



**Board Retreat
October 30, 2018
Gillette College Technical Center**

The Campbell County Hospital District Board of Trustees met in the Pronghorn Room at Gillette College Technical Center on Tuesday, October 30, 2018.

Members present:

Mr. Harvey Jackson
Ms. Ronda Boller
Dr. Ian Swift
Dr. Sara Hartsaw
Mr. Randy Hite
Mr. Adrian Gerrits
Mr. Alan Stuber

Also present:

Mr. Andy Fitzgerald, Chief Executive Officer
Mr. Dalton Huber, Chief Financial Officer
Ms. Deb Tonn, Vice President of Patient Care
Ms. Noamie Niemitalo, Vice President of Human Resources
Mr. Bill Stangl, Vice President of Physician Services
Mr. Steve Crichton, Vice President of Facility and Plant
Ms. Jonni Belden, Vice President of Long Term Care
Dr. Jennifer Thomas, Chief of Staff
Dr. Nicholas Stamato, Chief of Staff Elect
Ms. Colleen Heeter, Executive Director PRSC
Ms. Ellen Rehard, Recorder
Public

OPENING

Invocation

Mr. Jackson led those present in an opening prayer.

Call to Order

Mr. Jackson called the meeting to order at 9:04 a.m.



Roll Call

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

Approval of Agenda

Mr. Gerrits moved, seconded by Dr. Swift, to approve the agenda as presented. Mr. Jackson, Ms. Boller, Dr. Swift, Dr. Hartsaw, Mr. Hite, Mr. Gerrits and Mr. Stuber voted aye. Motion carried.

Consent Agenda

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

Approval of Minutes

Minutes from September 27, 2018 Board meeting (copy appended to minutes).

Administrative Policy Review

Three Administrative policies, Lending of Equipment, Outpatient Order Expiration Time Limits, and Pandemic Influenza Vaccination Guidelines (copies appended to minutes).

No motion required.

Board Policy Approval

Four Board policies, Banking Services Request for Proposal (RFP), Board Evaluation, Conflict of Interest and Standing Rules on Allowing the Public to Be Placed on Agenda of a Hospital Governing Board Meeting (copies appended to minutes). One Personnel policy, Grievance and Contested Case Hearing (copies appended to minutes).

Finance Meeting

Items requiring Board Action for the October 22, 2018 Finance Committee Meeting (copy appended to minutes).

Committee Reports

Campbell County Healthcare Foundation
Physician Recruitment and Retention Committee
The Legacy Advisory Board
Quality Committee

Mr. Stuber moved, seconded by Dr. Hartsaw, to approve the consent agenda as presented. Mr. Jackson, Ms. Boller, Dr. Swift, Dr. Hartsaw, Mr. Hite, Mr. Gerrits and Mr. Stuber voted aye. Motion carried.



RECOGNITION ITEMS

Legend

Bill Heineke

Actions speak louder than words. For those of you who know William (Bill) F. Heineke, PhD, you know this statement is one that he lives by.

Campbell County Health leadership recognizes this, and has awarded Bill with its most prestigious award: the Legend Award.

Bill has worked at CCH [Behavioral Health Services](#) for 31 years. Prior to his work at CCH, he worked at Northeastern Wyoming Community Mental Health in its Gillette, Wyoming office.

According to [Jeff Rice](#), the Director of the Behavioral Health Services Department at [Campbell County Memorial Hospital](#), Bill is looked up to as a mentor to all staff in the department.

Bill has single handedly designed, supervised and run the [Children's Summer Group Treatment Program](#), which touches the lives of hundreds of children a year—and he's held the program for 30 plus years.

Bill says his inspiration to work in health care came from his mother, who helped many people—especially Native Americans. “She shared with me her strong commitment to public service,” says Bill.

When Bill is not at work, he loves spending time with his better half, Betty. The pair enjoys cycling and traveling to ride [rails-to-trails](#) across the country—a network of trails from former railroad lines. Bill calls himself a life-long archer who greatly enjoys competitions and bow-hunting. He was recently elected to be the president of the [Wyoming State Archery](#).

Bill is an avid reader, and greatly enjoys writing—he's currently working on several projects for publication.

