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**Board Retreat**
**October 3, 2019**
**Gillette College Technical Center**

The Campbell County Hospital District Board of Trustees met in the Pronghorn Room at Gillette College Technical Center on Thursday, October 3, 2019.

Members present:

Dr. Ian Swift
Ms. Ronda Boller
Mr. Alan Stuber
Mr. Adrian Gerrits
Dr. Sara Hartsaw
Ms. Lisa Harry

Also present:

Mr. Andy Fitzgerald, Chief Executive Officer
Ms. Colleen Heeter, Chief Operating Officer
Ms. Mary Lou Tate, Chief Financial Officer
Dr. Nicholas Stamato, Chief of Staff
Dr. Attila Barabas, Chief Medical Officer
Ms. Karen Clarke, Director Community Relations/Marketing
Ms. Ellen Rehard, Recorder
Public

## OPENING

### Call to Order

Dr. Swift called the meeting to order at 8:00 a.m. He stated that he is overwhelmed by how administration handled the ransomware crisis. He spoke with Ms. Heeter while he was in the operating room that Friday, and noticed a sense of calm by leaders and staff. The entire Board is overwhelmingly impressed by how the crisis was handled and applaud all for being prepared.

### Mission and Vision Statement

Dr. Swift read the Campbell County Health's Mission and Vision Statement.

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Roll Call
Ms. Ellen Rehard called the roll of the Trustees of the Board of Campbell County Memorial Hospital District. Dr. Swift, Mr. Stuber, Mr. Gerrits, Dr. Hartsaw and Ms. Harry are present. Ms. Boller will be arrive shortly.

Approval of Agenda
**Mr. Gerrits moved, seconded by Dr. Hartsaw, to approve the agenda as presented. Dr. Swift, Mr. Stuber, Mr. Gerrits, Dr. Hartsaw and Ms. Harry voted aye. Motion carried.**

Consent Agenda
Dr. Hartsaw requested that Administrative policy Notification for Credentialing of Medical Staff be pulled from the Consent Agenda for discussion at a later meeting.

The following items were approved as part of the Consent Agenda.

Approval of Minutes
Minutes from August 22, 2019 Board meeting (copy appended to minutes).

Administrative Policy Review
Three Administrative policies, Patient Grievance, Safe Haven Provider, and Volunteer Services (copies appended to minutes). **No motion required.**

Finance Meeting
Items requiring Board Action for the September 30, 2019 Finance Committee Meeting (copy appended to minutes).

Committee Reports
The Legacy Advisory Board
Quality Committee
Joint Conference

**Dr. Hartsaw moved, seconded by Mr. Stuber, to approve the consent agenda as presented with the exception of Administrative policy Notification for Credentialing of Medical Staff. Dr. Swift, Mr. Stuber, Mr. Gerrits, Dr. Hartsaw and Ms. Harry voted aye. Motion carried.**

**PUBLIC QUESTIONS OR COMMENTS**
Dr. Swift asked if there were any comments or questions from the public at this time. There were none.

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**ACTION ITEMS**

Medical Staff Appointments

Dr. Stamato recommended approving the following medical staff appointments as recommended by the appropriate Department Chairman, Credential Committee, and Medical Executive Committee.

***New Appointments:***

***Active:***

Department of Medicine

| | |
|---|---|
| **David Mohlman, D.O.** | Internal Medicine |

Department of Surgery

| | |
|---|---|
| **Sandra Gebhart, M.D.** | Orthopedic Surgery |
| **Shireen Haque, M.D.** | Anesthesiology |

***Locum Tenens to Courtesy:***

Department of Medicine

| | |
|---|---|
| **Natalie Owens-Sloan, M.D.** | Internal Medicine |

Department of Anesthesiology

| | |
|---|---|
| **Timothy Jardeleza, M.D.** | Anesthesiology |
| **Benjamin Jones, M.D.** | Anesthesiology |

