

Mayers Memorial Hospital District
Board of Directors – Regular Board Meeting

Date: August 28, 2013
Time: 1:00 P.M.
Location: Mayers Memorial Hospital
Burney, 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 1:04 p.m. on the above date with the following present:

Allen Albaugh, President
Brenda Brubaker, Vice President
Mike Kerns, Secretary
Art Whitney, Director

Board Members Absent: Abe Hathaway, Treasurer

Staff Present: Matt Rees, CEO; Sherry Wilson, CNO; Travis Lakey, DOF; Keith Earnest, CCO; Marlene McArthur, Board Clerk.

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

No public comments.

3. APPROVAL OF MINUTES – A motion/second (Kerns/Whitney), and unanimously carried, the Board of Directors accepted the minutes for the regular meeting held July 24, 2013.

4. 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:

- 1) Mayers received official notification that SNF would be exempted from the 10% Medi-Cal payment reduction (AB 97). He attended and spoke at a Sacramento reception upon the request of CHA that was held Monday representing the rural and frontier distinct part nursing facilities—other speakers were CMA and union representatives. The process or full impact from the Medi-Cal “clawback”, or retroactive recoupment, for all DP/NF providers is still unknown. Partnership Health Medi-Cal billing is effective September 1, 2013 (vs. State). The SNF rate for Mayers is \$259 and will drop down to \$250 based on 2011 costs. There are still issues that need clarified with the managed care Medi-Cal program, the new rates to be implemented including billing.
- 2) Annual Mayers IHF golf tourney was a success again this year and brought in approximately \$15K in proceeds for the labor and delivery remodel project. The foundation is also looking for grant funding to purchase new fetal monitoring equipment for L&D.
- 3) Patient Transportation Committee meeting held and focus now is collecting and revising policies and procedures, and nailing down what will be expected from Mayers. Discussions included all organizations contributing dollars to cover some of the liability costs.
- 4) Surgeons’ schedules and minimal activity for the upcoming months. During this period of activity due to one of the surgeons taking time off, the OR staff will be kept busy with assisting the outpatient medical department, providing nursing audits of patient charts to decrease denials/re-bills, and staff training.
- 5) Business office manager will be receiving training on charge capture and auditing functions; business office manger training; and Medicare cost reporting.
- 6) PT remodel project complete. Brubaker recommended tour for Medical Staff to orient them on changes.
- 7) Mayers participated in MVHCs health fair. The Mayers’ financial counselor from the patient access department was available to provide information and answer financial and billing-type questions.
- 8) EMR update: Most ED physicians are complying with EMR but more work necessary with inpatient physicians to input orders using the system. In response to update, Whitney expressed concern with missed charges, particularly those that are due to new regulatory issues. He conveyed it’s essential to be proactive in this area to avoid lost revenue that can compound quickly (i.e., Medicare Part D implemented new regs effective January 2013). Rees responded

some areas have been identified where we are not capturing all the charges and the reason Mayers contracted with a vendor to collect on those denials as well as train department manager and staff. He further added the reason for conducting the chargemaster (CM) reviews that resulted in increased revenue and will continue reviews every 3-4 years. In response to who is accountable and responsible for implementation of new regulations for the district, Rees responded the Compliance Officer is developing a new compliance plan that addresses these issues for the district—and that the district is sharing the task and cost with Surprise Valley Health Care District. Rees concluded the EMR update by reporting the Director of Finance is finalizing the new EMR system's financial reports to have meaningful information for the board and management that is available for review at today's meeting.

9) Lean Performance Improvement overview will be presented to the board next month.

10) Laboratory update:

- EMR/interface project still being addressed.
- Mayers lab stations are to be established in MVHCs in Burney and Bieber to decrease outmigration and lost revenue from patients seen in the clinics. In response to question regarding ROI, Rees responded there was no ROI but the cost is approximately \$150 per day to collect the numerous lab tests that MVHCs has been sending out to other vendors from those sites.
- Staffing issues—with majority of impact on the phlebotomists due to adding off-site work stations

In response to question and reference of the Quality Committee meeting minutes regarding the laboratory by Brubaker, Rees replied he has received no complaints pertaining to upcoming timeliness anticipated and has offered more lab tech help to the department if needed. McKesson will be on site to work solely with manager to get EMR (conversion) finalized.

▶ Sherry Wilson, CNO:

- State of California Licensing & Certification surveyors' revisit to conduct final survey is still pending. Mayers was advised by State L&C that they currently have deadlines to meet before they revisit Mayers for final but they did verify that it would be before 9.17.13. Director Whitney directed management to send information to the CDHCS, including notification that access is being denied in this rural region, and the SNF is losing money because of the delays in re-surveys.
- Acute Staffing: After orientation, only two shifts for registry due to nurses basically taking some PTO.

▶ Keith Earnest, Chief Clinical Officer:

- The 340B program is a current project and there will be advantages with outpatients and ER patients that take prescriptions to retail pharmacy. One of the issues with the project not progressing faster is with the new system and getting the E-prescribing software set up. Director Whitney conveyed if the program is set up correctly, it would be very beneficial to the District.
- Radiology pre-authorizations and scheduling is now functioning under one person in the imaging department for better efficiency and with strict denial reviews in place.
- Medication Error Reduction Plan (MERP) to be presented to the board next month for adoption—basically changed to reflect the current organizational chart.