For Bill, the Legend Award is recognition and appreciation of one's work in their call to service. CCH believes that Bill has stepped up to his call to service in a great way.

Thank you for your dedication to the children and families in need in our community, Bill. You have left a lasting impression.



Retirement

Veronica Taylor

Veronica Taylor is passionate about keeping CCH patients and employees safe...from diseases, needle sticks, falls, and even when helping in a disaster, among several other things. This dedication is why she received CCH's most prestigious award: A Legend in 2017. Veronica will be retiring this Friday after working as a nurse for forty-four years, 27 of those years employed at CCH since 1991.

Veronica has two degrees from the University of Wyoming: A Bachelor's of Science in Nursing, which she earned in 1975, and a Master's of Science with an emphasis in Community Health Nursing and Nursing Education earned in 1990. In 2013, she also received certification in Infection Prevention and Control from the National Certification Board of Infection Control and Epidemiology.

Veronica began her career at CCH as a Clinical Nurse Specialist in the Education Department. She was promptly promoted to manager. For six years, she managed Employee Health, Case Management, Utilization Review, Risk Management, and Library. At the same time, she was a House Supervisor (both PRN and Full Time) before she began training for the Infection Prevention position in 2007. She became the manager of Professional Development in 2009 and in 2012 became the Director of Infection Prevention, Disaster Preparedness and promoted to Director of Professional Development.

Veronica has given of herself through community service as a founding member of the Wyoming Center for nursing, to the Wyoming State Board of Nursing, Wyoming Nurses Leadership Institute, Wyoming Nurses Association and Wyoming Infection Prevention Advisory Group, the list goes on. Veronica is truly a nurse's nurse.

Aside from working, some of Veronica's very favorite things to do is travel and go on vacation with her family, wine tastings and reading novels. Veronica has three adult children all married and five grandchildren. She spends a lot of time going to their activities such as choir, plays, gymnastics, wrestling, dance and baseball.

As I've indicated in this address, Veronica is well rounded and giving. Thank you Veronica for all that you have done for our employees, patients, residents and community members. Congratulations on your retirement! Your knowledge, kindness and dedication will be missed.

Deb Tonn

Deb has been in her current role at CCH for 12 years, but has 42 years of experience in healthcare. During her career she has worked as a flight nurse, staff nurse in the Emergency department and ICU, and managed an open heart unit. Deb consulted for a



number of healthcare systems and has spent 20 years in various nursing leadership positions.

Deb's strength is her ability to relate to others and value their skills and abilities. She listens without judgement, and coaches the members of her team to analyze their thinking and decision making processes. It is a leadership style that moves the organization forward and allows employees to grow and develop. Deb doesn't make decisions for her people; she gives them the tools and skills to enable them to effectively manage their departments.

The organization has seen many changes since Deb joined CCH, and she has been an integral part of the development of new services like Cardiology. She did the bulk of the research on how to start a cardiac cath lab program, participated in numerous site visits and was involved in the recruitment of physicians and staff. This work often goes on behind the scenes, but it is vital to the success of any new program.

Deb is never afraid to take on the challenges that arise with leadership in a large, complex, and multi-faceted healthcare system. This may mean working with the medical staff on an issue that affects patient care or integrating a previously independent service into the CCH family. The fact that most people don't know that any problems exist means that Deb does her job well.

CCH embarked on a significant initiative to improve customer service several years ago called Excellence Every Day. The clinical areas were and are heavily involved in this initiative, since they interact with patients and their families every day. The improvements in patient experience measures and awards like Top 100 Rural Hospital in 2018 are due, in part, to Deb's leadership in the clinical departments she oversees.

Deb manages over 20 departments and 15 managers/directors. She literally affects thousands of lives through her leadership and the decisions she helps facilitate.

Children hold a special place in Deb's heart, and she served for four years on the board of the local Boys and Girls Club. Her service came at a time when the organization was in transition to a new Executive Director, and Deb spent many hours helping the organization get back on a path to success.

She has been an active member of the Chamber of Commerce Energizers for over 10 years. These ambassadors for the community are present at ribbon cuttings and other events, encouraging and welcoming new businesses to the community. Deb also volunteers regularly at the Soup Kitchen, and other community events like the Crawfish Boil, Festival of Trees and the National High School Finals Rodeo.



