

Mayers Memorial Hospital District
Board of Directors – Special Board Meeting

Date: November 20, 2013

Time: 1:00 P.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 of the board's agenda; rather, what follows is a summary of the order of business and general nature of testimony, deliberations and action taken.)

1. CALL MEETING TO ORDER: President Albaugh called the regular meeting to order at 1:00 p.m. on the above date with the following present:

Allen Albaugh, President
Brenda Brubaker, Vice President
Mike Kerns, Secretary
Abe Hathaway, Treasurer

Board Members Absent:; Art Whitney, Director

Staff Present: Matt Rees, CEO; Sherry Wilson, CNO; Keith Earnest, CCO; Marlene McArthur, Board Clerk; Travis Lakey, Director of Finance; and Erik Nielsen, Facilities Manager.

2. CALL FOR REQUEST FROM AUDIENCE TO SPEAK TO ISSUES OR AGENDA ITEMS:

No public comments.

3. APPROVAL OF MINUTES – A motion/second (Brubaker/Kerns), and unanimously carried, the Board of Directors accepted the minutes for the regular meeting held October 23, 2013.

4. Presentations/Staff Reports:

- ▶ Lean Process Improvement Presentation: Dr. David Belson, Adjunct Professor, Industrial & Systems Engineering, University of Southern California, provided the board of directors an overview how lean transforms companies, moving from an old way of thinking to lean thinking. Simply, lean can maximize customer value while minimizing waste—more value with fewer resources. Lean can be applied to every business and every process—but his focus is with healthcare. It is not a tactic or a cost reduction program, but a way of thinking and the way the entire organization operates. Dr. Belson worked with Mayers' staff during the week to identify problems to apply lean techniques and tools. He emphasized the key is support by the CEO that cares about culture change. The upcoming work for management would be to assess and define the top 10 problems and goals to improve processes including those discussed pertaining to the revenue cycle team, ED, and HIM. He encouraged the board to ask management follow-up questions in weeks ahead: What issues are being worked on? How staff is quantifying? How it will be accomplished and when? The issues to address need to be realistic and measurable for tracking. The Lean process never stops and becomes continuous because there are always improvements to be made within an organization. The training was offered through a grant between USC and the California Hospital Association; therefore, he was able to provide the training without charge to Mayers. It's a possibility that USC students will return to follow-up with more lean training and help carry out changes for Mayers.
- ▶ EMR Meaningful Use Phase 2 update was provided by Louis Ward, Project Manager. Currently, the Phase 2 process is in the IT testing week using false patients and looking for functionality that was built the last 4 weeks, and logging errors. Consultations with McKesson IT staff via phone during various hours of the day to correct issues while moving through the logged errors. The critical errors will be corrected by McKesson reps. Next week, the same process will continue in ED. Scripts are being developed during these processes for end-user training. He discussed planning phase for attestation including objectives and movement toward reaching goals. The most significant accomplishment was go-live lab last Tuesday (11/19/13). During the next couple of months work will continue with MDs, particularly the acute side, before attestation starts April 1st. MDs are placing radiology orders almost 100% but not as eager to utilize the CPOE medication orders (e.g. med orders reconciliation with action list). He concluded that the McKesson meetings include five other facilities and usually the same issues are occurring in all five. (See **Exhibit A** for EMR MU Phase 2 Utilization Report).
- ▶ Hospice Quarterly Report to the Board: Due to high census in hospice, Manager Pat Baremore

was not available to provide an oral report to the board but submitted a written report (**Exhibit B**). Statistics were included in the report for the past 7 months. In the month of October 2013, there were 318 patient days with 5 admits and 4 deaths and 0 discharges. Currently, there are 10 families enrolled in hospice. The board of directors were invited to attend Community Candlelight Services December 6th at the Glenburn Church and December 9th at the Presbyterian Church in Burney at 6 p.m.

5. OPERATIONS REPORT: In addition to the written operations report included in the board packet, the following verbal reports and discussions are summarized below:

