

Mayers Memorial Hospital District
Board of Directors – Special Meeting

(Approved)
Page 1 of 7

Date: October 8, 2008
Time: 9:00 A.M.
Location: Mayers Memorial Hospital
Fall River Mills, California

(These minutes are not intended to be a verbatim transcription of the proceedings and discussions associated with the business on the board's agenda; rather, what follows is a summary of the order of business and general nature of testimony, deliberation, and action taken.)

1. CALL MEETING TO ORDER: President Knoch called the regular meeting to order at 9:05 a.m. on the above date with the following present:

Ruth Knoch, President
Gail McClung, Vice President
Jim Hamlin, Treasurer
Mike Kerns, Secretary
Dan Marcum, Trustee

Board Members Absent: None.

Staff Present: Katharine Ann Campbell, CEO; Tom Hayes, CFO; Jane Atkins, CQO; Barbara Smith, Interim CNO-Acute; Charlotte Carroll, CNO-SNF; Marlene McArthur, Board Clerk.

Others Present: Community: Allen Albaugh, Randy Scholl.

2. CALL FOR REQUEST FROM AUDIENCE TO SPEAK TO ISSUES OR AGENDA ITEMS: None.

3. ANNUAL PROGRAM EVALUATION (REVIEW PERIOD: JULY 1, 2007 TO JUNE 30, 2008): CEO Campbell reviewed the the development process of the organizational analysis and evaluation as well as announced the federal and state regulation numbers requiring evaluation for each enterprise:

CoP CAH C-0330-0343 §465.641

CoP SNF Title 22 CCR §725.25

CoP Hospice L141

The exercise provides opportunity for the governing board to review work, including data, over the previous year and to evaluate, reset direction, provide guidance and make policy recommendations.

CEO Campbell stated a final report would be available at the next board meeting for formal adoption. The validated report will be available to state and federal agencies for inspection during audits.

The board members each provided an overview of the document with positive comments from all and recommendations as follows:

- Single spaced (save paper)
- Colored graphics for effective contrast for copies to the board.

Campbell directed attention to CEO Overview 2008, pages xi-xii, and summarized comparative CAH data to MMHD. Even though Mayers is doing a good job of serving entire spectrum of community, revenue is dependent on services and there are opportunities to shift some services resulting in better payment. Board found data interesting in regard to how under-staffed Mayers is in the CAH unit. Campbell stated we will ultimately increase staff as we move forward but with caution because of cost-based organization. Other CEO overview highlights included:

- Costs not yet clearly defined
- Progress has been made but lots still to do
- Poised to be Gold Standard CAH
- Access to care for CAHs – rurals are twice what the urban population is per doctor

Kerns requested copies of Larsen Allen Gold Standard for board members—Campbell will provide the national report as well as cost report analysis among CAH peer groups.

CAH Program Evaluation:

Utilization of CAH Services Review:

- Volume indicators with benchmarks reviewed by board.
 - COS Dr. Camarata complimented the positive movement in quality of care and services afforded appropriately. Need expansion of services in general surgery. Overall, he complimented the staff to be amazing—dedicated, kind, committed and that alone is one of the strongest assets that improves the care and confidence of the organization. The level of care keeps increasing and appreciative of hard work of the staff.
 - CAH admits which includes Shasta Orthopaedics case load, compared to last year, clarified. Trend is outpatient surgeries. Discussion.
 - Swing bed status advantageous for orthopedic surgeries and physical therapy (PT) work and receiving some patients from Redding rehabs. Dr. Camarata commented a job well done with rehab of these patients.
 - Other specialists interested in MMHD and Option 2 billing that accommodates outpatient services. Successful in part due to cooperation of Medical Staff and working together to care for these patients that sometimes does not occur in other hospitals. Another reason, stated Dr. Camarata, is that these specialists are “good guys”, well-trained, good personalities good and well accepted—very important to consumers in rural area. Very fortunate to get this group and key to other specialists coming.
 - High census, 10-11 patients, is good due to staffing issue. Counterintuitive to be full due to nurse/staff ration—paid better if 1, 6 or 11 patients.
 - Commonly 1-2 beds available in SNF (female and male bed) available for short-term SNF.
- Just released RFP for master facility plan to provide more opportunities.
- Swing beds basically lower level of nursing care (rehab) and advantageous to MMHD. The six (6) hospital-based swing beds are paid at hospital rate (Medicare), better than SNF rate.

Discussed criteria to admit to swing bed and anticipate rules to tighten soon with cuts. Admission is a clinical decision and if not covered by Medicare then becomes private pay at which point family and/or organization makes decision on placement. Swing bed admission issue is finance and medicine intertwined.

