



**GOVERNING BOARD  
SPECIAL MEETING**

The Campbell County Hospital District Board of Trustees met by GoToMeeting on Thursday, June 11, 2020.

Members present:

Ms. Ronda Boller  
Dr. Sara Hartsaw  
Ms. Lisa Harry  
Mr. Dustin Martinson

Members present by GoToMeeting:

Dr. Ian Swift  
Mr. Alan Stuber  
Mr. Adrian Gerrits

Also present:

Ms. Colleen Heeter, COO  
Ms. Karen Clarke, Community Relations  
Ms. Ellen Rehard, Recorder

Present by GoToMeeting:

Mr. Andy Fitzgerald, CEO  
Dr. Attila Barabas, CMO  
Ms. Misty Robertson, CNO  
Ms. Mary Lou Tate, CFO  
Ms. Jonni Belden, VP Continuing Health Services  
Ms. Noamie Niemitalo, VP HR  
Mr. Matt Sabus, VP IT  
Mr. John Harris, Veralon  
Ms. Meredith Inniger, Veralon  
Public

**OPENING**

Call to Order

Dr. Swift, Chair, called the meeting to order at 12:04 p.m.

Roll Call

Ms. Ellen Rehard called the roll of the Trustees of the Board of Campbell County Memorial Hospital District. Dr. Swift, Ms. Boller, Mr. Stuber, Mr. Gerrits, Dr. Hartsaw, Ms. Harry and Mr. Martinson are present.

**APPROVAL OF AGENDA**

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



### **How will Amazon and Other Disruptors Transform Healthcare**

Mr. Harris explained that over the course of several years, there has been a big shift in healthcare competition. All disruptions start at the bottom of the market and then move up. Notable disruptive innovations include:

- Ambulatory Surgery Centers
- Urgent Care Centers
- Retail Clinics
- Telehealth

Disruptors in healthcare accomplish alterations in the market to make a difference. There is a growing focus on “value” as well as global payment for a particular set of services or population. The current healthcare system works on reputation with employed and aligned primary care physicians. A potential future for healthcare looks to incorporate convenient access, which could include efficient facilities, artificial intelligence, virtual visits, customized care across the continuum and population based or episode-based payments. Mr. Harris stated that convenience drives adoption. Tech giants are already in your home and are poised to disrupt healthcare. Retail care delivery models are disrupting healthcare as well. Apple is positioning for healthcare services and has been testing new products and services that empower consumers. Google’s strategy involves data generation/analytics, disease detection, and consumer empowerment and lifestyle management. Amazon understands the customer experience and consumer loyalty. Artificial intelligence has a high potential because of its convenience and 24/7 accessibility. Some implications of disruptors include:

- Tech giants likely to have a big role in healthcare
- Traditional providers losing direct access to patients, tech giants likely to steer patients
- Traditional providers lose their geographic lock on patients
- Large player have an advantage – analytic insight from large numbers, ability to invest in data analytics, distribution has high fixed and low marginal cost
- Consumer empowerment may improve health living and chronic illness management
- Value based payment models will help shift siloed care to create integration of health and social services
- Traditional providers must choose the right partnerships to succeed
- Broader societal and technological changes likely to affect healthcare innovation as much as clinical innovations.