5. BOARD COMMITTEES:

5.1 Finance Committee – Chair Allen Albaugh

5.1.1 Committee Meeting Report: Albaugh conveyed the committee was encouraged by the financial data reports available for review produced with the new EMR system. Other highlights listed below:

- ▶ ARs increased—outsourcing company not providing good service
- ▶ Cash is tight—concern that only 80% is being collected to cover the operations
- ▶ AP increased but today down due to receipt of EMR reimbursement monies

5.1.2 FYE July 30, 2013 Financial Overview: The financial reports for July 2013 were available and

reviewed. Albaugh stated the SNF is doing much better in regard to purchased services and a re-negotiated linen contract rate due to Premier. ***A motion/second (Kerns/Whitney), and unanimously carried, the Board of Directors accepted the July 2013 financial reports as presented (Exhibit A).***

5.1.3 FY14 Operational Budget/Resolution 2013-2: Albaugh reported the committee (BFC) accepted the draft operating budget for FY14 last month and on behalf of the committee he recommended board approval. ***A motion/second (Brubaker/Kerns), and unanimously carried, the Board of Directors approved the FY14 Balanced Operating Budget as well as Resolution 2013-2 attesting its adoption.***

5.1.4 Cost Savings Measures and Increased Revenues: Matt Rees, CEO, and Travis Lakey, DOF, presented (***Exhibit B***) and discussed recent revenue improvements and cost savings that were recently implemented resulting in a net \$579,101. The efforts will continue throughout the fiscal year.

5.2 Strategic Planning Committee – Chair Abe Hathaway (absent)

Board committee member Kerns presented the keynotes and discussion topics held during the recent strategic planning meeting (9/12/13):

- ▶ Transportation committee work discussed earlier by Rees
- ▶ Advocacy: Rees attended meeting with Congressman Doug LaMalfa and his staff regarding the challenges for hospitals outside of healthcare systems contracting with insurance companies due to Obamacare. A follow-up letter will be forwarded to LaMalfa's aide reviewing Rees' concerns discussed.
- ▶ 299 Collaborative: Drafting MOUs, bylaws and developing plans to recruit specialists.
- ▶ District Annexation on hold until MSR process is finalized by Shasta LAFCO.
- ▶ Strategic planning consultants current contract discussed—CEO authorized to renew or make changes to contract as needed.
- ▶ Kerns re-upped for Advocacy Committee with ACHD

5.3 Quality Committee – Chair Brenda Brubaker

Committee Chair Brubaker highlighted the meeting topics and reports that were presented to the committee on August 14, 2013, along with the Chief of Staff in attendance. Keynotes as follows:

- ▶ Departmental quality reports from:
 - Volunteer Services: survey tool developed to improve quality of volunteers working with departments; new weekly cash-register reconciliations; quality standards for accepting merchandise; recruitment efforts being initiated to attract more volunteers; volunteer recognition ideas being sought
 - Hospice: Surveyed 15 patients for the perception of care and services during a 6-month period with the majority resulting "very satisfied"; social worker is leaving and recruitment to fill position is underway
 - Laboratory: (discussed during operations report provided earlier in meeting)
 - Ambulance: Nothing to report quality-wise but ambulance runs are being tracked, including those responding to the Big Valley areas. The quality of ambulance services is impacted within the District when the ambulance is on a run outside District boundaries. An on-call crew responds to the hospital to provide coverage when the ambulance responds to the Big Valley area.
- ▶ Quarterly Reports included:
 - Quality Projects: InterQual, quality software product, is being considered. It's a McKesson product that helps decrease cost by reducing denied admissions and total patient days while supporting the right care decisions for patients. It's a tool that would be utilized in ED and acute to assess patients for appropriate placement. Wilson reported the product cost announced at the committee meeting was an annual fee of \$10,000 but there is also a \$62K licensing fee to set up the program.
 - Infection Control-Quality Reporting: New "patient privacy label" implemented to maintain patient privacy; new Silicone Foley catheters that are antimicrobial-coated with bacti-guard implemented to prevent infections and improve quality; one exposure/sharp

injury reported to workers' compensation since May 2013; and the combined infection rate (Acute, ER & SNF) average of 4.6% for 1Q13.
6. INFORMATION/REPORTS/BOARD EDUCATION: <ul style="list-style-type: none">▶ Board Education – QHR Webinar 2nd Tuesday each month, 10 a.m. PST▶ Board Self Assessments scheduled for September▶ ACHD Legislative Staff Visit @ Mayers – October 17th
7. ANNOUNCEMENT CLOSED SESSION: Albaugh announced closed session at 3:20 p.m. for the purposed of quality assurance (Government Code Section 54962) and CEO annual performance (Government Code Section 54957).
8. RECONVENE OPEN SESSION: Albaugh reported no actions were taken in closed session except the acceptance of the closed session minutes for the meeting held 6/26/13.
9. ADJOURNMENT: There being no further business, at the hour of 4:40 p.m., President Albaugh declared the meeting adjourned.