

MINUTES OF THE KEARNY COUNTY HOSPITAL BOARD OF DIRECTORS
April 25, 2011

BOARD MEMBERS PRESENT: Pauline Neff, Hatty Rebel, Ralph Reimer, Tom Vincent and Marilyn Wolfe

OTHERS PRESENT: Mary Bentley, CRNA; Heather Combs Platter; John Loebel, CEO; Drew Miller, MD; Julie Munson, DO; Arlo Reimer, MD; Erik Sandstrom, MD; Sue Stingley, RN, DNS; Pam Twilleger, RN, HPRV DON; Donna Winright, Missy Gerritzen and Jim Stanford

The Finance Committee of the Board of Directors met at 2:00 pm on April 25. Members in attendance were Ralph Reimer, Tom Vincent and Marilyn Wolfe. John Loebel, CEO was also in attendance. The committee reviewed the financial report for March 2011, discussed cash flow and the line of credit, the fiscal year 2012 budget timeline and the interview schedule for a CFO candidate coming on April 28.

The Kearny County Hospital Board of Directors was called to order by Tom Vincent, Vice Chairman at 6:05 pm.

Ralph Reimer requested adding the topic of changing the name of the organization to the agenda and Tom added an executive session for a personnel issue to the end of the agenda. The agenda was approved as amended.

Sue Stingley, RN, DNS, presented the Director of Nursing report for the hospital. She provided an update on the medical alert pendants that the HCBS department currently manages for approximately 30 residents in the community. There is no longer a local source to service the pendants. Other communities were researched to verify how they handle this service. Grant County Medical was one option as well as larger companies such as Berkeley Medical and Medical Guardian. After much discussion, the consensus of the Board was to have the appropriate management staff evaluate the various options and choose the best option in terms of safety and affordability for the members of our community. Once an alternative is chosen, the HCBS department will mail letters to those who currently have a medical alert pendant and let them know their options for continuing the service.

Pam Twilleger, RN, DON presented the HPRV / Assisted Living report. She reported that very soon there will be 27 residents living in 26 Assisted Living apartments with 3 prospective residents. There are two admissions currently pending for HPRV. She reminded the Board that the second HPRV Advisory Committee meeting is scheduled for Thursday, April 28 at 6:00 pm.

Pam also reported that she recently completed the Assisted Living Operator Course and is fully certified. She stated that HPRV is scheduled to go-live with e-Mars and e-Tars in the Optimus system on July 1st. The Fire Marshal completed her annual inspection last week so Pam is preparing for a visit from the state surveyors which usually comes about two weeks later.

Dr. Reimer reported that the Clinic is moving forward with e-MDs, the electronic medical record for the clinic. Go-live is scheduled for mid-September 2011.

Dr. Sandstrom introduced Jim Stanford, a fourth year medical student from KU in Wichita. Jim is completing his rural rotation at KCH and will be shadowing the physicians, primarily Dr. Sandstrom, for the next four weeks.

After some discussion and review the consent agenda was approved.

John Loebel presented the financial report for March. Kearny County Hospital had a record breaking revenue month in March. Gross revenue was \$1,955,115 and exceeded the budget for March by \$518,838. Total patient days including acute, skilled and newborn days were 19% higher than year-to-date budget. For the first time this fiscal year outpatient revenue exceeded budget in *all* departments. Net patient revenue was \$1,485,478 which was \$407,870 higher than what was budgeted. The year-to-date operating expenses of \$10,512,706 are \$602,553 less than what was budgeted for the year-to-date. The net profit for the month was \$342,243 compared to a budgeted loss of (\$107,154). Ralph commended all supervisors and employees for keeping expenses under budget despite the high volume throughout the organization. The Board approved the March financials, checks #072302 - #072567 in the amount of \$392,977.24 and electronic transfers in the amount of \$827,677.57.

John discussed recent happenings that have improved cash flow. 1) The retro-active reimbursement from the rebasing of the Medicaid rates at HPRV due to the nursing home bed tax resulted in additional reimbursement of \$89,021.16 for HPRV. These new rates were actually retroactively applied by the state for the period of July 1, 2010 through December 31, 2010 but were posted in March 2011 when we actually received the money. There will be another retroactive reimbursement for the three month period of January 1, 2011 through March 31, 2011. 2) A notice was recently received from the State of Kansas indicating that the facility would be receiving a check in the amount of \$99,784 as final settlement of the *fiscal year 2008 Hospital Medicaid* cost report. This money was received electronically on April 22. 3) The ability of the supervisory staff to meet the increased volume with a minimal increase in incremental expenses will have a significant impact in creating a positive cash flow. 4) The last important element is the ability to collect for the services provided. Although the days in accounts receivable have increased, the reason is that the volume in recent months has jumped so significantly. He reported that everybody involved including the Business Office, HIM and Family Health Center staffs are constantly focused on improving the revenue cycle process and that the days in AR will decrease and cash flow will continue to improve. The Board continues to monitor this process to ensure that it flows smoothly.

John presented the Administrative Report. Donna confirmed that 12 applications were received for the Summer Student Careers program. John referenced the articles about the Balloon Sinuplasty™ procedure that Dr. Munson is beginning to perform and Tammy Meisel's skin care program. Dr. Munson has already performed the new procedure on several patients.

John asked the Board of their availability to attend a special meeting on Wednesday, May 11. The meeting agenda will include a status report on the FY2012 budget as well as the final report from Quorum Health Resources which will be presented to both the KCH Board of Directors and the County Commissioners. The next regularly-scheduled meeting for the Board of Directors

will be Monday, May 23. The FY2012 budget will need to be approved at the May 23 meeting so that it can be presented to the County Commissioners on Friday, May 27.

Ralph initiated discussions about changing the name of Kearny County Hospital. Kearny County Hospital is the name of the entity that includes the 25 bed critical access hospital; the 40 bed long term care unit doing business as High Plains Retirement Village; the 30 Assisted Living apartments; the Family Health Center; and Kearny County Home Health. There continues to be misconceptions from both the public and employees that the name Kearny County Hospital refers only to the acute care unit. Ralph proposed changing the name of the organization from Kearny County Hospital to a name that does not include a specific area of the facility. There was much discussion regarding the legal and logistical ramifications of changing the name of a healthcare organization. John will research the process, including contacts with our attorney, and report back to the Board.

As part of the Discussion/Approval agenda, Donna provided an update on the Medical Scholarship Program. Helen Heinitz serves as the KCH voting representative on the committee and they will choose the successful candidates this Friday, April 29. The Board approved a contribution of \$500 to the Medical Scholarship Program.

The Board voted to enter into executive session for 20 minutes to discuss a personnel issue with the Board members and John requested to stay. At 7:15 pm the Board entered into executive session. The Board returned from executive session at 7:35 pm with no further action necessary.

It was moved, seconded and unanimously approved to adjourn the meeting at 7:35 pm.

Respectfully submitted,

Ralph Reimer, Acting Secretary

Approved:

Tom Vincent, Vice-Chairman

Heather Combs Platter, Recording Secretary