Deb's work has improved our healthcare system and made our community a better place to live.

Thank you Deb for the many years you served our patients, our staff and our community. We will miss you and we wish you the best of luck in your new adventures.

Trustee

Dr. Swift thanked Mr. Jackson for his nine years of service as a Campbell County Health Board trustee. Mr. Jackson served the Board with tremendous commitment and tremendous passion. Good luck to Mr. Jackson in the future.

PUBLIC QUESTIONS OR COMMENTS

Mr. Jackson asked if there were any comments or questions from the public at this time. Mr. Brooks Worman commended the Board for keeping the retreat in Gillette.

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 Surgery

Nita R. Engineer, M.D.

Anesthesiology

Reappointments

Active:

Department of Maternal Child

David Beck, M.D.

OB / GYN

Courtesy:

Department of Medicine

Robert Novick, M.D.

Cardiology

ADDITIONAL PRIVILEGE REQUESTS

Katie Houmes, M.D.

Family Medicine privileges as requested on privilege sheet for six months



EXTENSION REQUESTS through December 31, 2018 – Applications Not Received AND/OR Complete

Received, in process/waiting on info

Oleg Ivanov, M.D.
Michel Skaf, M.D.
Candace Winters, PA-C

Not received

Roy Paulson, DDS
Morton Hyson, M.D.
Robert Finley, M.D.
Kyle Kusek, M.D.
*Scott Diering, M.D.
*James Naramore, M.D.
*Jennifer Thomas, M.D.
*Ian Swift, M.D.
*Erik Johnsrud, M.D.
*Jennifer Frary, PA-C
*Erin Clark, PA-C
*Theodore Lawson, M.D.
*= sent recently

Received haven't started

Julie Jones, PA-C
Ashlee Mills-Fischer, OD
Hollie Steward, M.D.
Amber Knuths, CRNA
Erica Rinker, M.D.
Michael Pettersen, M.D.
Alexandru David, M.D.
Nahida Khan, M.D.
John Mansell, M.D.
Philip McMahill, M.D.
Mark Kellam, M.D.
Romer Mosquera, M.D.
Sarah Smith, APRN
Kelly McMillin, M.D.
Vashu Thakur, M.D.

StatRad

Shareef Riad, M.D.
Roi Lotan, M.D.
Katharine Yoler, M.D.
Robert Fortuna, M.D.
Christopher Park, M.D.

John Fan, M.D.
Sanjeevi Vridharchalam, M.D.
Jonathan Coll, M.D.
Dipti Nevrekar, M.D.

MEDICAL STAFF NOT RENEWING PRIVILEGES:

Sunil Rao, M.D.

Mr. Jackson, Dr. Swift, Ms. Boller, Dr. Hartsaw, Mr. Hite, Mr. Gerrits and Mr. Stuber voted aye. Motion carried.

2018 Audit Report

Mr. Rob Schile from CliftonLarsonAllen gave a presentation on the 2018 audit. CliftonLarsonAllen comes in and gives an opinion on CCH financial statements. They use a risk based audit approach looking at the foundation of internal controls. At the end of the audit CliftonLarsonAllen issues a management letter with recommendations for improvement on processes and procedures. CCH does not have any material weaknesses. Adjustments that came out of the audit reduced the recorded net loss by about \$1M which was isolated to three adjustment entries. One adjustment was a