***Reappointments***

***Active:***

Department of Surgery

| | |
|---|---|
| **Paul Rigsby, D.O.** | Radiology |
| **Fatima Kazem, M.D.** | Radiology |
| **Deanna Lassegard, M.D.** | Emergency Medicine |
| **Amanda Opfer, D.O.** | Emergency Medicine |

***Courtesy:***

Department of Medicine

| | |
|---|---|
| **Raoul Joubran, M.D.** | Gastroenterology |

Department of Anesthesiology

| | |
|---|---|
| **Eric Welling, M.D.** | Anesthesiology |

***Limited Healthcare Provider – Independent:***

Department of Medicine

| | |
|---|---|
| **William Heineke, EdD, PhD** | Psychology |

***Limited Healthcare Provider – Dependent:***

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Department of Medicine
**Deborah Mullinax, PA-C** Ambulatory Family Medicine

Department of Surgery
**Lorraine Clement, PA** Orthopedic Surgery
**Roxanne Peters, PA** Orthopedic Surgery

***Additional Privileges:***
Department of Surgery
**Trystyn Richendifer, PA** Orthopedic Surgery
PRSC Privileges

***Telemedicine:***
Department of Surgery
**Fatima Kazem, M.D.** Radiology

**Dr. Hartsaw moved, seconded by Mr. Gerrits, to approve the medical executive committee recommendation of Board approval of the following: Dr. Mohlman; Dr. Gebhart; Dr. Haque; Dr. Owens-Sloan; Dr. Jones; Dr. Rigsby; Dr. Kazem; Dr. Lassergard; Dr. Opfer; Dr. Joubran; Dr. Welling; Dr. Heineke, PA Mullinax; PA Clement; PA Peters; PA Richendifer and Dr. Kazem privileges as presented by the Medical Executive Committee. Dr. Swift, Mr. Stuber, Mr. Gerrits, Dr. Hartsaw and Ms. Harry voted aye. Motion carried.**

**Discussion Items**

Emergency Event Overview

Mr. Sabus reported that on the morning of Friday, September 20, CCH experienced a cyberattack of ransomware throughout the system. The attack started about 3:27 a.m. and proceeded from there. All external connections were shut down and partners were contacted. CCH immediately began to work with law enforcement, state and federal agencies, and cybersecurity experts to investigate the attack. Today, almost all systems are restored and by tomorrow should be at 98 to 99%. There has been great support from everyone in the organization. IT called for help last night and nearly 60 staff members showed up to clear close to 500 computers. That was done in under two hours. The investigation is ongoing as CCH continues to work with third-party forensic experts and law enforcement. Mr. Fitzgerald added that in the middle of what CCH is going through, an entire health system was closed down in Alabama because of ransomware. FBI has reported that there are up to 4000 attempted ransomware attacks every day. IT has worked day and night and continues to work until all systems are up and running. Board members expressed their thanks and appreciation to the entire team. Mr. Stuber asked that Dr. Swift put a letter together to the facilities that accepted diverted patients.

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**Informational Items**

Chief of Staff Report

Dr. Stamato reported that guest speaker, Dr. Michael Tracy, is scheduled to speak on October 30 at the next medical staff meeting. He will speak about physician resiliency.

CEO Report

**Strategic Plan**

Business

Ms. Mary Lou Tate provided the following financial report:

August 2019:

