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Board Retreat
March 29 & 30, 2018
Spearfish Canyon Lodge

The Campbell County Hospital District Board of Trustees met at Spearfish Canyon Lodge on Thursday, March 29, 2018 and Friday, March 30, 2018.

Members present:

Mr. Harvey Jackson
Ms. Ronda Boller
Dr. Sara Hartsaw
Mr. George Dunlap
Mr. Randy Hite
Mr. Adrian Gerrits

Members absent:

Dr. Ian Swift

Also present:

Mr. Andy Fitzgerald, Chief Executive Officer
Dr. Jennifer Thomas, Chief of Staff
Mr. Dalton Huber, Chief Financial Officer
Ms. Deb Tonn, Vice President of Patient Care
Mr. Bill Stangl, Vice President of Physician Services
Mr. Steve Crichton, Vice President of Plant Operations
Ms. Noamie Niemitalo, Vice President of Human Resources
Ms. Jonni Belden, Vice President Continuing Health Services
Ms. Ellen Rehard, Recorder

OPENING
Call to Order
Mr. Jackson, Chairman, called the meeting to order at 1:00 p.m.

Mission/Vision/Pillars/Values
Mr. Fitzgerald stated the Mission statement has remained the same for the last decade. Dr. Hartsaw pointed out that the Mission statement refers to the community and the Vision statement refers to Wyoming. Mr. Fitzgerald explained that the Mission statement implies that CCH reaches out to the community and the Vision statement reflects that CCH strives to be the best organization in Wyoming. Ms. Boller suggested adding the word value to the Business pillar. Board members discussed the addition. Mr. Fitzgerald stated that data shows CCH is not more expensive and, by and large, charges are less than market. Ms. Belden added the Legacy charges are right at market.

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CCMH Strategic Plan SWOT

Mr. Fitzgerald explained that the management team met to discuss the current strengths, weaknesses, opportunities and threats of the organization.

SWOT

Strengths include:

People

- Focus on Safety
- Employee Knowledge
- Experience Employees
- New MD Talent
- Existing Providers
- Succession Planning
- Leadership/Education Development
- Strong Benefit Plan
- Engaged Community
- Intelligent Administration
- Lean Initiative
- Interdisciplinary Teamwork
- Vision

Service

- Pursuit of Excellence
- The Legacy
- Continuum of Care

Care

- Service Lines
- Studer Partnership
- IT and Technology (PACS)

Business

- Mill Levy
- Cash on Hand
- Capital Budget
- Contract Utilization

Weaknesses include:

People

- Physician Recruitment / Retention
- Employee Recruitment / Retention
- Staff Communication
- Aging Staff

Service

- EMR Integration
- Instability of Anesthesia Services
- Departmental Silos

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Care
- Outmigration of Patients
- Patient Throughput
- Patient and Staff Wayfinding / Clarity of Services

Business
- IT Implementation / Training
- Age of Physical Plant
- Multiple Billing Systems
- Lack of Streamlined Work Process

Opportunities include:

People
- Cross-utilization of staff
- Continuing education for staff/CEUs
- Expand career programs at HSEC
- Lean Expansion
- Succession Planning
- Employee recruitment
- Develop experienced employees

Service
- Post-acute care after discharge
- Reduce patient outmigration
- Specialty service outreach
- Robust patient portal

Care
- Telehealth / Telemedicine
- Chronic disease management
- Discharge process

Business
- Storeroom sq. footage
- Bundled payments
- Prescription Assistance program
- Regional collaboration / affiliations
- Service agreement consolidation
- Equipment standardization
- Market awareness / excellence
- Evaluate use of consultants
- Project management
- Productivity management
- Business intelligence

Mr. Fitzgerald stated that CCH has talked about regional collaboration for the last several years. Every major system in the region, including Colorado, is calling. Cheyenne is aligning with the University of Colorado, Rock Springs with the University of Utah and Cody is aligned with Billings. Laramie is already aligned with the University of Colorado and their CEO is an employee of U of C. Dr. Hartsaw mentioned that this is both a strength and a threat for

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physicians. Providers now have relationships with specialties that already provide services in Gillette.

Threats include:

People
- Future workforce
- Workplace violence

Service
- Supply chain interruptions

Care
- Alternative healthcare models

Business
- Regulation
- Outside competition
- Cybersecurity
- Reimbursement
- Political uncertainty
- Economic threats
- 340B viability

Dr. Hartsaw mentioned she was impressed with the efforts that CCH pharmacy took to bring different service lines together to work on solutions due to the shortage of pain medications, anesthetics and disposable equipment. Conversations have been very collaborative.

