

**Phillips County Health Systems**  
**BOARD OF TRUSTEES' MEETING**  
**Education Conference Room, Phillips Co. Hospital**  
**May 21, 2015**

**Board Members Present:**

Art Henrickson	Hazel Ames
Stanley Kats	Stanley Robb
Sandi Preuss	Mark Gervais
Arliss Hatcher	

**Staff Present:** Dave Engel, CEO  
Rhonda Kellerman, Clinic Administrator  
Les Lacy, Regional VP for GPHA  
Christi Driggs, CFO  
Amanda Atkisson, Recruiting  
Sally Myer, Director of Nursing  
Peggy Fabin, Recorder

**Community Present:**

Board Attorney Frankie Forbes, Richard Ames, John Beim, Larry L. Hall.

Chairman Art Henrickson called the Board of Trustees' meeting to order at 7:00 p.m. in the Education/Conference Room at the Phillips County Hospital. Changes to the agenda are: #6 d. Old Business, Credentialing Committee, add as a standing item on the agenda. #7 (a) Line of credit. Mark Gervais motioned to accept the agenda with the additions. Arliss Hatcher seconded the motion. Motion carried.

**Consent Agenda:** The statistics were not reported in the consent agenda. Arliss Hatcher made a motion to accept the consent agenda without the statistics as they were not included in the consent agenda as emailed out. Sandi Preuss seconded the motion. Motion carried.

**Public Comment:** None

**Reports:**

**Financial Report:** April financials were unable to be produced due to some unforeseen issues of the year-end and ownership change. We hope to have these issues resolved soon.

### **Communications (Information Only)**

**Administrator Report:** Dave Engel reported that at the Medical Staff meeting two policies were approved and are recommended for approval from the Board of Trustees. The Risk Management and Q/A Policies that are approved are sent to KDHE each year. Rhonda Schurz is our QA/Risk Manager. After reviewing the Risk/QA plan Hazel Ames made a motion to accept the Risk/QA plans for signature. Stan Kats seconded the motion. Motion carried. The Radiology Staff policy which provides Radiology procedures we provide and list personnel that performs the procedures was reviewed. Sandi Preuss motioned to accept the Radiology staff plan for signature. Arliss Hatcher seconded the motion. Motion carried.

The employee pension plan transition is progressing well with no complications. June 2<sup>nd</sup> GPHA will be hosting an Appendix W- CMS survey document, review session. Seven staff members from PCHS will be attending with Dave. Cerner who purchased the Siemen computer program will be providing upcoming sessions for providers and staff within the next week. GPHA has been working with Cerner.

Thanks to all staff and trustees involved with the Hospital Week events.

The admissions staff is looking at expansion in the registration area to include more hours of registration and revenue cycle enhancement.

Phillips County citizens were invited to the Community Health Needs Assessment hosted by the Phillips County Health Department and Phillips County Health Systems on May 19<sup>th</sup>. Approximately 40 people attended the event and helped to identify strengths and weakness of healthcare within the community. Vince Vanderhar, program moderator, will provide a synopsis of identified areas which can then be used to develop an action plan. Additional sessions will be needed to put together our action plan.

Staff attended a one-day session presented by DPI to learn of the new group health insurance coverage and to enroll in the plan.

A notice was received on May 20<sup>th</sup> from KanCare of an adjustment to our MCO payments for both inpatient and outpatient cases. Thanks to KHA and GPHA Vice President of Reimbursement, Eldon Schumacher for their involvement to improve our calculation factor. We were one of 5 facilities that monitored and had data to support the need for this change.

**Medical Staff Report:** Dr. Ryan Lee was not available for his report due to being called to the Emergency Room for an emergency.

**Old Business:**

Community Education: nothing to report.

Business Development: nothing to report

Facility Planning: nothing to report

Arliss Hatcher reported that she and Hazel Ames researched 5 Board self-evaluation forms. After much consideration, the KHA self-evaluation was the one they chose. There was no charge for the implementing of the evaluation and they were able to change the wording to fit our facility's needs. The evaluation assessment will establish a baseline to help the Board with their strengths and weakness.

Credentialing Committee: Hazel Ames reported that the Committee had reviewed the credentials of two providers Dr. Ryan Lee, M.D., Kim Hilliard, P.A. of Allied Health Orthopedic, Kearney, Nebraska. The Committee recommended that they be given staff privileges as requested. Sandi Preuss moved that the Board grant privileges as recommended. Seconded by Arliss Hatcher, Motion carried.

**New Business:**

Because of the delay in getting final CMS (Medicare) approval of the ownership change, as expected, we are pursuing a line of credit with the 3 local banks. We do not have final approval yet, but are in what we anticipate to be the final stages of getting approval for the initial \$1,000,000 line of credit. This amount is strictly from the delay in being able to file claims since April 1<sup>st</sup>. As expected, we were able to cover May payroll by using the remaining liquid cash that used to be considered that of the Board of Trustees. No CDs have been cashed in yet, and we hope not to have to cash in any, instead leaving those as a reserve.

The proposed line of credit is for a maximum amount of \$1,000,000 and we do expect that we will need the full amount by June 15<sup>th</sup>. The proposed terms of payback are a 70/30 split of all deposits made until the line of credit is paid in full. Seventy percent of deposits will remain in the hospital's operating account and 30% of the deposits will be used to pay down the line of credit. The anticipated payback period is through September 2015, and this is written into the proposed line of credit document. A few minor word changes are being worked out, but we hope to have the official approval soon.

The need for additional funding to cover the delay in filing claims due to ICD-10 implementation will be considered a completed separate line of credit, commencing after the final payback of the \$1,000,000. The maximum amount requested for ICD-10 is \$3,000,000. This amount is based upon the information that has been presented by experts in the field that have suggested having 3 months of operating expenses on hand to cover the potential delay in claims processing due to

the change from ICD-9 to ICD-10. We operate at approximately \$850,000-\$1,000,000 per month and used the higher amount to be conservative, thus \$1,000,000 for 3 months = \$3,000,000.

Dave Engel and Christi Driggs have met with local banking institutions to check on a line of credit for PCHS if the need should arise. This would be a loan just for the current situation with CMS on the two events (transition and ICD-10) that are delaying the billing of charges. After group discussion and input from Frankie Forbes Arliss Hatcher motioned to authorize Dave Engel and Art Henrickson to execute and sign the loan agreement after the wording corrections are made in the document and Frankie Forbes has given his okay to sign the agreement. Mark Gervais seconded the motion. Motion carried.

**Executive Session:** Stan Kats moved that the Board enter executive session for a period of 30 minutes to discuss personnel matters. Seconded by Mark Gervais. Motion carried. Chairman Henrickson asked that Dave Engel, Les Lacy, and Frankie Forbes remain. Richard Ames, John Beim Larry L. Hall, Amanda Atkisson, Christi Driggs, Rhonda Kellerman, Sally Myer, Peggy Fabin left the meeting. Board entered executive session at 8:35 p.m. and re-entered open session at 9:05 p.m. No action taken. Sandi Preuss moved that the Board enter executive session for a period of 10 minutes to discuss trade secrets. Seconded by Mark Gervais; motion carried. Board entered executive session at 9:06 and returned to open session at 9:15 p.m. No action taken.

**Adjournment:** Stan Kats moved that the meeting adjourn; seconded by Sandi Preuss. Motion carried. Meeting adjourned at 9:10 p.m.

Secretary Nazel Ames

Recorder Peggy Fabin