- Inpatient admission (including BHS) were 5.7% under budget and slightly increased from last year.
- Inpatient admission by department. Month to date, OB admissions are over budget; Med-Surg/ICU is under budget. Psych admission are down 4 (16.1%) from budget.
- Observation patients are a growing trend. Observation patients were 1 under budget and decreased 2 from last year. Observation patients are a growing trend with insurance companies.
- Legacy's average daily census was 3 under budget and decreased 1 from last year.
- Outpatient visits were 229 under budget and decreased 97 from last year. In future meetings Ms. Tate will have information on separate departments.
- Clinic visits were 156 over budget and increased 1,278 from last year.
- Walk-In Clinic visits were 3 under budget and decreased 89 from last year.
- Emergency Room visits were 31 under budget and decreased 87 from last year.
- Inpatient and outpatient surgeries were 51 over budget and increased 23 from last year.
- PRSC surgeries were 16 over budget and increased 46 from last year.
- Accounts Receivable Days remained at 82 days.
- YTD Bad Debt and Charity Care were under budget $942,000.
- MTD excess revenues over expenses is -$254,000. Net total gross is $188,000 over budget. Deductions from revenue were higher than budget and more than last year due to AR clean up at PRSC from their previous billing system.
- YTD excess revenues over expenses id -$86,000 vs. a budget of $388,000.
- EBIDA is slightly below budget, but still at a 10.95% EBIDA margin.
- The shift in payer mix from 2018 to 2019 is about 1% increase in Medicare and a 2% drop in Medicaid.
- Net patient service revenues for the month of August is below budget.
- Operating expenses were at budget, a little higher than last year.
- Expense as a percentage of net patient revenues is a little higher for the month of August.

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- EBIDA was $416,000 under budget and decreased $1,118,000 compared to last year.
- Days cash on hand decreased to 125. Cash balances dropped by $5.8M due to August having 5 AP runs and 3 payroll runs.

Ms. Tate explained that CCH has two insurance policies that CCH will be filing a claim with for the cyber event. One of the insurances is Travelers with a $250,000 policy. The larger coverage is with Aspen Insurance that has cyber security coverage for $3M. Ms. Tate is currently working with those two companies. They both hired a third party to help CCH work through that coverage to determine how much they will pay out. Dr. Hartsaw requested that a detail of what costs occurred be reported at the next Finance Committee meeting. Ms. Tate stated that she will also be working with the auditors on the proper way for CCH to account for the insurance settlement.

People
Mr. Fitzgerald reported that last year CCH exceeded every people goal except one. Each year when these goals are set administration makes them a little harder.

- Reduce employee voluntary turnover from 12.9% to 12.6% National Rate 18%. Currently at 14.40%.
- Recordable injuries from 3.4 to 3.3. Currently at 4.10.
- It is too early in the year to have a score for leadership development, employee engagement and LITE participants.

Service

- Behind the goal for HCAHPS scores.
- Meeting the goal in outpatient areas.

Care

- Sepsis, reduce suicide rate and reduce suicide attempt rate are all quarterly measures.
- Legacy is meeting their target.
- CCH had one serious safety event.

Ms. Boller added that the Wright Clinic is exceeding their goal for patient satisfaction. Mr. Fitzgerald included that the goal for all CCH medical practice clinics includes 20 clinics and is an average of the overall goal.

**Facility Plan Update**
Mr. Crichton explained that from the executive summary that CCH received from Stroudwater, it shows that the Gillette market is anticipated to grow by 5.7% over the next five years. The 65+ age cohort is anticipated to grow by 42.3% over the next five years and is a substantial utilizer of healthcare resources. Even with industry and local shifts from inpatient to outpatient, overall inpatient discharges are anticipated to grow by 6.1% over the next five years, due to overall population growth and aging. Assuming no

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substantial growth in inpatient market share, most service lines are already capturing the majority of the patient population. It appears that the proposed CCH 2nd floor bed replacement project of 29 MS/Peds/ICU/Observation beds is very close to the calculated demand values. Outpatient services are anticipated to grow over the same 5 year period by 16.3%. Stroudwater shows that there could be some opportunity for CCH to garner additional market share in general surgery, gastroenterology and physical therapy. With the exception of provider growth and right sizing for clinics, and improving ED flow and rightsizing the department, most other areas within the hospital have enough physical and equipment capacity to accommodate thru 2028 likely volume levels without facility expansions.