- Matt Rees, CEO: Working with 299 Collaborative to obtain HIE to have the capabilities to electronically exchange healthcare information across the organizations within the collaborative group. The system provided by Orion Health is being considered, which Rees is very familiar with and pleased it is being considered. Other administrative activities currently being worked on include:
 - Planning and working with Mayers Intermountain Healthcare Foundation to move forward on the capital campaign
 - Lab interface go-live (details discussed above)
 - Lean training for front-line staff and managers, including revenue cycle that Rees participates
 - Management team building skills being offered
 - Business office and in-house billing update was deferred to Paul Eves, Business Office Manager, who was present at the board meeting.
- Mr. Eves reported 3 billers were hired with a much better computer and software system compared to past in-house billing with 9 billers. He provided statistics pertaining to claims not worked by HRG as well as examples of dropped claims including the numbers of accepted and rejected claims. Overall, there are issues being identified and fixed to consistently make improvements. Mayers' staff began working rejects while HRG was still in effect to get paid sooner once in-house. Mayers inherited claims that had not been worked by HRG so Mayers' staff was backlogged with obstacles that are being dealt with but he remains very optimistic due to the improvements made moving forward. Albaugh expressed concern for the hiring of only 3 staff members when there is no room for error with in-house billing—including the intense focus that is on the front end of the billing process for clean claims. Rees responded that is the reason for outsourcing the claims over 90 days so that Mayers' billing staff could focus on new billings. Lakey reported issues also with Relay Health that included delayed responses—and the reason for the change to DSG (Data Systems Group)—an intermediary (software system) between the hospital system to all the payers. The board members concurred the billing must be done right this time with customer service exemplary. Kerns added the billing system is the most major issue with community patient satisfaction—and the community needs to know what we are doing, that we are working through the transition and challenges so that they are assured Mayers is going to make it right. The board extended appreciation for the efforts by the billing staff but reminded management that previously all the billing was outsourced by two different companies with both ending up unsuccessful, and now we have one last chance to make it right to the community and not off to a good start concluded Albaugh. On behalf of the board, Albaugh directed management to hire additional billing staff if necessary to be successful. Eves accepted the concerns from the board and assured them that the trainer on site is working with staff on ways to deal with complaint issues that are called in. Staff members are taking thorough messages and then turfing to the appropriate staff member to research and respond to caller. In response to question regarding unpaid bills,

Lakey reported the consultants will be assisting with the >90 day accounts as well as assist with written criteria for any write-offs to be signed off by Eves or Lakey. To conclude the billing update, it was reported the SNF billing is going well and a credit balance report will be presented to BFC as requested.

- USDA Community Facilities Loan and Grant Program: Mayers' application is still held up due to finalization of the independent financial audit that will make the application more favorable for approval. The audit's bottom line improved after re-categorizing an additional \$177,000 in additional reimbursement, thus, the reason for the bottom line improvement to almost \$1 million (vs. \$800k). The outcome of the USDA application is not expected until mid-spring.
- ▶ Sherry Wilson, CNO:
 - SNF: 6 new admits during the month with 5 departures the last two weeks—and currently working on 4 intakes. Current census is 71. Staffing is stretched and down to only one charge nurse due to several staff attending college.
 - Acute: activity has slowed this week but was busy until then. Staffing: Orientation is complete for the new nursing staff—rotating new hires through ED and outpatient medical services. Overall, the acute service is going well.
 - OB: three nurses taking class in Sacramento and putting in their clinical time. The training will take several months before able to take call shifts.
- ▶ Keith Earnest, Chief Clinical Officer: Addressed the go-live lab event that was extensive and complex with some fix-its to do but overall working well. The new RT manager is working with local employers for pulmonary testing programs. Trial testing is being done on refrigerators in various locations throughout hospital that now have a system with sensors for monitoring temps. When out of range, a text goes to a specific person so the issue can be addressed quickly.
- ▶ Facilities Report/Construction Project: Erik Nielsen, Facilities Manager, reported on projects completed: outside garage, interior MHVC, interior outpatient surgery, and ceiling tiles replaced. Projects underway: interior work on patient rooms, flat screen TV installation project, construction of office (IT) over maintenance shop, and records storage. He reported the replacement facility construction plans are at OSHPD for review/comment period that can take 90 days. The tank for fire system is still pending clearance due to inadequate fire flows. The OSHPD is receptive to the rural exemption code being applied but other options are also being considered. Hathaway suggested staff contacting Wilgus Fire Control, in Redding, to possibly assist in resolving the fire flow issue.

6. BOARD COMMITTEES:

6.1 Finance Committee – Chair Allen Albaugh

6.1.1 Committee Meeting Report: Albaugh reported the board finance committee met prior to the board meeting today and provided the full board with agenda topics pertaining to the following:

- Capital expenditure plan: will be presented to the board at a later date
- Quarterly finance review: workers compensation, unemployment liabilities, payroll taxes, state sales tax, and CEO expenditures
- Financial audit: to be presented to full board in January 2014
- Line of credit (LOC) through Tri Counties Bank is pending due to clearance by both OSHPD Cal-Mortgage Loan Division and Tri Counties Bank. The main reasons for the \$500K LOC is to participate in the IGT program to net more than \$200K and for cyclical cash flow reasons.
- Review and discussions of the October 2013 financial reports
- SHIP Grant Agreement (3-year) authorization to bind district

6.1.2 Financial Overview: Travis Lakey, Director of Finance, reported the acute revenue for October was understated in the October 2013 financial reports (see **Exhibit C**) and is to be corrected for the month and YTD. ***A motion/second (Kerns/Hathaway), and unanimously carried, the Board of Directors did not accept the October 2013 financial reports presented due to understated revenues.***

6.1.3 Authorization to Bind SHIP Grant Agreement FYs 2013-16: ***A motion/second (Kerns/Hathaway), and unanimously carried, the Board of Directors authorized binding of the federal SHIP Grant for FYs 13-16 (approximately \$9,000 for each of the 3 years) that is to be used for quality software and training of staff.***

6.1.4 Capital Expenditure Plan FY14: Tabled.

6.1.5 Board Quarterly Finance Review: The receipts and documents were available to verify payment made to ALPHA Fund (workers comp), CAHHS (unemployment liabilities), EDD (annual premiums; IRS (FICA, Medicare, withholdings), State Board of Equalization (sales tax), and CEO expenditures/reimbursement. ***A motion/second (Kerns/Hathaway), and unanimously carried, the Board of Directors accepted the review conducted by Albaugh verifying the payments as appropriate.***

6.2 Strategic Planning Committee – Chair Abe Hathaway

Committee Chair Hathaway reported no meeting held in November.