### **STRATEGIC PLANNING OVERVIEW**

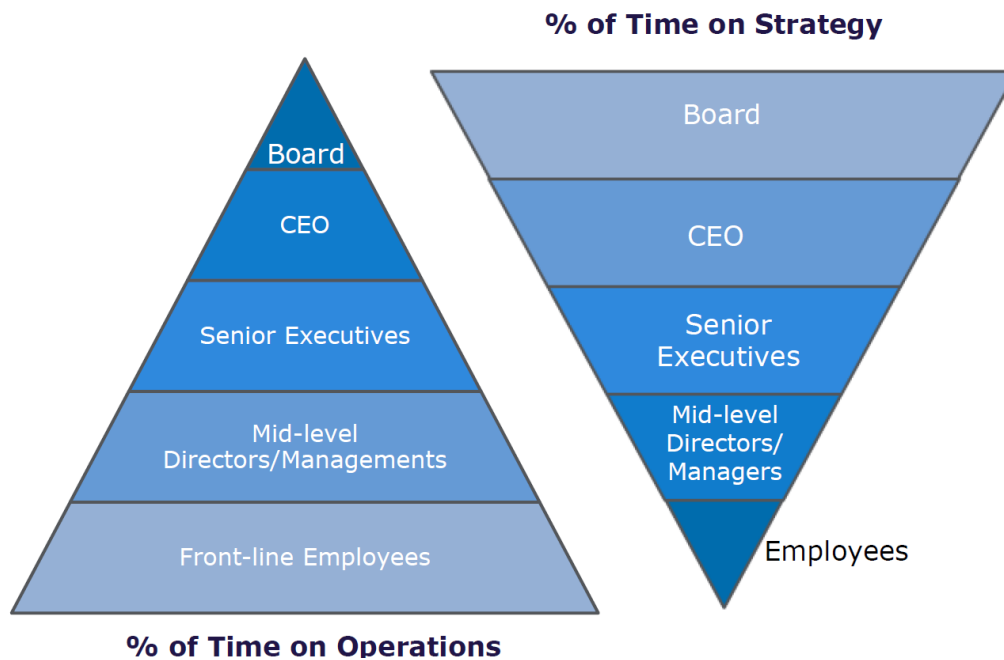
There are three critical components of successful strategic planning:

1. Drive good decision and set priorities
2. Engage key stakeholders
3. Achieve results

Veralon starts the process by completing an environmental assessment to identify challenges and evaluate current and future competitive positioning. They then move on to develop an organizational direction by assessing the mission, vision and values. The next step is to create a strategy formulation by establishing goals, major initiative and objectives. The final step is implementation planning. At this time, the consultants step back, and management steps up to achieve those goals.

Mr. Harris explained strategic vs. operational planning. Strategic planning requires a multiple year timeframe. Operational planning is used to establish yearly tactics. He also explained that it is important for Board members to focus on strategy and front line employees to focus their

work on operations.



### **ENVIRONMENTAL ASSESSMENT**

The environmental assessment will highlight CCH's path prior to the pandemic, discuss the pandemic's impact, and begin to chart a course for the future.

#### **Financial Assessment Summary**

- From FY2014 to FY2019, the mill levy CAGR has been -3.8%.
- Over the same time-period, operating losses had grown from (\$9M) in FY2014 to (\$17M) in FY2019.
- Approximately 94 days in accounts receivable based on FY2019 consolidated statements.
- Medicare grew from 30.9% to 32.4% of payer mix from 2018 to 2019.

#### **COVID-19 Update**

- Estimated \$1.1M loss for the fiscal year ending 6/30/2020.
- Furlough of 80 staff, approximately half of which are back to work.
- Outpatient volumes are back up to 70% of pre-COVID levels, new cleaning protocols required.
- Significant cost-cutting initiatives have been made in order to meet bond requirements and reduce financial losses for this year.

#### **Utilization Volume & Market Share**

- Total acute admissions, ER & OP visits had decreased by 4% from FY2017 to FY2019.
- From FY2018 to FY2019, 2% growth in clinic visits overall:
  - Clinic visit growth of 23% in pulmonology, 34% in urology, and 46% in complex medicine.
  - Clinic visits decreased 25% in endocrinology.
  - Orthopedic cases have grown each of the last three years increasing 65% from



## Campbell County Health

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### FY2017 to FY2020.

- Home health visits have decreased 18% from FY2017 to FY2019, hospice days were down 23% for the same time-period.
- Total resident days at Legacy had increased 14% for the same time-period.
- 7% decrease in total patient days, 4% increase in case mix index from FY2017 to FY2019.
- Decreases in average length of stay, specifically 16% for Medicare patients, from FY2017 thru FY2019.

### Medical Group

- Recent significant growth in the employed physician group
- Approximately 45 physicians and 35 advanced practice providers employed in the medical group.
- CCMG physician compensation as a percent of total medical revenue is 69%, which falls between the 75<sup>th</sup> and 90<sup>th</sup> percentile of comparable market data.
- CCH actively developing process to quantify downstream revenue impact.
- CCMG total operating cost as a percent of total medical revenue excess the 90<sup>th</sup> percentile of market data.