Low Hanging Improvements

1. Relocate pathology department to an area adjacent to the surgical suites (vacant financial services area). Scheduled for FY19/20.
2. Relocate biohazard holding from the area requiring passage through the boiler and chiller room. Ideal location would be in the current IT classroom adjacent to the loading dock. IT classroom to be relocated elsewhere on or off campus. Scheduled for FY19/20.
3. Proposed dialysis improvement to add two chairs, increase code compliance and improve patient flow is warranted. The current location of dialysis services should be maintained. Scheduled for FY19/20.
4. Respiratory therapy renovations on 2N can proceed as planned, to improve patient experience and staff efficiency. Scheduled for FY20/21.
5. Imaging sub waiting adjacent to the CT scanner was identified as a bottleneck, and a design was developed to make improvements to waiting and changing. Because imaging will remain in its current location in all scenarios, this project can move forward as desired. Scheduled for FY20/21.
6. The current flow of patients from the PACU to an inpatient bed requires patients to exit the PACU the north, and transit towards the west, and then south to access the new main patient transport elevator bank. In the future, when this is the main access to inpatient beds, it would be preferable to join the PACU with the underutilized cath prep/recovery space and exit directly to the west and into the elevator lobby. Scheduled for FY20/21.
7. ED flow and imaging improvements were also identified as a major challenge, particularly with access to the current ED CT scanner, which requires entering a public corridor. A design has been developed to increase the capacity of the ED, add a dedicated behavioral health area, and even add infusions / observation space. This project is the foundation of one master plan option, but if the ED were to relocate, it would have a short useful life. Proceed with additional analysis. Scheduled for FY19/20 & FY20/21.

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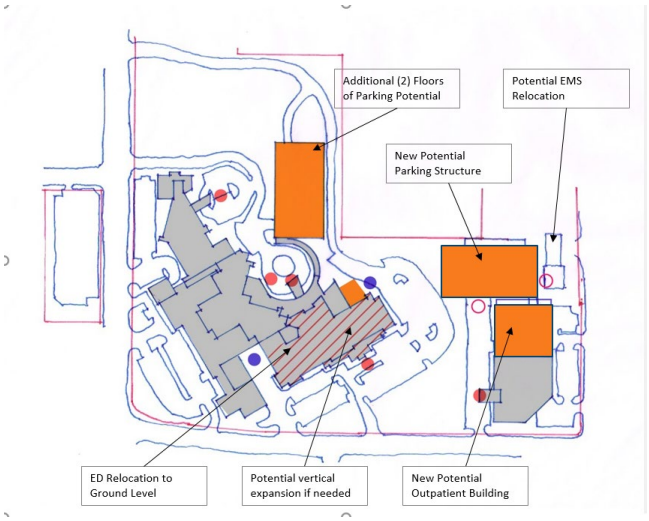
The initial "low hanging" projects have a high-level cost estimate of $3.5M, excluding the emergency department project. Mr. Crichton has used a base renovation construction cost of $400/sf, and provided a variance for each specific project.

**CCMH Initial Project Cost Estimates**

| Base Gut Renovation Cost per S/F: | | Baseline $400 | | | | |
|---|---|---|---|---|---|---|
| DEPARTMENT | BGSF | Variance per s/f | Cost per SF | Construction Cost | Project Markup | Project Cost |
| Relocation of Pathology to 1st Floor Patient Financial Services | 1,000 | 1.10 | $440.00 | $440,000 | 1.4 | $616,000 |
| Relocate Biohazard Holding to IT Classroom | 500 | 0.40 | $160.00 | $80,000 | 1.2 | $96,000 |
| Relocate IT Classroom | 500 | 0.50 | $200.00 | $100,000 | 1.3 | $130,000 |
| Dialysis Improvements / Additions | 1,940 | 1.00 | $400.00 | $776,000 | 1.0 | $776,000 |
| Respiratory Therapy Remodel | 2,000 | 1.00 | $400.00 | $800,000 | 1.0 | $800,000 |
| Imaging Subwaiting Remodel | 1,700 | 0.75 | $300.00 | $510,000 | 1.2 | $612,000 |
| PACU Improved Patient Access | 1,870 | 0.50 | $200.00 | $374,000 | 1.5 | $561,000 |
| Emergency Department Flow / Imaging / Infusion / Obs Project | 5,280 | 1.20 | $480.00 | $2,534,400 | 1.6 | $4,055,040 |
| TOTAL NEW DGSF | 14,790 | | | | | $7,646,040 |