significant stop loss re-insurance recovery through the self-health insurance for between \$850,000 to \$900,000 of the total impact. The other two adjustments were cleaning up some valuation on accounts receivable and truing up a loss on the financing primarily related to the debt issue costs. Days Cash on Hand ended up at 168 days for 2018. Net Days in Accounts Receivable grew to 86. It will take time to bring that number down. Percentage of Accounts Receivable over 90 days old is higher than CliftonLarsonAllen recommends. This is one of the greatest opportunities of the organization. Management does have plans in place to address that. Capital spending as a % of depreciation and amortization is at 75%. CCH has been building and investing in the organization at a rate that exceeds depreciation or the usage of assets. Average Age of Plant is 7.9 years which is below the benchmark comparisons. Debt to Capitalization is 19% which is outstanding. Mr. Jackson asked Mr. Schile for an opinion about whether it would be advantageous to retire CCH's debt. Mr. Schile suggested CCH look to the future capital needs and put off debt repayment because of the relatively low current debt and revenue generation. Growth in Net Patient Revenue is just over 5.5%. The decline last year was not uncommon. Operating EBIDA is 10.6% or \$19.5M positive cash flow in 2018. Dr. Hartsaw asked Mr. Schile to discuss the discount percentage. Mr. Schile explained that for every dollar of revenue generated through patient services a full dollar is not paid and is determined by Medicare and Medicaid. Approximately 47¢ does not get recognized. Bad debt and Charity Care is somewhere around 40¢ for every dollar net reimbursement.

Dr. Hartsaw moved, seconded by Mr. Hite, to approve the FY18 Audit as presented by CliftonLarsonAllen. Mr. Jackson, Dr. Swift, Ms. Boller, Dr. Hartsaw, Mr. Hite, Mr. Gerrits and Mr. Stuber voted aye. Motion carried.

Mission, Vision, and Pillars of Performance Administrative Policy & Procedure

Mr. Fitzgerald stated that Leadership recommends that the word "Constant" be changed in the Core Value, Care, to "Relentless".

Dr. Hartsaw moved, seconded by Mr. Stuber, to approve the Mission, Vision, and Pillars of Performance Administrative Policy & Procedure as presented. Mr. Jackson, Dr. Swift, Ms. Boller, Dr. Hartsaw, Mr. Hite, Mr. Gerrits and Mr. Stuber voted aye. Motion carried.

Board Policy Discussion

Bidding/Alternate Design and Construction Delivery Methods

Mr. Crichton explained that a year ago Tom Lubnau and Tom Toner reviewed the policy and made recommendations to bring the policy into sync with state statutes, to reinforce the \$30,000 limit without Board approval and to identify the threshold for public bidding. No changes are recommended at this time.



Mr. Gerrits moved, seconded by Dr. Hartsaw, to approve the Bidding/Alternate Design and Construction Delivery Methods policy as presented. Mr. Jackson, Dr. Swift, Ms. Boller, Dr. Hartsaw, Mr. Hite, Mr. Gerrits and Mr. Stuber voted aye. Motion carried.

Board Conduct and Ethics

Dr. Hartsaw read through each section of the policy. Changes include:

1. Members uphold all legal requirements as required by law. The Board recognizes the Wyoming Ethics and Disclosure Act, as it may be amended from time to time, **and understands its obligation** to comply with Wyoming Law.
4. Board's sole official connection to operations will be through the Chairman of the Board to the CEO and Chief of Staff. Complaints and concerns from the public should be forwarded to the CEO. Patient quality concerns should be forwarded to Patient and Guest Services. **The Compliance Officer shall report appropriate compliance concerns to the Board.**
12. Members may, if necessary to achieve governance initiatives, request information or assistance from the CEO or CFO. **Individual Board Members will respect the time obligations of Hospital Employees, and not monopolize the time of the CEO or CFO.**
17. Members must not interfere individually, or exercise any undue influence, with the employment or discipline of any employee, **including members of the medical staff, or organization.**
23. Board members will pursue additional governance education in **accordance with the hospital bylaws.**
24. Members will promote and participate in **Board Leadership and Governance.**
25. Members **will mentor** new Board members **as directed by the Chairman.**

Ms. Niemitalo will create a mentorship process for the Board to be presented at the December Board meeting.

27. **Any member who materially violates Board policies may be censured and removed from any trustee duties as the Board may determine for such length of time as the Board may determine other than the ability to vote in open meeting by a vote of the Board.**

Dr. Hartsaw moved, seconded by Dr. Swift, to approve the Board Conduct and Ethics Governing Board Policy as presented and amended. Mr. Jackson, Dr. Swift, Ms. Boller, Dr. Hartsaw, Mr. Hite, Mr. Gerrits and Mr. Stuber voted aye. Motion carried.

