

MINUTES OF THE KEARNY COUNTY HOSPITAL BOARD OF DIRECTORS
April 26, 2010

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

OTHERS PRESENT: Heather Combs Platter; Recording Secretary; Marian Hunter, HPRV DON; ReChelle Kennedy, CFO; John Loebel, CEO; Julie Munson, DO; Arlo Reimer, MD; Sue Stingley, RN, DNS; and Missy Gerritzen

The Finance Committee of the Board of Directors met at 2:00 pm on Monday, April 26. Members in attendance were Pauline Neff, Ralph Reimer, Tom Vincent and Jon Wheat. John Loebel, CEO; ReChelle Kennedy, CFO; Sue Stingley, RN, DNS were also present. There was much discussion about potential uses for the funds from the Shriver Trust as well as the restrictions and how to invest the money. The committee reviewed the financial report for March and the capital requests for a replacement lawn mower/snow sweepster, a replacement dictation/transcription system and the electronic medical record for High Plains Retirement Village. ReChelle provided an update on the status of the Fiscal Year 2011 Budget. There was discussion about dates for a special Board meeting to review the budget in depth in early May. The cash position as well as the usage of the line of credit were discussed. The Committee also reviewed the methodology for tiered billing in Assisted Living.

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

Proposed amendments to the agenda included the addition of the line of credit under the Finance Committee report as well as an update on the Employee Fitness Day. The agenda was approved as amended.

Sue reported that in response to the resident elopement at HPRV, the state conducted an on-site survey on April 8th as is required when an elopement occurs. The survey resulted in a \$5000 fine because the elopement put the resident in immediate jeopardy. The fine can be appealed. Since the elopement, all residents that are evaluated as an elopement risk are on 15 minute watch. In addition there was concern from the surveyors that the front doors to HPRV are left unattended from 5:00 pm to 9:00 pm, weekends, and when the receptionist is out. This concern is related to both elopement and security. Beginning Friday, April 23rd, the doors at the East Entrance to HPRV are locked 24-hours per day and require a staff member to open. A letter explaining this was sent to the families of all the residents.

Sue reported that since the current elopement deterrent system is not functioning as intended, Advanced Electronics, Inc. will be installing a new system at no cost to the county or the hospital. Advanced Electronics has advised us that the new system should be functioning in approximately 2 weeks.

Sue also informed the Board that National Nurses Week is May 6 – 12 and invited all Board members to a Reception honoring the nurses on Friday, May 7 in the classroom from 3:00 pm – 5:00 pm.

Marian reported that the Fire Marshal completed a survey of HPRV on Wednesday, April 21 and that we are expecting the state long term care licensure survey at HPRV within the next month.

Dr Reimer reported on the progress of choosing a vendor for the Electronic Medical Record. He and other committee members will be going to Drumwright, OK next Tuesday, May 4th to visit a facility that is currently using the Cerner system. He also reported that April has been a busy month for OBs.

John reported that Kearny County Hospital received the “Spend Management Best Practice Customer Award” from Med Assets, the national group purchasing association of which the facility is a member. The award recognizes health care organizations that use group purchasing contracts to get lower prices for supplies and equipment. There will be a presentation of the award by a representative of Med Assets at a future date.

He also reported on the resignation of Bryna Sandstrom and thanked her for her accomplishments, especially in physician recruitment.

Jon requested a special meeting of the Board of Directors to review the budget prior to the June 1st meeting. The Board decided to hold the meeting on Tuesday, May 11th at 5:30 pm in the hospital classroom.

The Board approved the Consent Agenda.

ReChelle presented the financial report. March was a strong revenue producing month. Skilled swing bed days in the hospital and the number of days in the assisted living apartments were significantly above budget. The Board approved the March financials, checks #070002 – 070232 in the amount of \$436,483.55 and electronic transfers in the amount of \$682,016.39.

ReChelle also presented information regarding the 2010-2011 budget. The cost of the employer portion of the health insurance premium is projected to increase 12.5% effective July 1st and the employee’s portion of the premium will increase 7.5% on January 1st. A draft of the capital equipment request was presented to the Board for review. ReChelle will have a draft of the total budget prepared for the May 11th meeting.

ReChelle provided details about the Health and Fitness Day scheduled for Wednesday, May 12, 2010. Registration is at 5:00 pm with the event starting at 5:30 pm. Nurses will be providing blood pressure and BMI (Body Mass Index) checks. Letters were mailed to all Kearny County businesses requesting that they sponsor their employees.

John presented the Administrative Report. In accordance with the terms of the trust agreement, the Shriver Trust is being terminated 10 years after the death of Hazel Shriver. A lump amount of \$210,000 was distributed to both the hospital and HPRV. Usage of the funds is restricted to capital expenditures at the respective facilities. The total of \$420,000 was deposited in the board-designated fund and can not be used without board action. The trustee from Commerce Bank has estimated that each entity (the Hospital and HPRV) will receive an additional \$52,500 a piece after the filing of the last tax return. John asked for the Board's direction as to how to invest the funds. There was much discussion about the use of the funds. ReChelle will work with representatives of the Kearny County Bank to explore investment options.

In addition, John provided an update on the current status of the line of credit. He requested a resolution to increase the line of credit from \$600,000 to \$800,000 for a period of 60 days. The Board approved a resolution to increase the line of credit for 60 days. Marilyn Wolfe abstained from voting.

John received an e-mail from Dr. Miller. He and Dr Birky and their families are currently on a medical mission in Ghana. They are considering visiting Lakin on June 8th, June 10th or June 15th. Dr. Miller will be looking at housing options when they visit in June.

John reported that Dr Ali, the cardiologist from Hays was in Lakin on Friday, April 23rd. He also commented on the severe weather and tornado warnings in Lakin on April 22 and that the facility implemented the plan for severe weather.

John presented three bids to purchase a new lawn mower/snow sweepster. The Board voted to accept the bid from Rick's Lumber and Rental in Ulysses in the amount of \$8,575.25 with the trade-in of the current equipment.

ReChelle presented information about purchasing a new dictation/transcription system. Our current system is no longer made and there are no replacement parts for it. The actual server we are using is on loan from the vendor, Voice Products, and it is unclear how long it can be utilized. ReChelle presented two quotes. The Board approved the purchase of the proposed dictation/transcription system from Voice Products, Inc. in the amount of \$88,624.92 with 50% down and 5 equal installments at 0% interest. Funding for the system is to come from the Board Designated Capital Equipment account. The second quote from Sound Recording totaled \$89,728 and did not have the capability to add voice recognition software in the future.

Sue presented information about the Optimus system for an Electronic Medical Record in long-term care. Optimus is the only EMR system that maximizes documentation required for the MDS to achieve the best end result – patient care and reimbursement. The system will be fully functional for long-term care. Sue confirmed that Home Health and Assisted Living would use whatever electronic record the hospital uses. She will not ask for approval until she knows what EHR system the hospital chooses because the cost of the interface will vary depending on that choice.

ReChelle provided information about the financial incentives and disincentives from the Federal government relative to long term care facilities for implementation of the EMR. Currently, there are no direct financial incentives nor any mandate to purchase an electronic health record in long-term care. However, the EMR in long term care should improve the MDS score which will provide a positive impact on financials by increasing Medicaid reimbursement over time.

There was discussion about the long-term care bed tax which is currently under consideration in the legislature.

It was moved, seconded and unanimously approved to adjourn the meeting at 7:52 pm

Respectfully submitted,

Ralph Reimer, Secretary

Approved:

Jon Wheat, Chairman

Heather Combs Platter, Recording Secretary