Vision Plan

1. Simplify access points into building.
2. Emergency moves to ground level (add a new ambulance garage and helipad).
3. Increase patient parking with new garage (and additional floor(s) on existing garage).
4. Consolidate patient services on 1st (@ existing ED location) with new main and clinic entrances.
5. Potential long-term vertical expansion (3rd and 4th floors) on 2012 building if needed.



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Immediate Priorities

Dialysis – Recapturing the corridor between dialysis and medical records provides an opportunity to improve patient flow, treatment space capacity and support areas.

ED Imaging – Utilizing the old diagnostic imaging space, the emergency department can be expanded to include:

- CT scanner
- X-ray
- 6 Observation/infusion
- 2 Behavioral Health

PACU Elevator Access – Current access from the PACU to the bank of elevators that will serve the new inpatient unit requires a circuitous travel path. Developing a passageway straight through the PACU to the elevators will enable a more efficient transfer of patients from surgery to the inpatient units.

4th Floor Clinics – The fourth floor can be renovated for clinic space as the need arises and capital is acquired. While the existing units could be used as clinic spaces with minimal renovation, if CCMH was determined to invest in on-campus clinic space, a renovation of the fourth floor would be a good location for this service, with immediate access from the elevator bank.

CCMH Option 1 Project Cost Estimates

| Base Gut Renovation Cost per S/F: | | Baseline $400 | | | | |
|---|---|---|---|---|---|---|
| DEPARTMENT | BGSF | Variance per s/f | Cost per SF | Construction Cost | Project Markup | Project Cost |
| Ground - New Primary Care Clinic Expansion | 24,000 | 0.75 | $300.00 | $7,200,000 | 1.3 | $9,360,000 |
| Relocate Administration | 6,000 | 0.50 | $200.00 | $1,200,000 | 1.3 | $1,560,000 |
| Fourth - South Pod | 7,401 | 1.00 | $400.00 | $2,960,400 | 1.5 | $4,440,600 |
| | | | $0.00 | $0 | | $0 |
| Low Hanging Projects | | | $0.00 | $0 | | $7,646,040 |
| | | | $0.00 | $0 | | $0 |
| | | | $0.00 | $0 | | $0 |
| | | | $0.00 | $0 | | $0 |
| | | | $0.00 | $0 | | $0 |
| TOTAL NEW DGSF | 37,401 | | | | | $23,006,640 |

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CCMH Option 2 Project Cost Estimates

| Base Gut Renovation Cost per S/F: | | Baseline $400 | | | | |
|---|---|---|---|---|---|---|
| DEPARTMENT | BGSF | Variance per s/f | Cost per SF | Construction Cost | Project Markup | Project Cost |
| Ground - New ED / Walk In Clinic | 25,500 | 1.00 | $400.00 | $10,200,000 | 1.5 | $15,300,000 |
| Ground - New 3 Bay Ambulance Garage | 800 | 1.00 | $400.00 | $320,000 | 1.2 | $384,000 |
| First - New Main Clinic | 24,500 | 1.00 | $400.00 | $9,800,000 | 1.5 | $14,700,000 |
| First - New Entrance | 1,000 | 2.00 | $800.00 | $800,000 | 1.5 | $1,200,000 |
| Fourth - Gut Renovation of Fourth Floor | 22,734 | 1.00 | $400.00 | $9,093,600 | 1.5 | $13,640,400 |
| Relocate Admin and HR | 7,500 | 0.50 | $200.00 | $1,500,000 | 1.2 | $1,800,000 |
| Low Hanging Projects (Less ED) | | | | | | $3,591,000 |
| TOTAL NEW DGSF | 82,034 | | | | | $50,615,400 |

Mr. Fitzgerald mentioned that, a part of the FY19 Strategic Plan is to create a facility plan. Many of the low hanging fruit projects have been completed or are included in the budget. CCH plans to stay the course with the conservative option. Dr. Hartsaw suggested that the Healthcare Foundation consider fundraising outside of the cancer box. Board members requested that the Master plan discussion be scheduled for the next retreat to allow for additional discussion.