Construction Project Approval Process

Mr. Crichton explained that he has made updates to the policy to align the process for approval and oversight of construction projects. An addition was made to include



that a projects budget will be submitted annually by senior leadership to the Finance Committee for Board review and inclusion in the fiscal year budget. The approval expense threshold was revised from \$1.5 million to \$500,000. The Facilities Committee will evaluate completed bids and forward the final project recommendation to the Finance Committee. If the final design, contractor selection, and budget are approved, the project will be forwarded to the Board for consideration. Mr. Crichton also updated the CCH Comprehensive Project Approval Process and the Fast Track Project Approval Process flowcharts.

Ms. Boller moved, seconded by Mr. Gerrits, to approve the Construction Project Approval Process Governing Board Policy as presented. Mr. Jackson, Dr. Swift, Ms. Boller, Dr. Hartsaw, Mr. Hite, Mr. Gerrits and Mr. Stuber voted aye. Motion carried.

Rules of Procedure Contested Cases Before the Board of Trustees

Mr. Lubnau stated there have not been Rules of Procedure for Contested Cases other than those of the Medical Staff. These rules reflect the rules of the Wyoming Administrative Procedure Act. This policy outlines the documentation process and details the authority of the hearing officer. Mr. Lubnau recommended that a hearing officer be someone schooled in the law. A hearing officer advises the Board of the process. The Board is the judge and makes evidentiary rulings. The policy also includes the hearing procedure, final decision and judicial review.

Mr. Gerrits moved, seconded by Dr. Swift, to approve the Rules of Procedure for Contested Cases Before the Board of Trustees Governing Board Policy as presented. Mr. Jackson, Dr. Swift, Ms. Boller, Dr. Hartsaw, Mr. Hite, Mr. Gerrits and Mr. Stuber voted aye. Motion carried.

Credentialing

Mr. Lubnau stated that there are no changes to the policy, but it is due for review. Credentialing is highly confidential and this policy allows for any concerns to be addressed outside of the Board meeting. This policy applies to new medical staff credentialing as well as re-credentialing.

Dr. Hartsaw moved, seconded by Dr. Swift, to approve the Credentialing Governing Board policy as presented. Mr. Jackson, Dr. Swift, Ms. Boller, Dr. Hartsaw, Mr. Hite, Mr. Gerrits and Mr. Stuber voted aye. Motion carried.

Campbell County Hospital District Bylaws

Mr. Lubnau made two changes to the bylaws. The first change is in Section 6 of Article II. Three statute references were included which authorize removal from office. Since



the Board approved the Rules of Procedure Contested Cases Before the Board, the reference to the Medical Staff bylaws can be removed. The second change is made to Article X (a), Indemnification. The language was very broad so he added that the Trustee was acting within the scope of his or her duties as a Trustee.

Dr. Hartsaw moved, seconded by Mr. Stuber, to approve the bylaws as presented. Mr. Jackson, Dr. Swift, Ms. Boller, Dr. Hartsaw, Mr. Hite, Mr. Gerrits and Mr. Stuber voted aye. Motion carried.

Chief Executive Officer Succession Plan

Mr. Fitzgerald updated the Administrative Coverage and Responsibilities Administrative policy. He updated information which lays out who is in charge when certain people are absent from the organization so the Board knows the line of succession. The second addition addresses permanent absence of the CEO. Mr. Fitzgerald outlined the three options of the replacement plan.

- 1.) Permanent hiring of the COO as the new CEO.
- 2.) Recruiting from outside firm and leave COO in the interim CEO role during recruitment.
- 3.) Recruitment using an outside firm as well as retaining an outside Interim CEO during the search.

Mr. Jackson inquired about changing the policy from an Administrative policy to a Board policy. Board members discussed this change. Dr. Swift suggested adding a fourth option if this does become a Board policy.

- 4.) Bring as an action item to the Board a recruitment plan or CEO replacement option other than those described above.

Mr. Jackson requested that the title of all the Governing Board Policy & Procedures be changed from Campbell County Memorial Hospital to Campbell County Health.

Dr. Hartsaw moved, seconded by Dr. Swift, to approve the Chief Executive Officer Succession Plan Governing Board policy as revised. Mr. Jackson, Dr. Swift, Ms. Boller, Dr. Hartsaw, Mr. Hite, Mr. Gerrits and Mr. Stuber voted aye. Motion carried.

