

MINUTES OF THE KEARNY COUNTY HOSPITAL BOARD OF DIRECTORS
November 29, 2010

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

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; Donna Winright and Tom Wright IV, Jana Jenkinson, Dennis Jones and Jon Brunswig, PharmD.

The Finance Committee of the Board of Directors met at 2:00 pm on November 29. The Board member in attendance was Ralph Reimer. John Loebel, CEO, was also present. The committee reviewed the financial report for October, reviewed information pertaining to the feasibility of installing a water well on the property and discussed the monthly cost reduction report.

The Kearny County Hospital Board of Directors was called to order by Jon Wheat, Chairman at 6:00 pm.

Ralph Reimer requested amending the agenda to include discussion about accounts payable as part of the Finance Committee report. The Board approved the agenda as amended.

Jon Brunswig presented information about J & J Pharmacy, the services they provide to the hospital and HPRV and the decision to close the pharmacy on Saturdays. After much discussion with the KCH Board of Directors and County Commissioner Tom Wright IV, Jon agreed to consider re-opening the pharmacy on Saturdays throughout the winter months. The Board also asked that Jon provide written notice of any future changes that he might be considering. Jon was agreeable to this.

Jon Brunswig, Tom Wright, Jana Jenkinson and Dennis Jones left the meeting at the conclusion of the discussion about the hours for J & J Pharmacy.

Sue Stingley, RN presented information about the Electronic Health Record (EHR) and Meaningful Use and Financial Incentives. Her presentation highlighted the timeframes in which Meaningful Use must be proven in order to receive the maximum amount of reimbursement from Medicaid and/or Medicare. At the conclusion of the presentation, the Board requested that further information be presented at the December meeting including a timeline with costs, accepted vendors and an implementation schedule.

Sue also presented the Director of Nursing report for both the Hospital and HPRV. The HPRV Holiday Bazaar was held on November 24th and proved again to be a successful event for the residents. Letters were mailed last week for the HPRV Advisory Committee that was discussed at the October Board meeting. She also commented on improvements at HPRV with compliments from residents and family members.

Sue reported that the hospital has received all 1200 doses of flu vaccine that was ordered. The vaccine is being administered to anyone wishing to receive it. There continues to be humidity

issues in the OR and John Loebel is working with all responsible parties to resolve the problem at no further cost to KCH.

Dr. Reimer presented the physicians who are scheduled for appointment and re-appointment to the Kearny County Hospital Medical Staff. On the recommendation of the medical staff, the Board approved the re-appointment of Erik Sandstrom, MD, and Arlo Reimer, MD, to the Active Medical Staff; the appointment of Drew Miller, MD, to the Active Medical Staff; and the re-appointment of Wendel Ellis, MD, to the Consulting Medical Staff.

Dr. Reimer also reported that there are two vendor demos scheduled for the Clinic EHR on Tuesday, November 30th and Thursday, December 9th with the plan of having a recommendation for selection of an EHR for the Clinic made at the next Board meeting.

As part of the consent agenda, John Loebel reminded the Board of the Employee Recognition/ Christmas Reception scheduled for Thursday, December 9th from 3:00 – 6:00 pm with Years of Service awards to be presented at 5:00 pm. He also informed the Board of the resignation of Scott Good as the Manager of the IT department effective Friday, December 10th. Joel Tuche has been promoted to the position of IT Manager and recruitment for a second person has begun. Because of the Christmas holidays, the Board decided to schedule the December meeting on January 10, 2011. The Board approved the Consent Agenda.

John presented the financial report for October. He reported that October was an excellent month for Kearny County Hospital in terms of both volume and revenue. CT Scans and Ultrasounds were both over budget for the month and total patient days were higher than budgeted year to date. Operating expenses were lower than budgeted but deductions from revenue were \$441,489 which was more than budgeted. John also reported that the Medicare cost report will be filed on Tuesday, November 30th.

There was much discussion about the accounts payable and those accounts that are 90 days or greater. The Board reiterated the authorization made at the Special Board meeting earlier in the month to utilize \$100,000 from Board designated funds to pay all outstanding invoices that are greater than 90 days and start bringing all of the accounts payable to current status.

The Board approved the October financial statements, checks #071323-071421 in the amount of \$179,080.32 and electronic transfers in the amount of \$966,591.27.

John provided an update on the water well. He has received further information from the Water Resources Board in Garden City. The cost of the water well is estimated to be \$15,000 and the annual savings is estimated to be \$7,000. This would yield a return on investment in about two years and sooner if rates increase. John and Ralph will continue researching the issue and provide an update at the December meeting.

John distributed the cost savings report and reminded the Board that he continues to review every open position at the time of vacancy. He also reported that Kearny County Bank has requested the opportunity to meet with some of the Board members. John will set up the meeting.

Ralph presented a summary of discussions he has had with Gilbert Benton from Financial Management Services to review the HPRV cost report. It was decided to set up a meeting with

Mr. Benton, some of the Board members, John, ReChelle Kennedy and Sue. The purpose would be to review the firm's qualifications and what options they would propose. John will set up the meeting and distribute the financial information that the auditor has prepared. John emphasized the importance of also talking with firms that have experience consulting with hospital-based nursing homes.

John presented the Administrative Report. There was much discussion regarding the Blue Cross/Blue Shield contract. John reported that the contract renews each year in July. In a discussion with the former BC/BS liaison for the facility, she recommended working with other area hospitals to lobby as a group for increased rates for those services and charges that appear to be unreasonable. Jon Wheat recommended that KHA be utilized for support. John will contact the appropriate person at KHA to start the process and will provide an update at the December meeting.

The Board voted to enter into executive session for 10 minutes to discuss personnel issues with the Board, John and Donna invited to stay. The Board entered into execution session at 8:20 pm and came out of executive session at 8:30 pm with no further action required.

It was moved, seconded and unanimously approved to adjourn the meeting at 8:30 pm.

Respectfully submitted,

Ralph Reimer, Acting Secretary

Approved:

Jon Wheat, Chairman

Heather Combs Platter, Recording Secretary