

Phillips County Health Systems
BOARD OF TRUSTEES' MEETING
Education Conference Room, Phillips Co. Hospital
February 18, 2016

Board Members Present:

Art Henrickson	Sandi Preuss
Mark Gervais	Stanley Robb
Arliss Hatcher	Sarah Rudd
Nicole Jones	Hazel Ames (Absent)
Stanley Kats	

Staff Present: Dave Engel, CEO
Les Lacy, Regional VP for GPHA
Christi Driggs, CFO
Rhonda Kellerman, Clinic Administrator
Amanda Atkisson, Executive Recruiter
Peggy Fabin, Recorder

Community Present:

Board Attorney Frankie Forbes, John Beim, Bill Greving

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. Additions to the agenda: Old Business 6 (a) KHA Critical Access Summit, after the consent agenda, Phillips County Commissioner, Bill Greving. Nicki Jones requested an Executive Session after Bill Greving. Mark Gervais made a motion to accept the agenda as amended. Sarah Rudd seconded the motion. Motion carried 8-0.

Consent Agenda: Sandi Preuss made a motion to accept the consent agenda without the Great Plains Health Alliance report. Arliss Hatcher seconded; motion carried 8-0.

Public Comment: None

Phillips County Commissioner, Bill Greving took the floor to talk about the re-districting of the townships into the 3 districts and how the Board members will be elected. Five Board members terms will be up at the time of primary election. The three Board members terms up before the election are Mark Gervais, Arliss Hatcher, and Sandi Preuss. Commissioner Greving asked the three Board members if they would extend their terms until the election. Mark Gervais will not, Arliss Hatcher and Sandi Preuss agreed to extend their length of terms till election.

Commissioner Greving reported that anyone wanting to apply for a Board position has to file before June 10, 2016. Commissioner Greving answered questions Board member asked then left the floor.

Stan Kats motioned for executive session for a period of 15 minutes to discuss personnel issues; seconded by Mark Gervais. Motion carried 8-0. Chairman asked that Board Attorney Frankie Forbes, Dave Engel, Les Lacy remain for executive session. Executive session began at 7:20 p.m. and returned to open session at 7:35 p.m. No action taken.

Reports:

Financial Report: Christi Driggs presented financials for January 2016.

	Current Month	Previous Month
Cash	\$182,423	\$230,345
Accounts Receivable	\$1,800,944	\$1,705,885
Total Assets	\$4,005,666	\$3,741,222
Accounts Payable	\$429,742	\$1,101,694
Total Liabilities	\$1,484,623	\$2,239,020
Current Ratio	1.60	0.86

	Current Month	Previous Month	Year-to-Date Actual	Year-to-Date Budget
Total Patient Service Revenue	\$973,319	\$993,645	\$ 9,557,482	\$ 8,975,880
Net Patient Service Revenue	\$1,709,579	\$893,511	\$ 9,109,902	\$ 8,563,990
Net Income	\$1,018,841	(\$29,334)	(\$243,912)	(\$365,210)
Cash Available for Debt Service	\$,256,387	(\$807,689)		

**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	256	203	1,584	1,781
Average Patients per Day	8.24	6.57	5.23	5.87
ER Visits	129	122	1,228	1,174
Outpatient Services	3,928	4,408	43,905	42,337
PCMC	731	740	7,666	7,964
LMC	75	94	931	989

Communications (Information Only)

Administrator Report: Dave reported on the employee's Pension & 457 Plan investment review that Payroll and Benefits Clerk, Sonya Aiken and Dave conducted with DPI representative David Bucholz. Investments are graded on a point system to determine the need to add, watch or remove from our portfolio. Dave reported on the Merit-based Incentive Payment System MIPS. This is a new physician driven incentive program that will be incorporating meaningful use compliance, patient surveys, clinical quality measures and accountable care organization elements. MIPS will be a Medicare Part B driven program. We will need to monitor this program closely. MIPS is designed to replace the "Physician Payment fix" which currently has a 21% reduction in Physician Part B professional payments.

Old Business: Critical Issues Summit is March 3-4 in Wichita please let Dave know by next week who will be attending to make accommodations.

Mission-Vision- Values subcommittee: nothing to report. Facility Planning: nothing to report.