Mr. Fitzgerald stated that recently there has been discussion about elimination or severe reduction of 340B which is a significant price break that Medicare gives for the purchase of medications. Another threat is reduction of the low volume medical adjustment that CCH receives for about $1.5M which is added on to the Medicare payment.

Ms. Boller inquired about EMR integration listed in weaknesses and whether the ER will be integrated with Med/Surg. Mr. Fitzgerald stated that they will be integrated but it may be a struggle. Part of the physicians in the ER want that kind of integration along with the majority of other providers. There are almost the same number of ER providers who have valid concerns that Meditech may not optimize their work environment. CCH is currently reviewing the ED Meditech application and have tentatively scheduled implementation for next year.

Ms. Boller also inquired about Patient Portal listed in opportunities, if that is something patients could take the patient survey on. Mr. Huber stated the survey is driven by CMS.

Strategic Plan

The plan is broken down into four pillars:
1. People Pillar
2. Quality & Safety Pillar
3. Service Excellence Pillar
4. Business Pillar.

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People:

- Reduce employee voluntary turnover from 16.4% to 15.6% - Keep but recalibrate for FY 2019; currently exceeding the goal.
- Recordable injuries (as defined by OSHA) will decrease from 6.5% to 6.2% - Keep but recalibrate for FY 2019; currently exceeding the goal.
- The effectiveness of CCH leadership development program will be evaluated with a composite score of each Leadership Development Institute (LDI) evaluations completed by Director/managers/executive leadership participants. – Keep but recalibrate for FY2019.
- To meet the recruitment needs of the organization active open positions will decrease from 77.8 to 73.9 in 'time to fill' days. Currently meeting. – Keep but recalibrate for FY2019.
- Employee Engagement percent favorable score will increase from 74.6% (FY15) to 78.3% for a 5% improvement. New goal.
- As leaders leave the organization, succession planning implementation will fill 50% of the positions. New goal.

Mr. Fitzgerald explained that CCH has worked with an outside organization to define a succession planning effort to help position people within the organization to move up. Executive leadership will choose 4 to 5 applicants to participate in the program. Mentors for the program will be from within the organization.

Ms. Boller asked about the CEO succession plan. Mr. Fitzgerald stated the likely scenario will be that one year in advance of his retirement, a COO will be hired with the full intention of moving into the CEO position.

Quality and Safety:

- Sepsis. Early management, severe sepsis, and septic shock. Core measure for Medicare. Not currently meeting the goal. – Keep but recalibrate for FY2019.
- Decrease the number of residents who have moderate to severe pain 30%. Numerator: # of residents who stated they have moderate to severe pain at any frequency preventing them from participating in ADL. - Keep but recalibrate for FY2019.
- Decrease number of falls in LTC by 30%. – Keep but recalibrate for FY2019.
- Reduce Serious Safety Event Rate. Currently exceeding– Keep for FY19 but recalibrate.
- Of patients reporting suicidal thoughts, the average percentage of clinical improvement over total of patients measured by My Outcomes will be at least 33%. – Keep but recalibrate for FY2019, and include all BHS clinicians.
- Improve the transition of care across the continuum as measured by acute readmission rate for patients over age 64. Making some improvement. – Keep but recalibrate for FY2019.

Service Excellence:

- Increase the number of HCAHPS domains to 6 of 9 above 75th percentile as measured by Health Stream vendor survey – Keep but recalibrate for 2019.
- ECD scores for 8 of 17 questions above the 75th percentile of patient experience as measured by Health Stream vendor survey – Keep but recalibrate for 2019.

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- 3 out of 5 outpatient questions will be at or above the 50th percentile of patient experience as measured by HealthStream vendor survey. – Keep but recalibrate for 2019.
- Increase Long Term Care satisfaction by increasing 7 out of 15 key drivers to above the 50th percentile as measured by the NRC vendor survey – Keep but recalibrate for 2019.
- Increase Physician Clinic scores to 5 of 9 questions at or above the 60th percentile as measured by the Healthstream survey. – Keep but recalibrate for 2019.
- Increase Walk-In Clinic patient experience scores to 5 of 9 questions at or above the 50th percentile as measured by HealthStream Survey – Keep but recalibrate for 2019.