6.3 Quality Committee – Chair Brenda Brubaker

Committee Chair Brubaker highlighted the meeting topics and reports resented to the committee on November 13, 2013. Keynotes listed below:

- ▶ Departmental quality reports were heard from HIM, Patient Access and Cardiac Rehab. MVHC has access to records now saving HIM staff time—and a spreadsheet has been developed to collect data on coding issues for follow-up and training to help eliminate errors on the front end to receive payments better. Cardiac Rehab reported customer service surveys to make improvements in quality of care; and noted her goal to break even financially in the department.
- ▶ Standing quality reports were heard from:
 - The Director of Clinical Excellence provided ED throughput times for the first 6 months of 2013 noting Mayers being in the top 10th percentile for median time from arrival to departure. Current work in the department pertains to HCAHPS performance surveys.
 - Infection Preventionist Director reported only 2 non-reportable surgical site infections for FY13 and 5 hospital acquired infections for FY13. Employee flu vaccination rate is 92%.
- ▶ Other Quality agenda items: Employee Survey to be addressed by Rees, and CAH Annual Evaluation to be presented to board today.

6.3.1 Employee Survey Results: CEO Rees reported the recent employee survey results (**Exhibit D**) compared to the survey conducted in 2011. There were 82 surveys collected and overall a 60% shift into the “positive” categories vs. dissatisfied categories. The written comments were collected and Rees offered to share them with the board. It was noted by Rees that the only category that decreased to a lesser score was “authority and responsibility” possibly due to new EMR conversion. Kerns commented his observation is that employees may not feel comfortable yet with authority with recent culture change and pushing stuff down to staff. Eighty percent of the employees surveyed would recommend Mayers to friends for employment concluded Rees.

6.3.2 CAH Annual Evaluation & Organizational Analysis Report: CEO Rees presented board members copies of the report to read and make notes of assessment. The board will participate in the evaluation process during discussions and assessment at the next board meeting. A work plan will be developed by the quality management team, medical staff and governing board.

7. OTHER GOVERNANCE BUSINESS:

- ▶ Ad Hoc Committee Appointment: Due to no change in officers for 2014, the board concurred that an ad hoc committee for nomination of officers would not be necessary.
- ▶ Resolution 2013-4: “2014 Year of the Family Physician” recognizing the value of the family physician and the outstanding efforts in preparing Shasta, Lassen and Modoc county residents for a healthy life was presented and discussed by Rees. He conveyed the resolution was authored through the SHARC for adoption by its healthcare organization members. ***A motion/second (Kerns/Hathaway), and unanimously carried, the Board of Directors adopted Resolution 2013-4, "Recognizing 2014 the Year of the Family Physician."***

8. INFORMATION/BOARD EDUCATION/ANNOUNCEMENTS

- ▶ Board Education – QHR Webinar 2nd Tuesday each month, 10 a.m. PST
- ▶ Reminder: December board meeting is Thursday, December 19th

9. ANNOUNCEMENT CLOSED SESSION (RECESSED @ 3:39 P.M.): President Albaugh announced **closed session at 3:50** p.m. for the purpose of CEO annual performance (Government Code Section 54957); and Quality Assurance/Credentials.

10. RECONVENE OPEN SESSION: At the hour 4:35 p.m., President Albaugh reconvened the meeting to open session and reported action taken as follows by unanimous vote: 1) approval of closed session minutes from the meetings held October 23, 2013; 2) approval of medical staff credentials for the following Medical Staff Reappointments:

Medical Staff Appointment

- Michael Maloney, MD, Radiology (Consulting)

Medical Staff Reappointment

- Paul Schwartz, MD, Orthopedic Surgery (Courtesy)
- J. Weinhold, MD, Family Medicine (Active)
- Gregory Taylor, MD, Emergency Medicine (Courtesy)
- Tikoos Blankenberg, MD, Pathology (Consulting)

AHP Reappointment

- Rhett Wigger, CRNA

Medical Staff Status Changes – Move to Inactive

- J. David Schillen, MD, Orthopedic Surgery
- John Lange, MD, Orthopedic Surgery

C/S agenda item 9.3 Personnel, Public Employment: The CEO Annual Performance Evaluation was finalized and process complete. No actions to report

11. ADJOURNMENT: There being no further business, at the hour of 4:36 p.m., President Albaugh declared the meeting adjourned.