

Phillips County Health Systems
BOARD OF TRUSTEES' MEETING
Education Conference Room, Phillips Co. Hospital
August 31, 2017

Board Members Present:

Stanley Kats	Jayne Holle
Hazel Ames	Vicki Constable
Jessie Wyrill	Christiane 'Criquet' Cole
Ruth Hackerott	Stanley Robb
Kelly Roe	

Staff Present: Rex Walk, Interim CEO
Les Lacy, VP of Regional Operations of GPHA
Krystal Schwenn, Chief Financial Officer
Rhonda Kellerman, Clinic Administrator
Vickie Gibbs, Director of Nursing
Tara Overmiller, Marketing Director
Mildred Hadley, Radiology Department Manager
Steven Seems, IT Department Manager
Peggy Fabin, HR Dept. / Board Recorder

Community Present:

Board Attorney Frankie Forbes, John A. Beim.

Chairman Stanley Kats called the Board of Trustees' meeting to order at 6:04 p.m. in the Education Conference room at the Phillips County Hospital.

Agenda: Ruth Hackerott motioned to accept the agenda as presented. Stanley Robb seconded the motion. Motion carried 8-0.

Employee Spotlight: Rex Walk (Interim CEO) presented Mildred Hadley, Radiology Department Manager. Mildred manages a department of 5 employees. Rex thanked Mildred for her continued dedication to PCHS. Most recently Mildred has put a lot of time and work into gathering equipment quotes and what is needed for PCHS to meet CMS requirements.

Consent Agenda: Ruth Hackerott made a motion to accept the consent agenda as emailed out. Stanley Robb seconded the motion. Motion carried 8-0.

Public Comment: None

REPORTS:

1. Financial Report: Les Lacy, GPHA, reported that the cost report check had to be sent to WPS Medicare in the amount of \$339,584.00 by August 31 and was. Rex Walk reported that Phillips County Health Systems received a cost report reimbursement check for WPS Medicare for the 2015 year cost report the week of August 31st.

Phillips County Health System Financial Report 2017.08.31

July 2017 Financials

Balance Sheet - summary and comments

Measure	Position	Comments
Cash	1,295,064	The cash position is significantly stronger than at this point last year, however, as you look down to the accounts payable, you will note that the liability in AP is also significantly higher.
Total Current Assets	3,197,570	While this is improved from last year, you will note that our total current liabilities are up significantly, which again will have a harsh impact on our current ratio, which we would like to see at 2 or higher.
Accounts Payable	955,429	This is increased from last year. My understanding is that as of the board meeting date, this amount is significantly lower.
Total Current Liabilities	2,266,080	As stated above this is increased from last year – due to the accounts payable being increased from last year and the health insurance assessment.
Current Ratio	1.41	Current ratio is the total current assets divided by the total current liabilities. We would like this to be 2.0 or higher.

Statement of Profit and Loss – summary and comments

As the year progresses, the YTD side of the Statement of Profit and Loss gives a better “macro” look at the position of the hospital. The current month is still very important and can be used to identify changes on a month to month basis.

Measure	Position	Comments
Total Patient Service Revenue	3,374,371	Total Patient Service Revenue (PSR) is below budget, but slightly higher than it was last year at this time. This month’s contribution is responsible for taking this above last year’s performance.
Medicare Contractual Adjustment	-329,126	There is a significant difference in the Medicare Contractual Adjustment from last year at this time. While this should bode well for our developing cost report, we will need to continue to watch the cost report estimator carefully in order to be prepared.
Total Deductions	46,202	While the total of the contractual adjustments reflect in lower Net Patient Service Revenue, this is a more comfortable position than with high positive total contractual adjustments as we saw last year.
Net Patient Service Revenue	3,328,169	At this point we have this much available to operate the hospital; however this is based on Medicare interim contractual adjustments.
Total Operating Revenue	3,752,866	This includes interest income, taxes, and other operating revenue. Due to changes in the contractual adjustment and the 340B program, this is significantly lower than last year and \$55K below budget.
Total Operating Expenses	4,092,316	Operating expenses are down in several areas, perhaps due to the allocation of expenses – <u>see the operating expenses in the clinic, which are up</u> . In addition, the OR project has not been capitalized at this point, so the expenses are showing up as other operating expenses – look for an adjustment here as dollars flow to the balance sheet. Rhonda and Krystal will work to be sure the allocations are correct.
Total Income or (Loss)	141,582	This includes the clinic and is a weaker positive position than last year, however remember that it is based in interim reimbursement and will be subject to change when the full year cost report is filed.