### Quality & Service Metrics

- Strong HCAHPS scores in hospice & home health.
- CCMH outperforms national benchmarks on readmission metrics and leads the region for performance in heart failure mortality.

### Leadership & Governance

- Elected board is pursuing governance best practices.
- Upcoming transition of CEO and other senior staff.

### Population Characteristics & Economy

- Significant recent layoffs at the coal mines in Gillette, 1 in 3 households in Campbell County rely either directly or indirectly on the coal industry for income.
- Anticipated surge in uninsured patients due to layoffs, which is already 12% of CCH inpatients.
- Steep declines in oil prices may further challenge local employers.
- The Campbell County population is expected to decrease 1.6% by 2025, in contrast to the national average of a 3.6% population increase.
- The age 65+ cohort in the county is expected to grow 28% by 2025; will comprise 14% of the total county population.
- Campbell County has the highest age adjusted death rate due to cancer in Wyoming; highest cancer-site incident rates are lung, prostate and breast.
- Wyoming did not expand its Medicaid program.

### Physician Environment

- Medical Staff Development Plan completed in 2019, critical needs included: neurology, psychiatry, spine surgery and geriatrics.
- High priority/strategic needs included: family medicine, cardiology, gastroenterology, child/adolescent psychiatry, orthopedic surgery and ENT.
- Perception of improved communication between the Physician Leadership Committee and hospital administration alignment over the last 5 years.

### Shift to Value

- Most Wyoming area Medicare Accountable Care organizations are on Track 1 (non-risk); once ACOs are subject to financial risk, the number of ACO participants may change.



- None of the ACOs in the region are performing well enough to generate shared savings.
- No pressure from major commercial payers in the area to engage in risk arrangements.

**Competitive Landscape**

- Local and regional competitors have expanded programs/services with/nearby the Gillette area.
- Competitors are focusing on commercially insured patients, with some not accepting Medicaid/Medicare.

**SWOT**

To complete the SWOT interviews were health with Board members, community members, physicians and management.

**SWOT: Strengths**

<ul style="list-style-type: none"> <li>• Organizational culture of teamwork among staff and compassion towards patients (has contributed to low turnover in recent years)</li> <li>• Balance of experienced and new leaders and employees</li> </ul>	<ul style="list-style-type: none"> <li>• Access to services (comprehensive service offerings relative to hospital and community size)</li> <li>• Significant recent growth in medical group</li> </ul>
<ul style="list-style-type: none"> <li>• Clear and continued organizational focus on patient experience across all services</li> </ul>	<ul style="list-style-type: none"> <li>• Favorable contracting environment</li> <li>• Investment in facilities and equipment</li> </ul>

**SWOT: Weaknesses**

<ul style="list-style-type: none"> <li>• Some organizational silos, particularly communication</li> <li>• Difficult to recruit clinical and administrative positions</li> <li>• Nature of elected board</li> </ul>	<ul style="list-style-type: none"> <li>• Identified specialist gaps in GI, Pulmonology and Neuro</li> <li>• Lack of comprehensive care coordination and management</li> </ul>
<ul style="list-style-type: none"> <li>• Uneven public perception of organizational quality and service (as a community hospital provider)</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of data to support business decisions</li> <li>• Dependent on mill levy</li> <li>• Revenue cycle management</li> </ul>



**SWOT: Opportunities**

<ul style="list-style-type: none"> <li>Continuing education and cross-training to maximize development and retention of staff</li> </ul>	<ul style="list-style-type: none"> <li>Leverage technology for enhanced care management (e.g., TeleHealth/ Telemedicine, patient portal) and decision-making</li> <li>Continue/achieve Baldrige journey</li> </ul>
<b>PEOPLE</b>	<b>CARE</b>
<ul style="list-style-type: none"> <li>Integration of services and marketing for community awareness</li> </ul>	<ul style="list-style-type: none"> <li>Affiliation with a larger, regional health system to gain access to infrastructure (e.g., IT), best practices, and clinical support as needed</li> <li>Implement best practices in governance (procedures)</li> <li>Improve data to support business decisions</li> </ul>
<b>SERVICE</b>	<b>BUSINESS</b>