## Finance Capital / Debt Reduction

Ms. Tate reported the following:

- Total Operating Revenues shows growth as a result of price increases, increased patient volumes and taking into account some of the mixed differences CCH is seeing.
- Interest Expense – Ms. Tate used Mr. Huber's historical numbers due to not being able to access the current information for interest expenses.
- Depreciation and amortization shows a significant increase in 2021 due to projected depreciation based off current building projects.
- Operating Expenses – Ms. Tate factored in a 2.5% growth knowing that CCH is looking at operational improvements.
- Operating Income / (Loss) – Have budgeted $12M this year. The forecast for each year moving forward, CCH will lose less and less money.
- Mill Levy – Ms. Tate did not have a chance to speak with the Campbell County Assessor in order to find out what their projections are. Ms. Tate did factor in a 5% reduction in the budget for 2020 with an additional 2% decline per year. This is subject to change when she is able to speak with the assessor.
- Investments and Other Income – Factoring in a 2% rate on cash balances. Wyoming investments tend to be a little low on the interest rate side.

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- Gain/Loss Sale of Assets – Added $100,000 per year.
- Excess Revenues Over Expenses – Budgeted $2.2M for 2020 and are projecting a gradual increase in the bottom operating margin.
- Operating Margin % and EBIDA % show a steady incline thru 2024.
- Principle payments on debt – The budget is $3.6M payment on debt for this year and grows gradually each following year. The interest payment goes down and the principle payment goes up.
- Net Cash Generated, which is excess revenue over expenses, adding back depreciation and subtracting out the principle payment on debt, for 2020 looking at $16M cash generated. In 2021 goes up to $17.8M and increases each year.

Capital Expenditures -

- Routine & Contingency - Ms. Tate used 3% of net cash generated for 2020, which equates to $5.3M.
- IT – Ms. Tate did increase the IT budget $1.7M in 2021.
- Prior Year Carryforward – Not carrying forward capital from year to year.
- Facility Plan in the Budget – This year is $5.3M and put in $2M going forward.
- Space Renovation - $16.7M for 2020, $10.5 in 2021 for ER department, $2.7M in 2022 for the clinics, 2023 $2.5M for PSC & ATS.
- Total Capital Expenditures for 2020 are $28M.
- Cash Balance will be trued up and decrease to $60.7M. In 2022, CCH begins gaining cash.
- Days Cash on Hand – Bond covenant requires 65 days. CCH is at 125 days for 2020 and above the requirement.
- Est Balance of Bonds – At the end of this year will be $54M.

Ms. Tate recommends that potentially after 2021, if not going forward with Option 2 of the Facility Plan, CCH start looking at paying down bonds in 2022. The cash increase in 2022 is fairly significant. Could pay off the 2013 bonds in 2022. After that, look at whether to pay off the 2017 bonds. If the more expensive facilities option is chosen, she would not suggest paying off the bonds. Ms. Tate does not recommend paying the debt off too fast. The debt to capital ratio is very low for CCH, but no hospital is debt free. Dr. Swift shared that the 2.5% increase in expenses is very low. Ms. Tate explained that CCH has many opportunities by reducing supply costs. Mr. Fitzgerald added that administratively, CCH has work to do on supplies and personnel expenses. Strategically, CCH has to be careful. For instance, the idea to expand behavioral health would be a mistake. Mr. Gerrits stated that CCH has partners at the table right now. The committee identified a need for a crisis center, but no one has committed financially. Mr. Fitzgerald stated that going forward; CCH has to look at the investments we make to make sure Campbell County is in a stable economy and is something CCH can sustain. Mr. Gerrits asked about keeping days cash on hand at a certain level in 2022 and paying down the bonds with the extra cash. Ms. Tate would like to keep days cash on hand no lower than 150.

