

Phillips County Health Systems
BOARD OF TRUSTEES' MEETING
Education Conference Room, Phillips Co. Hospital
October 22, 2015
7:00PM

Board Members Present:

Art Henrickson, Chairman	Arliss Hatcher
Hazel Ames	Nicole Jones
Stan Robb	Stan Kats
Mark Gervais	Sarah Rudd

Absent: Sandi Preuss

Staff Present:

Les Lacy, Regional VP for GPHA
Dave Engel, CEO
Christi Driggs, CFO
Katie Heinzen, social services
Rhonda Kellerman, Clinic Administrator
Vickie Gibbs, DON
Donna Winchell, Recorder

Community Present:

Frankie Forbes, Board Attorney, John Beim

Call to order: Chairman Art Henrickson called the meeting to order at 1900. The agenda was presented and the following changes made: 7A Community Benefit Report to follow consent agenda; 5B medical staff report to follow Community Benefit Report: Mark Gervais asked to add 5C for healthcare foundation report; and the Chairman added 7B feasibility study discussion. Motion made by Arliss Hatcher to approve with above changes noted. Hazel Ames seconded. Motion carried.

Consent Agenda: Consent agenda was noted to have no GPHA report and credentialing report would be given by Nikki Jones. Stan Kats, moved to approve the consent agenda as amended and Mark Gervais seconded. Motion carried. Nikki Jones reported that the Credentialing Committee had reviewed four providers requesting reappointment to staff and six providers requesting staff privileges. The committee recommended that all staff requests be honored. All privileges granted. The Annual CAH Program Evaluation Report presented as part of the administrator report in the Consent Agenda, was presented for signatures.

Community Benefit Report: Katie Heinzen, Social Services presented the annual report which included \$99,048 in charity care, \$161,060 in bad debts Medicaid shortfalls and other miscellaneous programs for a total of \$338,018. Miscellaneous programs included in community benefits were for wellness and stepping on programs, student shadowing, roundtrip ambulance transports, donation to wellness center, blood drives and summer lunch program, chamber of commerce, community outreach group and provider recruitment, education and time used toward community benefit program. Katie stated that she is now utilizing a software program which better captures the data for the community benefit program and that the department hopes to introduce one new benefit program each year.

Chairman Hendrickson pointed out that over \$330,000 is given back to the community in the 4 benefit programs; that amount is a large portion of the approximately \$340,000 received in tax support money from the county.

Christi Driggs, CFO reported Kansas Medicaid made the last Disproportionate Share Hospital payments from the last 2 cost report periods which offset the Medicaid shortfall. Christi Driggs, CFO handed out an article from the Wichita paper on the importance of Medicaid expansion for the health of rural hospitals. It showcased the closing of Mercy Hospital in Independence, KS which services around 20,000 people. There were 3 reasons given in the article for the hospital closure: rural demographics, non-expansion of the Medicaid program in Kansas and federal levels and federal cuts in Medicare.

Katie Heinzen exited the meeting at 19:26.

Vickie Gibbs came in at 19:31.

Medical Staff Report: Dr. Lee presented the medical staff report. He reported that ICD-10 changes went into effect on October 1st and requires more detailed diagnosis but it seems to be moving okay at this time. The hospital and clinic are looking toward a new EMR system with Cerner and he feels this will also help with ICD-10 changes. There is a fall prevention committee with a draft policy in the works. Patients are assessed on admission for potential fall risk and reassessed frequently with interventions noted also.

An ER Narcotic policy is being implemented to decrease narcotic use and abuse. This would limit these medications being dispensed from ER with the goal being these patients should be managed by one provider so as to not have abuse of the meds.

The Kansas Heart and Stroke Collaborative initiative has the goal of reducing sequelae of heart attack and stroke patients. PCHS is a sentinel site for the study.

Physical therapy can now implement a patient self-referral program; the protocols are being developed. Patients can seek therapy without a provider referral initially which can speed up treatment options. However if improvement of presenting symptoms has not occurred after 10 sessions or 15 working days, the patient must then see their primary provider for a more definitive diagnosis and evaluation. A brief discussion followed concerning provider oversight and involvement with the patient. Also, the medical staff bylaws will need amended to reflect this change.