**SWOT: Threats**

<ul style="list-style-type: none"> <li>Competition for physicians and other key staff</li> <li>Burnout for single-provider specialties</li> </ul>	<ul style="list-style-type: none"> <li>Competition from outpatient providers and out-of-town specialists/systems</li> </ul>
<b>PEOPLE</b>	<b>CARE</b>
<ul style="list-style-type: none"> <li>Inflammatory nature of social media and its ability to shift public perception</li> </ul>	<ul style="list-style-type: none"> <li>Local economic impact of downturn in energy sector</li> <li>Decline or elimination of mill levy payments</li> <li>Cybersecurity</li> </ul>
<b>SERVICE</b>	<b>BUSINESS</b>

**SWOT IMPACT: COVID-19**

<ul style="list-style-type: none"> <li>Camaraderie amongst staff has improved</li> <li>Cross-functional teams and teamwork, particularly physician engagement</li> <li>Furlough of staff and select benefit reductions</li> </ul>	<ul style="list-style-type: none"> <li>Closer integration with government officials</li> <li>Restructuring of medical group under COO</li> <li>Future care delivery changes required (PPE, infection control, etc.)</li> </ul>
<b>PEOPLE</b>	<b>CARE</b>
<ul style="list-style-type: none"> <li>Improved interdepartmental coordination</li> <li>Potential negative impact stemming from public fear of hospital/COVID-19 exposure</li> </ul>	<ul style="list-style-type: none"> <li>Lost Revenue</li> <li>Lost Volume</li> <li>Increased expenses associated with PPE and other preparation</li> </ul>
<b>SERVICE</b>	<b>BUSINESS</b>



Potential COVID-19 Census implications include:

- Even places that did not have an initial COVID-19 peak, may have a wave of infections in the late summer or fall.
- A local outbreak could drive a spike in infections.
- All hospitals have to be able to care for COVID-19 patient while also assuring non-COVID-19 patient can safely get care.
  - In areas with infections, emergency visits for stroke and heart attacks have declined by about half.
- A baseline assumption across all the future scenarios: likely local economic downturn/unemployment resulting in both payer mix changes and potential mill levy impact.

### **Critical Planning Issues**

Critical planning issues will become the focus of strategy development. These issues are central to achieving the vision. Veralon presented a draft of critical planning issues that include:

#### **People**

Attracting, retaining, and developing top talent across the organization is vital for growth and success. CCH must engage, empower, and partner with physicians and staff to provide outstanding, patient-centered care for the community. Topics to address include:

- Recruitment, retention/continuing education
- Organizational structure/governance
- New administrative team

#### **Care Continuum**

Providing value to patients through consistent, high-quality coordinated care will be necessary to optimize patient experiences, fend off competitors, and thrive in future payment models. Topics to address include:

- Patient experience and high-value coordinated care
- Quality / Baldrige journey
- Competitors
- Visibility and community involvement

#### **Alignment**

Offering a well-balanced portfolio of local and virtual services to meet needs is critical. Gaining access to technology, specialized services, and best practices is imperative to enhance awareness of CCH quality and keep care local. Topics to address include:

- Signature/core service enhancement and focus
- Telehealth
- Information technology and integration of systems
- Affiliations

#### **Financial Sustainability**

Achieving long-term financial stability in a challenging market requires accurate measurement, effective processes, and performing at or above benchmarks. Topics to address include:

- Revenue cycle/billing
- Service profitability
- Process/service optimization

Mr. Harris closed by inviting Board members to send their thoughts to him or Ms. Inniger. These planning issues are in draft form right now. Once these are finalized, will move forward to



develop goals and major initiatives.

**ADJOURNMENT**

There being no further business, the meeting adjourned at 3:02 p.m.

The next regularly scheduled Board meeting is June 25, 2020 at 5:00 p.m.

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Alan Stuber, Secretary

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Ellen Rehard, Recorder