiality issues to overcome. Also, the issue of having patients completing several surveys instead of just one to skew the data was another potential problem.

T. Simmons suggested a one-time password.

Malheiro said that the plan for the clinic survey was to have a kiosk in clinic where patients could complete the survey on the spot. They did a mailing trial that was not very successful. The idea of having a hand held survey tool before discharge for hospital patients was also discussed.

J. Jolley suggested an incentive such as a raffle to increase the number of returned surveys.

Malheiro concluded by saying that the committee is reviewing joint commission patient safety measures. They have listed the 2011 patient safety goals several of which will become Studer goals in the future.

FINANCE REPORT:

Aaron Hansen said that the finance committee met last Wednesday and that K. Gnagey is a good addition to the committee. Hansen wants to identify trends in financials and meet monthly to present key issues with action plans. He asked management to identify trends related to budgets.

J. Hotchkiss will bring audit numbers to the board as soon as they are available.

K. Gnagey said that they are making the finance committee more detailed and strategic. They will spend less time on numbers and more time on solutions.

A. Hansen said they will implement the analysis that Gnagey suggested to identify the top 50% of self-pay customers. This will show who has high balances and identify any trends.

S. Dietrich said the committee is much improved in identifying trends and finding solutions, as opposed to just trying to get the numbers right like in the past.

MEANINGFUL USE: SEE ATTACHMENT

Chris Larson reported that the committee met about the conversion to electronic health records. The committee concluded that they are getting close to reimbursement deadlines where TVHC will lose money in some cases. Larson summarized the reimbursement and penalty schedule. After 2014 we will be penalized in our Medicaid reimbursement.

C. Larson talked about the software options that we are considering. He said there would be an issue if we switch software later. The timeline for attestation will start over and we may miss some deadlines. We currently have clinic software that is compliant. Larson asked if we should start the process of implementing the current software to the hospital knowing we will have to begin again if we decide to change to a different software in the future. If we miss this year's deadline, the penalty is \$10,000, after that the penalties are much stiffer.

S. Dietrich asked if the Meaningful Use Committee has a recommendation.

Larson said they are just providing information at this point.

V. Boss said the other issue is that we have 2 systems in place that do not communicate with each other. If

we go with BMH advice, we would go to McKesson. Healthland, our current hospital software is geared for smaller hospitals and comes with a smaller price to implement over to the hospital. McKesson is bigger software with more capability but comes with a high price. We don't know at this point how our relationship with BMH may help us with this decision. BMH uses the McKesson system.

S. Dietrich said that we have the right to not accept McKesson but was concerned that it may affect the management agreement with BMH. The process is going to be difficult. We need to look forward 5 or more years. If our practitioners do not like a particular software, it does not make sense to deal with attestation at this point if we are just going to change software down the road.

K. Gnagey expressed concern over the implementation of the McKesson software. He said that just because BMH has converted, it does not make them experts. It will take a lot of staff time to implement and he does not want management to underestimate the difficulty and expense of implementation.

B. Benedict asked if the change in software will help the billing department as well as implement electronic health records. He said that we are losing money every day because of billing issues. We need to look not only at compliance but how the software change will affect patients. Benedict added that we do not have adequate IT resources to implement either software and that he would like to see it in the management agreement with BMH that we get some help from them or contract out the change-over.

Chuck Fischer, IT manager, said that McKesson will not offer IT support, we have to rely on BMH, if they are too busy, we will have to wait.

C. Larson recommended that the MU Committee will meet again in January after BMH has had some time with the McKesson software.

S. Dietrich said that we currently have software for meaningful use requirements. It will not address business billing issues but we can meet the necessary requirements. Dietrich said he would like to see how the transition goes for BMH before we come to a decision.

B. Benedict said we should have a decision by the February BOT meeting.

C. Fischer said that by February we should be able to find ways to extract the necessary information and try the McKesson demo.

J. Hotchkiss said that other hospitals have switched to Healthland and we are talking to them to get some feedback on that software.

C. Larson said that the more time we can let pass and learn from other hospital's experiences, the less work we will have to do to implement our own software.

B. Benedict said he would like to see a pros and cons list of the 2 systems by the February meeting.

V. Boss added that Jack York, IT for BMH, has a criteria template that we can use. They were looking at 3 different systems.

B. Benedict said it would be worth the money to get their input.

V. Boss said that this subject comes up at every co-op meeting. He has heard a lot of stories. Cash is always an issue. Most decisions have been to upgrade their current systems. St. John's had McKesson during Boss' tenure. It is costly but it works well and creates a good bill. Cash creation from it was astounding but start-up was difficult and required a lot of staff. St. John's is happy with McKesson and have used it for 6 years.