- Ambulance grew last year but still only averages 2 runs/day, which include many inter-facility transfers. CEO Campbell reported conversations in near future whether or not we need 2 or 1 ambulance. Conversations will include Medical Staff to look at facts. Backup ambulance is dependable but pricey to maintain. Dr. Camarata stated the decision will not be simple—and a lot of data will be required prior to making decision—i.e., what are critical, cardiac, trauma runs, and data of the total units available in area. The service is emotional with public and physicians and it will be necessary to find balance between critical transfers and the cost for backup crew along with a working relationship among all agencies. Reimbursement better if one ambulance owner. Dr. Camarata recommended researching innovative ways as another option—i.e., hybrid approaches to make inter-facility transfers—and working together with other agencies. Opportunities in fundraising due to emotional issue.
- Question in regard to the total CAH admits and how budgeted—Katharine Ann stated the benchmark number was a projection. Discussion in regards to 53% variance and why forecast missed. Board felt the report should include cause for such variances thus from a governance standpoint it is addressed and the environment understood going forward. Campbell agreed with request for variance >5% be addressed either in essay or by C6.
- Fiscally: CAH cost-based, SNF hard to break even, ER loses \$, ambulance loses \$, DME makes 2%, hospice breakeven—all enterprises have different payers for each, a different set of rules, and each have a different patient mix.

Medical Records Review:

CQO Atkins explained screening tool that med records uses and explained different processes, some law and some our process. The FY08 clinical care and utilization review includes broad general categories. Board asked for peer review process of physicians: Atkins reported Medical Records pulls another physician record and gives to doctor for review, it is initialed by reviewing doctor. This process is conducted on a regular basis. Dr. Camarata added all MD inpatient work is provided peer review from another doctors. If problem with work, it goes to another step and submitted to Chief of Staff, and goes to peer review committee—the detailed process is included in Medical Staff Bylaws and Rules. An external review process is conducted through liability carrier/network when they request a case to be externally reviewed. There were no peer reviews that were recommended for an external review during this period. The peer reviews are then reviewed on a monthly basis in executive session at Medical Staff—and Dr. Camarata reports to board during closed session (QA) also as a part of the review process for governance. The CRNA peer review function was not conducted because CRNA agency utilization and not consistent staff. Mayers has since recruited a group from San Diego and the peer review will now be conducted randomly. CEO reported anesthesia group in Redding is interested in providing support. There is a peer review problem with specialists as there are not other specialists internally to conduct peer review for that specialty.

Patient Care Policies Review:

Atkins reported the P&P review conducted this year resulted big improvements. She reported the house-wide P&P committee process to board:

- P&P formation or revision is initiated at department level→
- P&P Committee Approves→
- Appropriate Medical Staff Committee Approves→
- Medical Executive Committee Approval, if necessary→
- P&P Committee to finalize format and implementation→
- Departmental binders.

Medical Staff requires a scientific or evidence-based reference for all P&Ps so that we are performing work based on standards. The P&P departmental manuals are to be reviewed again by board. The board consensus was the “draw” method for assigning departments to board members to get a variety and understanding of all. A list will be available at the next board meeting to start process for scheduling reviews with departments. Process to be completed by 12/31/08.

Compliance with policies is monitored through medical record review conducted within specific departments of the CAH. Compliance is also measured by staff competency, evaluation, and education attendance. The results of some of the studies useful in evaluating policy compliance were included in the report, reviewed and discussed. Highlights are as follows:

- ER department “triage” important piece and patients seen by EMTs within 2.3 minutes; time to gurney 18.5 minutes; seen by physician 29.9 minutes. Dr. Camarata commended staff for the remarkable response times.
- Organ donation referrals required of all deaths. If donor meets criteria, trained staff from organ donation organization makes contact with family and they send harvest team. Encourage people to notify family members of wishes to be donor—just the “dot” on the driver’s license is not enough.
- Performance Evaluations: CQO reported disappointing number and working with management staff to improve. Currently working from generic system in place and in process to finalize new competency-based system. SNF has already conducted trial run resulting positive and now getting other divisions started. Marcum asked if changes would result in 100% compliance next year. Atkins stated, “yes”, the new system would produce that outcome. Currently evaluations are due on employee’s hire anniversary date, which is difficult to organize and remember dates—the system is set up to fail. The new system will conduct all annual evaluations in October house-wide for 2009. Kerns appreciates the annual performance process however expressed concern of performance issues identified day-to-day not just once a year—the process should better the employee or dismiss the employee. Atkins stated that piece is a management function. Kerns agreed and stated he is not interested in the disciplinary actions and details but asked for feedback on the process that management takes day-to-day throughout the year – that when an employee messes up, the management response be instantaneous for effectiveness. Kerns again stated he is not as concerned about the annual evaluation but more in the day-to-day process occurring. Katharine Ann stated the issue is addressed in work plan—and asked what measurable

pieces would be necessary—i.e., if employee was coached, counseled, trained, conversations quantified, etc. Marcum responded he would basically want to know if it happened—that it filtered to CEO and was initialed. Kerns agreed and stated, from a governance standpoint, he wants reassurance that a process is in place with indicators—that actions are swift vs. waiting until the annual evaluation.

Professional Staff:

CQO Atkins reviewed assessments. There were no Medical Staff satisfaction surveys conducted due to rapid expansion. Once stabilizes, that measure will be accomplished stated Atkins.