Flu season is here so vaccinations are encouraged by Dr. Lee and they are currently available.

Dr. Lee exited at 19:41.

Public comment: None.

Hospital financial report:

Christi presented hospital financials for September.

	Current Month	Previous Month
Cash	\$187,497	\$239,202
Accounts Receivable	\$1,944,865	\$1,936,312
Total Assets	\$4,506,885	\$4,638,178
Accounts Payable	\$891,271	\$748,081
Total Liabilities	\$2,559,412	\$2,454,736
Current Ratio	1.02	1.11

	Current Month	Previous Month	Year-to-Date Actual	Year-to-Date Budget
Total Patient Service Revenue	\$947,501	\$960,060	\$5,765,485	\$5,385,528
Net Patient Service Revenue	\$827,916	\$637,620	\$4,920,649	\$5,138,394
Net Income (Loss)	(\$235,969)	(\$344,135)	(\$237,378)	(\$146,084)
Cash Available for Debt Service	(\$576,395)	(\$443,896)		

**The amounts listed for Net Income (Loss) and Cash Available for Debt Service has the purchased equity and asset amount of \$2,739,243 removed. This is the amount purchased from Great Plains of Phillips County, Inc. by Phillips County Hospital. This is the cumulative effect of the previous ownership and has been reported in meetings throughout the years already.

	Current Month	Previous Month	Year-to-Date Actual	Year-to-Date Budget
Total Patient Days	172	102	923	1,065
Average Patients per Day	5.73	3.29	5.02	4.47
ER Visits	115	144	759	702
Outpatient Services	4,265	4,677	26,561	25,319
PCMC	749	708	4,743	4,763
LMC	113	104	573	592

Update on the Line of Credit: Total payments to date = \$791,641.99. We have accrued approximately \$14,744.63 in interest, thus leaving a balance left to pay = \$223,102.64. We have signed a 90-day extension on the original terms, giving us till December 30th to pay the remaining balance.

Communications

Administrative report:

Dave Engel stated there is a KHA/legislative dinner meeting at Hays starting at 1800 on November 2nd. He will be attending and encouraged Board members to carpool with him. Art Henrickson will also be attending but will be leaving at 13:00 as he plans to take a tour of Rooks County Hospital on the way down. Arliss Hatcher, Stan Kats, Stan Robb and possibly Sarah Rudd plan to attend.

Public relation information was handed out from Tara Knowles.

The roof repair project began October 12th and they are not quite finished.

Vickie Gibbs, DON was asked to present information regarding the new simulation lab. The lab is equipped with equipment and meds which would be utilized in caring for the patient, especially in emergency situations. This lab allows staff educators to instruct nurses on the proper use of the equipment and repeated utilization by the nurses makes them familiar and comfortable with the equipment, meds and procedures. She plans to have weekly educational sessions that will be mandatory for nursing staff. She further explained she is requiring contract staff to have at least 12 hours of education/orientation prior to working at PCHS. The cost of this will be shared with the contract agency. Art Henrickson stated this is a risk avoidance program the Board needs to be aware of. Vickie Gibbs stated that a new IV arm and vein finder is now part of the simulation lab. The vein finder can be used by lab and radiology also which is another benefit.

Healthcare Foundation: Mark Gervais reported that the healthcare foundation has been in existence for a year. They have developed the mission and vision statements, and identified 8 non-profit healthcare entities in Phillips County as possible beneficiaries. The foundation is now in the process of educating those beneficiaries and their governing groups about the foundation, its goals and its philanthropic basis. The Foundation would like to bring education and information to connect the county residents to the healthcare needs of Phillips County. It is estimated that there will be millions of dollars of wealth transferred within the county in the next decade and it is hoped that some of that wealth will remain in Phillips County to be used for healthcare needs. He further stated it could take 5 to 7 years to see endowments bestowed. Stan Kats expressed appreciation on behalf of the Board for the work the foundation is doing.

Old Business: No reports from Community Education, Business Development, Facility Planning, or Board self-evaluation.