S. Dietrich asked the committee to report again in January.

FINANCIAL OPERATING REPORT: SEE ATTACHMENT

Jason Hotchkiss reported that cash was at \$2 million, all operating cash.

Hotchkiss will report differently in the future to match industry standard as recommended by the finance committee. He will use the same equation that DZA uses. Hotchkiss reported on other calculation changes.

In a discussion on budgets Hotchkiss credited the foundation for their help in acquiring capital items. Using AHA guidelines to depreciate equipment may not ring true for our hospital due to less use on equipment.

For our next budget cycle we should be more optimistic in our ability to acquire capital equipment.

V. Boss said he would put the tax levy attachment in the CEO Corner of the newspaper if the board approves. All agreed. This will show the public how the levy funds were spent.

CONVERSION PROCESS UPDATE:

Steve Dietrich reported that council is planning a pre organizational meeting and that the by-laws have been drafted. BMH will look over the by-laws. The next step is to get the audit information attached to the application. The audit should be finished in late January. Herb Heimerl assessed that he could get the articles of incorporation quickly and is doing so.

Dietrich added that he has had recent interaction with members of BMH management and is pleased that they are expressing their support.

CEO REPORT: SEE ATTACHMENT

V. Boss summarized the CEO report. He discussed employee benefits and said that the hospital took a hit on the increase of insurance premiums but kept the employee fees the same. The co-op plan did not pan out as expected in order for all 14 hospitals in the co-op to group up and get cheaper rates. Our loss ratio would have been a negative contribution anyway. 11 of the 14 hospitals in the co-op are self-insured.

TVHC will not contribute to the employee Health Savings Account this year in order to absorb the increase in insurance rates.

Boss reported an influx recently in complaints about our billing process due to more people being asked to pay their bills. We returned \$100,000 to patients in order to true up accounts. There are 3700 households in our county, 1200 of them owe a balance to TVHC. AARM is calling every account each week to collect. They are putting no pressure to patients but are working with them on payment plans instead. There are 3409 guarantors on 11,341 accounts that owe money. Debtors owe on 3.3 accounts each, average. On payment plans, we have 2495 payment plans in place on 750 guarantors. Boss is pleased with the community's efforts to pay. Boss said he does not want to send accounts to collections since they are paying, even if it is a small payment on a big bill. It's better than in the past where they were not paying at all.

J. Jolley said that the bill has no detail and the patient does not know what the charge is.

Boss said to call the number on the statement and AARM can pull up your account and give specifics or send you a print out. Boss asked board's opinion about the process.

Members said stay the course and keep doing what you are doing.

Boss reported that our OR staff were in surgeries until 3 am the previous night. There were 8 surgery cases. We could not have pulled that off 1 year ago.

Boss said we will send 2 billers to train on coding.

A new MRI is being purchased by the hospital co-op. We have negotiated a payment plan and have created a large down payment. The co-op will own the MRI and it will be shared among the hospitals involved in the co-op.

Steve Perry, CEO of Star Valley resigned. Star Valley was just recognized in the top 100 Critical Access Hospitals. The hospital doubled in size during Perry's tenure. A \$13M surgery center is being built in Star Valley. Perry will become the CEO of an integrative medical business.

Boss said that according to preliminary numbers, November will not be as strong as last year but will be close. We did not have as many surgeries, and doctors were on vacation during November. Last year November and December were very strong months.

● **MOTION:** S. Dietrich moved to go into Executive Session pursuant to Idaho Code 67-2345 1 (d) to conduct deliberations concerning legal and contractual issues. Motion seconded by K. Gnagey and carried unanimously by roll call vote.

Executive Session began at 10:00 pm

Trustees Present: Steven Dietrich, Aaron Hansen, Janine Jolley, Chris Larson, Tom Simmons,

Keith Gnagey, Bob Benedict

Trustees Absent:

Ex-Officio members present: Virgil Boss

Executive Session ended at 10:37 pm.

● **MOTION:** B. Benedict made the motion to hire Kim Stanger, attorney, for assistance in a legal matter. Motion seconded by T. Simmons and passed unanimously.

● **MOTION:** J. Jolley made the motion to adjourn at 10:38 pm. K. Gnagey seconded the motion and passed unanimously.

10:38 pm: Meeting adjourned.

Steven Dietrich, Chairman

ATTEST: _____
Marni Vasseur, Executive Assistant