Marketing

Ms. Karen Clarke, Community Relations Manager, reported that CCH uses a company out of Colorado for graphic design. This company has increased CCH's ability to produce more because Community Relations is not spending time to craft the design. They also help with strategy. Community Relations continues to focus on areas to keep the public aware of available services and special events. They use different types of media since the public has different preferences. In 2019 they will try some digital media outlets including streaming Pandora and Hulu. Ms. Clarke participates in a weekly marketing call with Jet Marketing. Community Relations continues to market patient



experience stories. Patient Relations works vigorously on evaluating the patient experience and working with departments to improve patient experience scores. Andy added that the PLC has reviewed a brochure that will go out to the community that captures CCH specialties and clinics. Mr. Jackson suggests more vigorous online marketing. Some competitors buy the name of an organization and when an online search is done, their site comes up first. Dr. Swift requested a marketing strategy presentation be given at the January Board meeting to include the direction CCH is heading and what is spent for marketing.

Business Strategies

Dr. Swift stated that CCH can have excellent care and profitability. Expenses can be controlled even when providing a high level of care, but it can be a challenge. Medical economics are difficult and the Board and administration will have to start looking outside of the box. What can we do to control expenses and continue efficiency to provide a high level of quality care?

Statement of Revenue & Expense 2013-2018

Campbell County Health
Statement of Revenue & Expense
2013 - 2018

	2013	2014	2015	2016	2017	2018	Budget 2018
Total Operating Revenues	130,252,389	135,285,795	154,519,000	165,375,000	160,306,000	168,069,000	172,046,723
Total Operating Expenses	140,695,755	149,813,420	162,287,000	178,675,000	179,034,000	182,741,000	184,301,687
Operating Income / (Loss)	(10,443,366)	(14,527,625)	(7,768,000)	(13,300,000)	(18,728,000)	(14,672,000) ↑	(12,254,964)
Mill Levy	18,182,953	17,345,162	17,748,000	19,179,000	15,650,000	12,764,000	12,486,000
Investments & Other Income	763,162	724,701	834,000	712,000	591,000	1,086,000	250,000
Gain/Loss on Disposal of Assets & Unrestricted Gifts	26,654	(840,027)	(276,000)	(112,000)	(160,000)	37,000	(150,000)
Non Operating Income (Loss)	18,972,769	17,229,836	18,306,000	19,779,000	16,081,000	13,887,000	12,586,000
Excess Revenues Over Expenses	8,529,403	2,702,211	10,538,000	6,479,000	(2,647,000)	(785,000) ↑	331,036
EBIDA	22,639,182	17,243,148	25,007,000	23,017,000	17,242,000	17,380,000	20,563,768
EBIDA %	17.4% ↑	12.7% ↑	16.2% ↑	13.9% ↑	10.8% ↑	10.3%	12.0%
Operating Margin	-8.0% ↑	-10.7% ↑	-5.0% ↑	-8.0% ↑	-11.7% ↑	-8.7%	-7.1%
Total Margin	6.5% ↑	2.0% ↑	6.8% ↑	3.9% ↑	-1.7% ↑	-0.5% ↑	0.2%

Dr. Swift pointed out that CCH was a \$130M corporation in 2013 and grew to a \$165M in 2015. There was a downfall in 2017 and CCH is now at \$168M. The Mill Levy was \$18M in 2015 and has decreased to \$12.7M in 2018. The Mill Levy allows CCH to perform at a high level and has used that money wisely. Operating expense have grown



from \$140M to \$182M, but have remained fairly flat. The goal for EBIDA is to keep it above 10 or 12%. CCH has maintained that range during the last two years. Operating margin takes out the Mill Levy. It would be nice to bring the operating margin back to 0. Total margin was at 6.5% in 2013 and is basically 0% in 2018 or break even. As of September 30, CCH is \$3M above of where it was last year in revenue and \$1.5M more in expense.