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**Alignment**

Mr. Fitzgerald shared that across the country, most organizations the size of CCH have looked at opportunities to align with a larger organization. Alignment can take the form of a simple contractual agreement to share services or at the far end, be purchased by another organization. CCH has talked about somewhere in the middle. A larger partner would afford CCH the opportunity for shared savings in supplies, IT technical support and clinical alignment. CCH has entertained some discussions with other organizations to see what they would offer and will have to determine who those partners may be. IT would make sense to be geographically aligned as well. Ivinson Memorial aligned with UC Health about three years ago and Cheyenne aligned with them just recently. Mr. Fitzgerald will reach out to Laramie and Cheyenne to discuss the pros and cons they have experienced. He will identify, along with medical staff participation, who that larger organization might be.

**Baldrige Education**

Ms. Ullrich explained that the Baldrige team realized they had not prepared managers, medical staff or the Board for the Baldrige interviews held last year. She is here today to provide some education on Baldrige and the application process. Baldrige was established in 1988 by Congress to recognize US organizations across business, healthcare, education and nonprofit sectors for performance excellence. Rocky Mountain Performance Excellence is the regional award. An organization must win the top regional award before applying for the national award. CCMH was successful at the 2nd level (Foothills), but did not receive an award when applying for the 4th level. CCH has submitted their 3rd application this year for the 3rd level (Timberline). The Legacy has applied for the 1st level award this year. Baldrige has a series of questions from seven levels of the organization. Those categories consist of:

- Leadership
- Strategy
- Customers
- Measurement, analysis, and knowledge management
- Workforce
- Operations
- Results (Top level award)

**Financial Education**

Finance 101: Insurance Reimbursement

Ms. Tate reported that many people perceive that hospitals have high charges. Hospitals are now required to post their charges online. She explained that because of insurance company contracts, charges cannot decrease. Each insurance has different terms and contract rates. Billed charges is the list price of all charges the hospital or clinic charge the patient and/or insurance. Contractual adjustments is the amount the hospital writes off based on the insurance contract. Allowed amount is hospital-billed

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charges less contractual adjustment. Ms. Tate explained traditional inpatient and outpatient payment methods and reimbursement types.

**Environmental Scan**

Mr. Fitzgerald explained that an environmental scan looks at the horizon and what is outside of the organization including the political environment, as well as the economic and social environment.

Political:

- At the federal level, there is debate about whether to repeal or keep the affordable care act. Value over volume has not changed much from one administration to another.
- Bundled payments will become more and more part of the landscape. Bundled payments are efficient, effective, one payment and can be a great experience for the patient.
- Surprise billing is front and center, although it is not a new issue. Senator Barrasso and Senator Enzi propose that in markets where the hospital and physician are not aligned, an out of network party will be mandated to treat as in network for payment.
- Mr. Fitzgerald and Ms. Tate are working on a proposal for “tweener” hospitals or rural hospitals the size of CCH. “Tweener” hospitals provide many major services that larger hospitals provide, but do not have the volumes to sustain the cost curve of providing these services. They will present the proposal to Senator Barrasso’s office. The proposal may get some consideration from the Senate floor.
- At the State level, there are long-term care district possibilities. Assistance would be helpful by allowing long-term care facilities to form a special district and to create a mill levy to support services. Senator Scott from Natrona County pushed for a cost study on why the cost of healthcare in Wyoming is so high.
- The regulatory mood is very punitive, especially in long-term care.

Economic:

- In the financial markets, interest rates are stable and the Feds just lowered rates. Inflation appears to be stable. The national economy is in the 7the year of growth. The state economy looks okay, but coal is problematic.
- External insurance markets create pricing pressure on CCH. There is very little discussion about quality.
- Internal insurance markets show that malpractice will be stable through 2022, but that is when the five-year rate setting with UMIA caps come off. Health insurance and reinsurance costs are increasing. There are cost pressures for pharmaceuticals, implants, and labor and health benefits. There are marginal increases in revenue for the foreseeable future.