Mark Hoffman will be at the September board meeting to report on the cost report settlement.

Ruth Hackerott motioned to ratify the cost report and approve the financials. Jessie Wyrill seconded the motion.

COMMITTEE REPORTS:

1. Credentialing committee – Vicki Constable reported that the Credentialing Committee had met and approved the appointment with privileges as requested for Tamara Hlavaty, M.D. Radiology Consultant, Kearney. Re-appointment with privileges as previously requested: Brian Ralph, RPA LRT Radiology Consultant, Allied Health, Kearney and Anthony Hornick, M.D. Surgery Consultant, Hays, Vicki moved that all requested privileges be granted. Jayne Holle seconded the motion. Motion carried 8-0.

2. Human Resource committee – Criquet Cole reported that the Human Resources Committee had met on August 11th. Criquet proposed to share the final draft of the PCHS Organizational chart. Committee member Jayne Holle said the draft would need to be tabled to the next meeting as the chart needed to show the CEO under the Board of Trustees and all other departments under the CEO; tabled until next meeting. The Committee discussed the strategic plan and that they felt we are on track. Strategic plan will stand as is.

OLD BUSINESS:

1. Radiology Equipment- Mildred Hadley, Radiology Department Manager presented the Board with the three quotes from GE, Siemens, and Samsung for changing from computed radiography equipment to digital radiology equipment. Options, service agreements, advantages and disadvantages were presented along with discussion on the 7% reimbursement penalty from CMS if not updated by January 1, 2018. Funding already secured of \$196,000.00 is from the Hansen Foundation grant and memorial from the Velma Munyon Trust.

6:55 p.m. Melinda VanKooten entered the meeting.

Jayne Holle motioned to approve the request for digital radiology equipment and financing for the GE Option 'B' ProteusXR/A; XR200 AMX at \$347,195.87. Jessie Wyrill seconded the motion. Motion carried 8-0

2. Board Mini-Retreat – Discussion was held on an acceptable date and tentative agenda for the Board Mini-Retreat. October 2nd at 5 p.m. was selected as the date.

7:03 Joan Bowman entered the meeting.

3. Top 20 Critical Access Hospital Award Ceremonies – September 29th in Kansas City at the National Rural Health Associations meeting. Anyone wanting to attend please let Rex Walk know. PCHS Board Chairman Stanley Kats, Director of Nursing, Vickie Gibbs, Marketing Director Tara Overmiller along with Community member Kent Culbertson will present our “Journey” to becoming a Top 20 Critical Access Hospital at the awards banquet. With the September Board meeting being September 28th, the night before the Top 20 Award Ceremony, Vicki Constable motioned to move the September Board meeting to Wednesday, September 20th at 6 p.m., seconded by Jayne Holle. Motion carried 8-0.

4. Electronic Medical Record Conversion Update – Steven Seems, IT Manager provided an update on our transition to Cerner medical record system. “Super Users” attended training from July 31 - August 11 in Russell and the MHS Data Center. The data center staff was onsite August 23-24 for integration testing where each department went through a list of scripts that were provided. On September 4 the first round of “Fax Blast” will go out to all the fax numbers currently in our system. This will help clean up the numbers before they are uploaded into Cerner. A possible site visit to Medicine Lodge or Ellinwood is in the works for department leaders to see other facilities processes and what to expect during “Go Live”. Peggy Fabin, Education Coordinator will be working with the departments to get each employee through Cerner training. The MHS Data Center staff will be onsite the week of October 22 for “Go Live”.