Nikki Jones moved that the board enter executive session for a period of 20 minutes to discuss personnel issues; seconded by Arliss Hatcher. Motion carried. Chairman Hendrickson asked that Les Lacy and Frankie Forbes stay for the executive session and announced a 3 minute recess. Dave Engel, Rhonda Kellerman, Vicki Gibbs, Christi Driggs, Donna Winchell and John Beim left the meeting. Executive session began at 20:31 and open session resumed at 20:52. Dave Engel, Rhonda Kellerman, Vickie Gibbs, Donna Winchell and John Beim rejoined the meeting. Stan Kats moved that the

Board approve the employment agreement for Dave Engel as CEO; seconded by Arliss Hatcher. Motion carried.

Hospital/Clinic EMR: Dave Engel reported that we are still working on an agreement with GPHA for the Cerner electronic medical records system. He has discovered that the basic package does not have surgery nor radiology applications. Each of those applications would require a licensing fee plus an implementation fee plus the monthly usage fee. These fees would add several thousands of dollars to the basic package. The good part of implementing the additions to the package now is the other hospitals thru GPHA that also wish to add these packages would share the cost of the implementation fees. Discussion was held on the deadline for accepting the contact agreement. Frankie Forbes, Board attorney, stated that he is negotiating with GPHA and is not quite ready to approve the package given to PCHS by GPHA as yet. Further discussion may be needed later.

New Business:

Feasibility study: Chairman Henrickson reported that he had received a packet from Kelly Roe which contained a proposal for completing a feasibility study on the needs of PCHS-review of existing facility, building new vs remodeling, utilization of current facility, etc. The cost for completing this study would be \$168,260 plus other reimbursable expenses. In any accompanying letter Mrs. Roe asked if the Board would be willing to pay for the proposal. Discussion followed. Some members felt that the final cost could reach close to \$250,000 and wondered what would be gained from the study. Several of the Board stated that they would like to look it over. Mark Gervais stated that he would take the flash drive and try to distribute a copy to those wanting one. Stan Kats moved that action on the feasibility study be tabled at this time; Stan Robb seconded. Motion carried.

Stan Kats moved that the Board enter executive session for a period of 20 minutes to discuss trade secrets, seconded by Stan Robb. Motion carried. Chairman Henrickson asked that Mr. Engel, Les Lacy, Frankie Forbes and Rhonda Kellerman stay for the executive session. Vickie Gibbs, Donna Winchell, and John Beim left the meeting. Executive session began at 21:19 and open session resumed at 21:39. Vickie Gibbs rejoined the meeting. No action taken.

Stan Kats moved that the Board enter executive session for a period of 20 minutes due to attorney-client privilege, seconded by Mark Gervais. Motion carried. Chairman Henrickson asked Mr. Engel, Les Lacy and Frankie Forbes to stay for the executive session. Vickie Gibbs and Rhonda Kellerman left the meeting. Executive session began at 21:34 and open session resumed at 21:54. Discussion was held on the EMR agreement with GPHA/Cerner. Sarah Rudd moved that Frankie Forbes be named as the Board representative in contract negotiations; seconded by Arliss Hatcher. Motion carried. Stan Kats moved that Frankie Forbes communicate with Mark Gervais regarding such negotiations; seconded by Arliss Hatcher. Motion carried.

Stan Kats moved that the Board enter executive session for a period of 5 minutes to discuss real estate, seconded by Sarah Rudd. Motion carried. Chairman Henrickson asked that Mr. Engel, Les Lacy and Frankie Forbes stay for the executive session. Board entered executive session at 22:05 and open session resumed at 22:08. No action taken.

Stan Robb moved that the Board enter executive session for a period of 5 minutes to discuss trade secrets, seconded by Stan Kats. Motion carried. Chairman Henrickson asked that Mr. Engel, Les Lacy and Frankie Forbes stay for the executive session. Board entered executive session at 22:09 and open session resumed at 22:11. No action taken.

Sarah Rudd moved that the meeting adjourn; seconded by Stan Kats. Meeting adjourned at 22:13.

Next Hospital Board Meeting: Thursday, November 19, 2015 at 7PM

Secretary: Nazel Ames

Recorder: Danna Winchell, R.H.IT