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- CCH should see some volume related increases in orthopedics and gastroenterology.
- Projected physician shortages by 2030. Within the next decade, more than one-third of all currently active physicians will be 65+. The country will need more than one million new registered nursed by 2022. A different set of folks will be in the workforce. CCH will have to look at things differently. Millennials are looking at work/life balance.

Access and affordability of healthcare:

- The U.S. is the highest spender of pharmaceuticals on the planet. Prescriptions are hugely expensive and prices continue to go up.
- 33 percent of people don't have access to healthcare because of cost and there is less insurance coverage for those on insurance.

Social:

- There is a 43% change in the population greater than 64 years old. The population is stable, but not growing.
- Patients are looking for experience, price, and are willing to shop around. More and more patients are willing to use technology or virtual medicine. It is convenient and lower cost. Behavioral Health is a huge national problem with the opioid crisis, suicide, alcohol and drugs. During the 90's the government said that no one should experience pain. In 2016, 142,000 people died from suicide, alcohol and drug-induced fatalities. In 2017, 72,000 people died from drug overdose.

<u>CCH Environmental Scan</u>

- Technology
  - Big data
  - Taking the middleman out of the transaction or disintermediation
  - Cyber-crime
  - Online access and virtual care

<u>Consumer Trends</u>

- 75 percent of consumers surveyed said technology is important to managing their health.
- 48% of consumers are using mobile health apps
- Top three conditions with the best market potential for digital health include diabetes, obesity and depression.
- In 2022, 55% of U.S. households will have smart speakers. Currently some CCH patients have devices in their home to keep track of some vital signs. If the patient is stable, there is no reason to drive out to homes, but will if the patient starts to decline. What might a smart speaker do?

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- Cybersecurity data breaches are on the rise. Phishing, business email compromise, ransomware, supply chain attacks, crypto hijacking, medical device intrusions and nation state computer intrusions. This means an investment in technology and operations.

**Board Policy – Governance**

Dr. Swift stated that Board members went out to different departments during the disaster. It changed his thinking about trustee touring. It made him think about staying out of the weeds and letting administration take care of operations. Dr. Swift asked Board members to share what the three biggest operational risks are at CCH.
Mr. Harry stated physical security. Environmental and outside security.
Dr. Hartsaw stated different alignments within the medical staff or how the organization reacts to outside physicians. Also, internal strife where parts of the organization is working against itself. Possibly in employed and outside physicians. Dr. Barabas added that he believes provider relations have improved during the time he has been at CCH. CCH has bridged technology to outside offices. There has been some frustration, but overall systems are becoming smoother.
Ms. Boller stated she is concerned with regulations. It is a constant job to keep up.
Ms. Harry added physician recruitment and retention. What happens to the patient when a provider leaves?
Mr. Gerrits is worried that nothing will happen. He doesn't think that Medicare for all will come into effect. From a local perspective, CCH will see more and more patients that cannot afford care.
Dr. Swift reported that 150 hospitals went out of business nationwide over the last two years.

Board Governance Policies

Dr. Hartsaw suggested that it would be a good idea to form a small group to review and follow up on the Board governance policies. Dr. Hartsaw and Ms. Harry will review the policies and bring them to the December Board meeting.

**EXECUTIVE SESSION**

The regular meeting recessed into Executive Session at 3:12 p.m.

The regular meeting reconvened at 5:35 p.m.

**ADJOURNMENT**

There being no further business the meeting adjourned at 5:35 p.m.

The next regularly scheduled Board meeting is October 24, 2019 at 5:00 p.m. in Classroom 1.

Campbell County Health
*Excellence Every Day*

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Alan Stuber, Secretary

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Ellen L. Rehard, Recorder