Credentialing Committee Report: Sandi Preuss gave the report for the Credentialing committee. Privileges were requested for appointment for Debra K. Barns, M.D. Pathology consultant. Sandi Preuss moved that Debra K. Barns M.D. be given privileges as requested. Seconded by Arliss Hatcher. Motion carried 8-0.

New Business: Mark Gervais provided a report on The Phillips County Healthcare Foundation.

"The Phillips County Healthcare Foundation was established in 2014 to advance the cause of non-profit healthcare services in the county. Healthcare has a tremendous impact on the wellness of a community, along with its quality of life, and it supports the economic structure of the county as a whole. About 9.3% of Phillips County is employed in the healthcare sector, and it generates upwards of \$19.7 million per year of local economic impact; about 147 jobs outside of the healthcare sector are supported by it in this county alone.

Additionally, our community is, along with the rest of the nation, participating in the *Great Transfer*: the transfer of assets and wealth from one generation to another. Nationally, about \$41 trillion dollars in personal wealth will transfer from the Baby Boomer generation to their children and grandchildren over the next 50 years. In Phillips County, more than \$300 million will make this same transfer over the next decade.

The Phillips County Healthcare Foundation was established to connect these two truths together: the economic necessity of healthcare remaining viable in the county, along with the reality of a tremendous amount of personal wealth transferring between generations. The Foundation's goal is *philanthropic*: to initiate a private endowment, for the public good, by connecting these resources together. The Foundation will work to educate on the importance of healthcare, to build relationships between individuals and healthcare initiatives, and to increase the perceived value of healthcare for future generations. The Foundation hopes that this will result in the ability to retain some of the transfer of wealth that will take place in the county specifically for healthcare services; a conservative target of just 5% could mean the retention of about \$7 million over the ten years.

Therefore, the Foundation is to foster and enhance resources of Phillips County for improvement of healthcare and well-being of the community. The Foundations purpose is to engage, educate

and mobilize the community to recognize, retain, improve, and expand healthcare facilities, programs, and projects, along with supporting, recruiting, and retaining healthcare professionals. The Foundation will do this in a three-step process: 1) introduce themselves to the community, starting with the beneficiaries and their staff; 2) coordinate an endowment campaign, and 3) build and execute the goals of an endowment, providing funds towards specific projects related to healthcare. The presentation to the Board is part of that first step: to introduce our purpose and goals to you in order to solicit your continuing support of our mission and to help us define our direction. Over the next 12 months, we plan to expand this introduction out into the community, to help citizens of Phillips County see our intentions and to partner with us in the process.” Mark Gervais commented that this was why he would not extend his term as Board member as he will be involved with the Foundation.

Christi Driggs presented the 2017 preliminary budget. Christi set up three budget categories: capital, minor equipment and wages. Christi and Dave would like to have a finance committee made up of Board members to work on the budget. Stan Kats, Arliss Hatcher and Art Henrickson (if available) volunteered to work with Christi and Dave on the budget. This committee will meet on Tuesday, March 8th at 2:00 p.m. Sarah Rudd asked to see the 2016 budget list and what was obtained through grants. Peggy Fabin will email the 2016 budget and grants obtained out to the Board members.

Executive Session: Sarah Rudd moved that the Board enter executive session for a period of 15 minutes to discuss personnel issues; seconded by Arliss Hatcher. Motion carried 8-0. Chairman asked that Board attorney, Frankie Forbes, Les Lacy, Dave Engel, and Amanda Atkisson remain for executive session. John Beim, Bill Greving, Rhonda Kellerman, Christi Driggs, Peggy Fabin left the meeting. Executive session began at 8:51 p.m. and returned to open session at 9:06 p.m. No action taken. Nicki Jones moved that the Board re-enter executive session for a period of 10 minutes to discuss personnel issues; seconded by Arliss Hatcher. Executive session began at 9:07 p.m. and returned to open session at 9:17 p.m. No action taken. At 9:20 p.m., Nicki Jones moved that the Board re-enter executive session for a period of 15 minutes to discuss personnel issues; seconded by Arliss Hatcher. Executive session began at 9:20 and returned to open session at 9:35 p.m. No action taken.

Nicki Jones left the meeting at 9:35 p.m.

Adjournment: Stan Kats moved that the meeting adjourn; seconded by Sandi Preuss. Motion carried 8-0. Meeting adjourned at 9:40 p.m.

Next Board Meeting: Thursday, March 24, 2016 at 7 p.m.

Secretary _____

Recorder Peggy Fabin