Service Line Summary FYE 6-30-2018

Campbell County Health
Service Line Summary
FYE 6-30-2018

	Hospital	Legacy	CCMG Clinic	CCMG Hospital	Inpatient Psych	Dialysis	Childcare	Home Health Hospice	Home Medical Resources	PRSC
Gross Revenue	231,766,641	18,981,737	30,528,868	18,311,968	4,274,749	4,027,616		2,355,174	3,207,576	12,856,132
Deductions from Reven	94,362,658	5,822,165	15,084,417	9,261,096	2,903,716	2,815,294	0	718,527	1,694,574	6,099,894
Bad Debt Estimate	11,424,967	118,692	975,234	584,969	213,737	40,276	0	4,162	158,718	702,402
Charity Estimate	9,223,449		105,232	100,000	85,495	120,828	0	15,374		0
Total Deductions from	115,011,074	5,940,857	16,164,883	9,946,065	3,202,948	2,976,399	0	738,063	1,853,292	6,802,296
Total Net Revenue	116,755,567	13,040,880	14,363,985	8,365,903	1,071,801	1,051,217	0	1,617,111	1,354,284	6,053,836
Other Operating	3,352,572	123,640	7,664				810,691	59,428		203
Expenses:										
Salaries, Wages & Bene	57,624,467	11,926,884	14,353,352	11,732,271	1,372,564	635,155	1,686,056	1,891,981	440,570	1,041,860
Supplies	24,794,772	1,361,026	1,049,411	14,901	10,032	254,296	35,426	41,271	753,434	1,656,683
Contract Services	6,563,219	1,770,136				79,849		35,832	0	174,176
Service Agreements anc	8,697,602	401,781						18,315	9,396	80,037
CBO/Clinic Admin	0		1,720,269							
Other Expenses	5,502,957	43,280	1,159,103	571,485	1,808	8,170	4,032	186,110	30,220	60,952
Depreciation	15,894,950	3,060,723			11,968	23,472	3,276	26,252	20,592	174,580
Total Expenses	119,077,967	18,563,830	18,282,135	12,318,657	1,396,372	1,000,942	1,728,790	2,199,761	1,254,212	3,188,288
Income from Operation	1,030,172	-5,399,310	-3,910,486	-3,952,754	-324,571	50,275	-918,099	-523,222	100,072	2,865,751
Overhead	-8,432,037	1,856,383	2,742,320	1,231,866	209,456	150,141	172,879	329,964	125,421	318,829
Total Operating Income	9,462,209	-7,255,693	-6,652,807	-5,184,620	-534,027	-99,866	-1,090,978	-853,186	-25,349	2,546,922

Dr. Swift pointed out that the Legacy is losing \$7M a year. CCMG has \$30M in revenue, but is only collecting about half of that. Dialysis is only collecting about 25% of revenue because of contractual issues. Medicaid plays a bigger role in Dialysis patients. Home Health Hospice is a \$2M business, Home Medical Resources is a \$3M business and PRSC if a \$12M business. It would be helpful to lower expenses but keep the same level of care. Only the hospital and the surgery center are profitable.



Pioneer Manor/Legacy Living and Rehab Profit/Loss

Campbell County Health Pioneer Manor/Legacy Living and Rehab Profit/Loss 2013 - 2018

	2015	2016	2017	2018
Resident Days	41,253	42,995	46,369	52,606
Nursing Home Revenue	12,410,050	14,011,538	15,199,468	18,981,737
Contractual Allowances	2,598,086	3,676,955	4,884,453	5,822,165
Bad Debts	22,280	107,383	183,402	118,692
Total Deductions	2,620,366	3,784,338	5,067,855	5,940,857
Net Patient Service Revenue	9,789,684	10,227,200	10,131,613	13,040,880
Other Revenue	39,461	47,679	85,491	123,640
Total Operating Revenues	9,829,145	10,274,879	10,217,104	13,164,520
Salaries	6,667,511	6,790,399	8,232,658	9,211,572
Employee Benefits	1,901,306	2,214,011	2,757,594	2,657,233
Physicians' Salaries & Compensation	2,145	38,134	103,918	58,079
Supplies	982,434	1,039,550	1,116,855	1,361,026
Contract Services	604,944	1,369,214	1,689,671	1,770,136
Service Agreements / Repairs / Utilities	235,243	227,382	272,953	401,781
Other Expenses	49,156	27,338	59,649	43,280
Depreciation & Amortization	388,383	378,556	2,244,194	3,060,723
Total Operating Expenses	10,831,122	12,084,584	16,477,492	18,563,830
Operating Income / (Loss)	(1,001,977)	(1,809,705)	(6,260,388)	(5,399,310)
Excess Revenues Over Expenses	(1,001,977)	(1,809,705)	(6,260,388)	(5,399,310)
EBIDA	(613,594)	(1,431,149)	(4,016,194)	(2,338,587)