Other Key Areas of Organizational Performance:

Katharine Ann asked if there were other daily management objectives the board was interested to evaluate and measure. Recommendations follows:

- Marcum suggested archiving some data that we want to keep over years vs. dragging out organizational books and reviewing each for trends and comparisons—it adds to perspective of history. He suggested using Excel to show a 10-year period. Katharine Ann stated that the task could be done.
- Marcum interested in P&P process and would like to see spreadsheet used for tracking mechanism including name, adopted, review dates, current, pending and other pertinent info necessary for what is physically there in the binder for board overview. The board review is a big overview responsibility and this would be a useful tool to keep summarized and assist board in oversight role for P&Ps. Katharine Ann asked board to submit a specific design format. Marcum stated the summarized spreadsheet (Excel) would facilitate those board members with laptops as well during the review process in making notes and recommendations.

CEO Campbell stated to finalize the process the evaluation document and recommendations would be typed and submitted at the next board meeting as an action item. It is necessary to validate that the document is true and accurate work. The document will then be signed, dated and filed with organizational analysis report.

CAH Program Work Plan FY08

Katharine Ann reviewed the CAH Program Work Plan and 7 of 10 items successful – 60% score on program work plan. The work plan is also a required document and to be signed by board.

The CAH Program evaluation was concluded.

SNF Program Evaluation:

Charlotte Carroll, CNO, SNF, reviewed essay and data including quality measures, staffing and inspection results from survey conducted in June 2008—and how Mayers compares to average in California and to national averages. Dr. Camarata asked for clarification between “nursing home” and “SNF” – and Carroll responded they are the same. She reported the health inspection (most recent survey) is important to consumers and the board. There were 11 deficiencies and level of

harm was nothing above “minimal harm”. CEO Campbell asked why pressure sores were not available. Carroll was not sure but possibly because there were too few to report therefore not included. They are reported via MDS program and tracked. “Not Available” discussed. The 11 deficiencies were not so much we did not do, but that we did not document. Worked on documentation. Reported under “Mistreatment Deficiencies”, it was not a citation for abuse but cited to see more prompt reporting. Dr. Camarata stated any and all complaints must be reported to State whether verbal or written and SNF is the most highly regulated enterprise. Other survey discussions included:

- ⇒ 3.2 hours staffing hours/patient. Board concern that hours are below state and national average for total number of licensed nursing staff hours
- ⇒ P&Ps: New or revised included in annual review
- ⇒ Monthly basis variance report for budget and rationale for variance to CFO—now institution-wide process
- ⇒ Verge – database quality review for incidents reported. Web-based program and enterprise wide.
- ⇒ Medication error rate 92 per 374,012 doses—pharmacy and nursing commended!
- ⇒ EHR (Electronic Health Records) on “wish list”—an integrated system would cost approximately \$800,000. Criteria that it integrates with both acute and SNF as well as components for hospice and ambulance. Researching collaborative efforts with others to keep costs down and opportunities for funding. Dr. Camarata pointed out that EHR is very attractive but very tricky in medicine and not a simple task. He recommends that nursing and physicians be included in decision-making process for EHR. Data indicates it does not save time and unreliable if not fed correct information; he is more interested if it improves patient care.

Katharine Ann Campbell reviewed complaint/survey process:

- ⇒ Complaint received
- ⇒ Mayers reports to California Department of Public Health
- ⇒ California Department of Public Health (CDPH) responds:
 - CDPH submits written notice that claim “unsubstantiated”
 - OR
 - CDPH survey team to SNF to investigate
- ⇒ SNF submits Plan of Correction (POC) including date to be corrected
- ⇒ CDPH approves or rejects to be re-written and re-submitted
- ⇒ POC available to patients and consumers in binder kept at NS2 bulletin board.

SNF evaluation concluded. Charlotte Carroll to develop work plan.

Hospice Program Evaluation:

Katharine Ann Campbell, CEO, provided overview of essay and statistics:

- Patients days have tripled since 2006
- Proudest moment—paying own way this year—doing well fiscally
- More aggressive treatments available than in the past

- Cancer units are expensive thus seeking hospice services
- Most economical way for end of life care
- Targeted for possible cuts because of increased utilization

Dr. Camarata, Hospice Medical Director, commented on the following:

- Put hospice staff against anyone
- Service finally evolved and community awareness has increased
- Marketing important
- Expanding types of patients which is a trend across country
- Proactive approach and education important
- Current census today: 11 patients - need 7 to break even
- Investigates every patient inquiry for potential service
- Working closely with Mercy Hospice for training

McClung noted correction on page 11(essay): “245.2 patient days” not “average daily census.”

Hospice evaluation concluded.

CEO Campbell asked if the board was adequately briefed on the annual evaluation – consensus was *yes—nice job!*

11. ADJOURNMENT: A motion/second (Kerns/Hamlin) was made to adjourn at 12:21 p.m.