Business:

- Increase Operating Margin to budget – Keep but recalibrate.
- Maintain cash days on hand from 188 days to 185 days – Keep but recalibrate.
- CCH AR days will be reduced to 60 days – Keep but recalibrate.
- Improve collection rates from collection agencies by 5% from 2.0% to 2.1% - Keep but recalibrate.

Projects:

People
- Creating a Workforce Future, including recruiting young people to healthcare.

Care
- Long-term strategy for care delivery, to include Care Coordination between acute care and outpatient continuum of care.

Business
- Patient friendly billing process – Will include patient education, price estimation and insurance verification. May be a two to three year process.
- Revenue Cycle Management project.
- Implement a bundled pricing program – The biggest challenge is the risk for complications.

Information Technology Plan
- Meditech 6.15 Ambulatory implementation – Stage 1 goes live in six weeks.
- IT Strategic Plan.

Physician Recruitment
- Recruitment of physicians according to Physician Recruitment Plan.

Facilities
- 2nd floor IP remodel project – Bid requests are going out to subcontractors to get solid numbers. Mr. Crichton plans to present a solid number to Facilities Committee in April.

Medical Staff Comments and Questions

Dr. Thomas suggested bringing in the Greeley team to present credentialing education at a mandatory MEC leadership team meeting. Mr. Fitzgerald suggested inviting other organization's physician groups to attend to try to make it more affordable.

Dr. Thomas also suggested scheduling a joint Board / MEC strategic plan meeting giving medical staff a chance to provide feedback and insight into upcoming goals and projects. Dr. Thomas and Mr. Fitzgerald will set up a meeting.

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Dr. Thomas stated she has noticed that provider conversations have focused on the number of patients seen and not by quality of visits. Studies show that patients may come into a visit with an ailment, but that is not really the issue at hand, which can result in longer appointment times. Mr. Stangl responded that CCH tries to follow the benchmarks that are out there for providers. He continues to work with providers to help them reach their goals. Mr. Dunlap suggests CCH slow down physician recruiting and develop a good business plan.

Mr. Dunlap excused himself from the meeting at 4:00 p.m. and was not available or in attendance at Friday's meeting.

Roberts Rules of Order

Mr. Lubnau provided a refresher on Parliamentary Procedure and Roberts Rules of Order. The purpose behind Roberts Rules of Order is that everyone knows what is being talked about and what order those items will be talked about in. Mr. Lubnau reviewed the following:

- A motion and a second need to be made in order for a debate to take place. If a second is not made, there is no debate, and the motion dies.
- A second is not required if the motion comes out of committee.
- A motion to amend is the primary amendment. A motion to amend the amendment is the secondary amendment. Both must be voted on in succession before the main motion.
- Motions may be postponed definitely until the end of the next regularly scheduled Board meeting.
- A motion made to close debate in not amendable, requires a second and 2/3rds vote.
- A motion to Lay on the Table, or postpone business temporarily, is not debatable, not amendable, requires a second and a majority vote.
- A motion to recess is not debatable, requires a second and majority vote.
- A motion to adjourn is not debatable, requires a second and a majority vote.
- Point of Order is recognized by the Chair. This challenges an error in procedure and requires a ruling by the chair.
- Point of Privilege refers to a conflict of interest a Board member may have. When a Board members abstains from the vote, they must absent themselves from discussion.
- Board members should vote unless they abstain due to a conflict of interest.

Recess

The regular meeting recessed at 5:17 p.m. until March 30, 2018 at 8:00 a.m.

Call to Order

Mr. Jackson called the meeting to order at 8:01 a.m.

Financial Forecast

Mr. Fitzgerald referred back to the February Board meeting where Mr. Dunlap made a motion to retired a portion of debt. Mr. Huber has put together scenarios looking over the next five to ten years and will provide a range of options from doing nothing to total debt reduction.

Mr. Huber reported the following assuming the 2nd floor inpatient project goes forward:

- Operating margin starting at -$13M.

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- Mill Levy growth of 2%.
- Depreciation from $19M up to $21M. After 2nd floor project completed in 2021, added $1.7M depreciation.
- Because of large depreciation would like to shoot for 12% EBIDA or $22M.

Mr. Huber presented the following cash flow scenarios to provide the Board with financial options including reduction of debt and construction of the 2nd floor inpatient project.