5. PCHS Organizational Culture Survey – Rex Walk (Interim CEO) discussed the anonymous survey that Tara Overmiller emailed out to employees on Friday September 25th through Survey Monkey. Employees had four days to consider their answers and respond; 50 employees out of 113 responded. Tara presented a slide showing what words employees used to describe Phillips County Health System. Results from the first survey will establish a base line to build other employee surveys on.

6. Sleep Studies Update – Melinda VanKooten, Outpatient Coordinator updated the Board on Sleep Studies services for PCHS. Last year 33 residents benefited from the service. We have been unable to provide studies for Medicare patients since March 1st 2016. We are in the final stages of the accreditation process for Medicare so we can resume services for Medicare patients.

7. Senior Life Solutions Program – Tara Overmiller spoke of the Senior Living Solutions Program that she and Jennifer Dodds, Patient Experience Director, visited recently in Abilene, Kansas. Pete Underwood, Representative of Senior Life Solutions discussed the patient experience of Senior Life Solutions. Senior Life Solutions provides outpatient treatment to elderly patients suffering from depression, anxiety, bereavement/grief, dealing with loss or other late life behavior health issues. On average a patient will attend the program 2 to 4 days a week and receive a total of 3 to 10 units of therapy. The average patient is in the program 7 to 10 months and can receive individual psychotherapy, group therapy and family or care giver therapy sessions. Senior Life Solutions would initially need 3 to 4 full-time employees, consisting of a

Program Director, RN, or LCSW, Program Therapist/LCSW or licensed therapist in the State, Patient Coordinator/LPN or C.N.A., Psychiatrist. Senior Life Solutions would be in charge of hiring their staff. Senior Life Solutions currently has locations in Kansas at Abilene, Holton, and Iola. Discussion was held on where this service could be located within the hospital. It was the consensus of the Board to investigate possible revenue, space requirements, and other pertinent information and to present such information to the Board next month.

NEW BUSINESS:

1. Phaco Machine – Rex Walk (interim CEO) discussed the present Phaco machine used by Dr. Pokorny for cataract surgery. The equipment we currently have will be obsolete with parts not able to be replaced by the end of the year. Jennifer Brumbaugh, OR Supervisor has received three quotes for cataract equipment. Discussion on the mobile unit versus in-house equipment was held. Jayne Holle motioned to allow Jennifer Brumbaugh and Rex Walk to make the decision on the best offer and quality for the money on the mobile unit quote. Motion seconded by Jessie Wyrill. Motion carried. 8-0

2. Wellness Center – Joan Bowman thanked the Board for their yearly continued support of the Wellness Center and spoke of the benefit we are contributing to our employee's health. Our yearly contribution will end and the Wellness Center would like to see the Board continue this benefit for its employees. Because of the monetary support, employees can use the Wellness Center free and employee's spouses can receive a discount. There were a total of 806 visits by PCHS employees in the preceding ten months. Joan would like to see more participation in the Wellness Center but acknowledged that current operating hours makes it difficult for those who work hours other than 8 a.m. – 5 p.m. to be able to use the Center. However the Wellness Center is staffed by volunteers and working early/late hours is a problem for them as well. She appreciates seeing those that use the Wellness Center and hopes to see more as they enjoy helping promote healthy bodies and minds.

9:02 p.m. Joan Bowman left the meeting.

Vickie Constable motioned to continue the yearly amount of support to the Wellness Center to allow employees and spouses to benefit from exercising at the Wellness Center. Ruth Hackerott seconded the motion. Motion carried 8-0.

BOARD EDUCATION:

1. **Executive Session Basics** – Frankie Forbes, Board Attorney spoke of the recent changes to the Kansas Open Meetings Act as of July 1 2017 which requires a change in the motion to enter executive session. The new and old procedures were discussed.

2. **340 (B) Program** – It was decided that the 340 (B) program would be presented at the Mini-Board Retreat on October 20th 2017.

EXECUTIVE SESSION: None

ADJOURNMENT: Jayne Holle moved that the meeting adjourn at 9:26 pm; seconded by Kelly Roe. Motion carried. Meeting adjourned.

Secretary Nazel Ames

Recorder Peggy Falun

Next Board Meeting: Thursday, September 20, 2017 at 6 p.m.