Cash Flow Scenarios
2019 to 2028

2018	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
1). Do nothing - no IP project no Debt Reduction	87,768,571	91,559,434	91,855,469	95,815,174	99,878,698	104,045,665	108,315,765	112,693,759	117,174,530	121,762,985	126,459,159
Days of Cash on Hand	194	198	195	200	204	208	213	217	221	225	229
2). Debt Reduction on 7/2018 no IP project	87,768,571	75,124,434	77,194,119	82,998,370	88,973,209	95,124,094	101,451,611	107,961,429	114,654,350	121,536,267	128,608,211
Days of Cash on Hand	194	163	164	173	182	191	200	208	217	225	234
Additional Principal Interest Saved		18,325,000									2,818,516
3). Inpatient Project without Debt Reduction	87,768,571	82,882,697	69,794,717	73,357,954	77,023,384	80,590,240	84,269,248	87,983,986	91,766,824	95,475,404	99,268,564
Days of Cash on Hand	194	180	148	153	157	161	165	169	173	177	180
4). Debt Reduction on 7/2018 with IP Project	87,768,571	66,447,697	55,297,717	60,852,114	66,557,027	72,315,464	78,258,910	84,260,408	90,370,183	96,511,275	102,795,450
Days of Cash on Hand	194	144	118	127	136	145	154	163	171	179	
Additional Principal Interest Saved		18,325,000									2,818,516
5). Total Debt Reduction over 7 years with IP Project	87,768,571	77,860,697	59,990,809	59,146,250	58,510,689	58,091,833	58,123,668	58,504,597	67,804,490	77,032,582	86,421,986
Days of Cash on Hand	194	169	128	123	120	117	115	113	129	143	
Additional Principal Interest Saved	5,022,000	4,917,000	4,802,000	6,302,000	6,227,000	6,147,000					5,637,418
6). Total Debt Reduction over 5 years with IP Project	87,768,571	74,432,697	53,227,022	49,004,826	45,288,863	41,920,018	51,119,789	60,421,262	69,886,028	79,307,910	88,846,697
Days of Cash on Hand	194	161	113	102	93	84	101	117	133	147	
Additional Principal Interest Saved		8,450,000	8,345,000	9,805,000	9,730,000	9,660,000					7,360,327
7). Cash with Debt Reduction after project	87,768,571	82,882,697	69,794,717	71,057,954	72,564,984	75,883,320	78,657,921	81,945,913	85,906,486	90,497,580	103,141,061
Days of Cash on Hand	194	180	148	149	150	154	156	160	165	171	
Additional Principal Interest Saved	4,000,000	4,000,000	4,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	0	2,815,111
Cash at 125 days	56,557,926	57,552,098	58,703,140	59,877,203	61,074,747	62,296,242	63,542,166	64,813,010	66,109,270	67,431,455	68,780,084
Cash at 65 days per bond covenant	29,410,121	29,927,091	30,525,633	31,136,145	31,758,868	32,394,046	33,041,927	33,702,765	34,376,820	35,064,357	35,765,644
	125	125	125	125	125	125	125	125	125	125	125

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Option #1 - no Inpatient Project and No early debt reduction
Option #2 - assumes paying the Series 2013 debt on 7/1/2018 and not doing the inpatient project.
Option #3 - regular debt payment without additional amounts and doing the inpatient project.
Option #4 - doing the inpatient project as planned and retiring the Series 2013 debt on 7/1/2018.
Option #5 - doing the inpatient project and eliminating all debt in 7 years.
Option #6 - doing the inpatient project and eliminating all debt in 5 years.
Option #7 - doing the inpatient remodel and paying an additional $4 million per year of the Series 2013 debt till retired then paying $5 million per year on the Series 2017 debt till retired.

Mr. Huber is concerned about the timing of going forward with the 2nd floor inpatient project and debt reduction during the same time period. He believes 169 to 185 days cash on hand is a healthy amount of cash. Mr. Fitzgerald stated CCH has historically had 300 days cash on hand and having a good cash cushion is beneficial. Mr. Huber will continue the discussion on debt reduction at the next Finance Committee. Mr. Crichton anticipates having final bids for the inpatient project for the April Facilities Planning meeting to bring forward to the Board meeting.

Succession Planning
Mr. Jackson stated that he and Mr. Fitzgerald have been discussing CEO succession planning for over a year. The selected candidate would be hired as COO just short of Mr. Fitzgerald's salary and would be selected by the Board, but report to Mr. Fitzgerald. Mr. Fitzgerald added that recruitment would require a national search since he doesn't believe there is an experienced internal candidate. Ms. Niemitalo mentioned there can be different combinations and another model would be to hire a CMO and COO and no CEO. Mr. Huber suggested considering a physician as the CEO, which could possibly be an internal hire. Ms. Boller will contact the Billings Clinic to get some information on their CEO search. Mr. Jackson asks that Board members bring what qualities and what they would like to see in a CEO to the next Board meeting. Ms. Niemitalo will do some research on the pros and cons of hiring a physician as CEO.

Facility Master Plan
Mr. Crichton stated it has been several years since the last master plan was completed. Mr. Crichton recommends that HGA reassess the space requirements for the facility since they have completed a comprehensive examination of CCH data. Mr. Hite voiced his concern that since HGA has already done several projects for CCH that may bring tunnel vision. Mr. Crichton will schedule more time for master plan conversation at the April Facilities Planning Committee meeting.

Information Technology Strategic Overview
Mr. Sabus announced that he is working to change direction in IT by changing the culture, focus and changing the service. IT wants to help make operations easier, not harder. The first step is to develop a Strategic Plan. Part of that plan is to develop a Service Level Agreement response timeline for issue priorities. Once the standards are set, the team will all sign off on and be held to the standards of the agreement. IT will be moving to skill/competency based job descriptions. Mr. Sabus also plans to implement a cross-training program and hopes to remove knowledge

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silos. A big culture change will be to finish what is started and close the loop. An IT Steering Committee has recently been created which oversees the information technology investment priorities for CCH. Current members of the steering committee include Mr. Sabus, executive leadership and Dr. Barabas.

Major IT initiatives include:

- Meditech web ambulatory.
- Wired and wireless network update.
- Dragon One (new version of Dragon that integrates with Meditech and is designed to be mobile).
- Site B data center at the Pioneer Manor building.
- Backup and disaster recovery solution.
- Implement system updates and reboots, creating a monthly program.
- ED Meditech implementation. Mr. Sabus is setting up a site visit to northeastern Vermont to view their system.

The Board chose Mr. Jackson and Mr. Gerrits to be liaisons to the IT Steering Committee.

Mental Health Planning

Mr. Jackson asked Mr. Jeff Rice, Behavioral Health Services Director, to provide some input on Campbell County mental health. Mr. Jackson has had previous discussions with City Council members and County Commissioners who agree Campbell County needs a collaboration to look at the mental health needs of the community. Mr. Jackson would like CCH to spearhead the effort. Mr. Rice stated there is already a collaboration with the City of Gillette, Campbell County, the school district and some of the coal mines that is geared more toward suicidality and return to work issues. Mr. Rice advised that some issues that need to be addressed are:

- What is the true absolute need?
- What does the reimbursement landscape look like? One or two years down the road?
- Who is willing to do what?
- Whether we can dovetail private sector entities into what would be offered.

Mr. Rice explained that if Behavioral Health at CCH wanted to expand we would probably want to contract with the state as a designated facility with a geriatric or med/psych unit, substance abuse and general mental health. The school district currently has about 13 to 14 projects which CCH works closely with, but it is a challenge to reach the parents. Mr. Jackson stated that he would like to pull a meeting together with other community boards to discuss mental health issues and what resources are available. Mr. Fitzgerald stated he would like to see a true partnership including financial responsibility.

Board Rounding

Ms. Boller stated that Studer and Best On Board recommend Board members round with administration. Board members agree there should be very clear direction and guidelines before that rounding begins. Mr. Jackson suggested Board training take place. Mr. Fitzgerald will do some research and put something together for the next step.

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Board Workshops
Ms. Boller brought up the idea of Board workshops for an hour prior to the Board meeting. After some discussion it was decided education and discussion will be incorporated into the Board meeting, which may lengthen some meetings.

Board Assessment and Job Description
Mr. Fitzgerald reviewed the Board assessment with Board members. Six assessments were completed. Board members had previously submitted answers to questions on the following categories:

- People
- Care
- Service
- Business

Feedback
Mr. Fitzgerald will create a retreat evaluation questionnaire before the next retreat.
Mr. Jackson commented on new Board member training and mentorship. Mr. Gerrits suggested the Board chair, CEO, and VP's meet with new members to provide individual orientation.

ADJOURNMENT
There being no further business the meeting adjourned at 1:46 p.m.

The next regularly scheduled Board meeting is April 26, 2018 at 5:00 p.m. in Classroom 1.

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Ronda Boller, Secretary

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Ellen L. Rehard, Recorder