Nursing home revenue has increased, but expenses have increased as well. There is also a \$3M in depreciation expense which is hard to make up for. Dr. Swift expressed that Navigant is the proper organization to start with to determine if there are different ways to look at service lines outside of the box.

The options for the Legacy include:

- Continue to work on expense.
- Could sell to an outside buyer.
- Redistrict the Legacy, making it its own entity with its own Board and not be a part of CCH.
- Change the business model trying to accomplish less loss, for instance limit the number of Medicaid residents.

Mr. Huber pointed out some revenue disruptions that impacted the revenue cycle:

- Anesthesiology billing started January 1, 2018
- The Meditech Ambulatory build on February 2, 2018



- Meditech Ambulatory required changes on the hospital side to accommodate one bill
- Meditech Ambulatory Go-Live 5/15/18
- Combined hospital and clinic billing offices 6/1/18
- Blue Cross of WY changed computer systems this summer
- Three billers resigned over the summer due to many changes

The following new vendors and consultants will be utilized in the coming months to help improve the revenue cycle:

- Private pay follow-up – In November changing to RMB Inc. Rubin & Raine. Rubin and Raine receives 6.5% of collection. RMB will produce patient statements which was previously done by Change Healthcare saving CCH \$3,000 to \$5,000 a month.
- Coding audits and back-up coding – AviaCode has been working with CCH in the CBO for several years with coding audits and education. They are now assisting in staying current with physician and hospital coding and are paid per chart.
- Collection Agencies – CCH will split the alphabet between Collection Professionals Inc (CPI) and Chapman Financial Services. CPI received 18% to 25% of collections. Chapman receives 13% to 22% of collections.
- Loans for Patients – Will start using Clear Balance as we will receive cash earlier. They receive 7% of collections but money is paid to CCH when accounts are turned over to them.
- Back-up for billing – contracted with X-tend Healthcare to follow-up old clinic accounts in Greenway We will use them to follow-up old Meditech accounts as well. X-tend is paid 7.5% of collections.

Weekly meeting with billing, medical records, IT and CCMG admin are held to monitor dashboards and bottlenecks.

Mr. Fitzgerald reported on the following national healthcare trends:

- Nursing shortage 1.2M vacancies between now and 2022.
- A physician shortage of up to 104,900 by 2030.
- Drug prices skyrocketing. This \$309 billion industry has seen price increases in just the last two years of 38.7%.
- National healthcare expenditures are set to exceed \$5.5 trillion by 2025; currently at \$3.5 trillion.
- Within the next three years, 44% of all employers will offer high deductible health plans.
- Drug overdose is now the leading cause of death for Americans under the age of 50.
- Since 1999, prescription opioids have increased 400%, yet Americans do not report a substantial decrease in their pain.



- Value-based care will increase with both government and private insurance offering financial incentives for outcomes and value, not volume.
- Telemedicine will increase over time to become an accepted part of the healthcare treatment plan. Between 2004 and 2014, rural telemedicine visits increased by 45.1%. 78% of consumers and nearly 50% of employers interested in this type of healthcare delivery.
- Patient engagement will increase through technology, and become the accepted norm for patient-provider relationships.
- Patient engagement will increase through technology, and the accepted norm for patient-provider relationships. 86% of healthcare expenditures are for the patients with one or more chronic conditions and greater than age 65.
- Innovations in artificial intelligence and hard technologies will abound.
- Non-traditional players will make a major impact on the healthcare industry, e.g., Amazon, Google, IBM, Microsoft, and others joining forces to disrupt healthcare and change the care and payment paradigm.
- Cybersecurity and the Internet of “things” will continue to grow in importance.

The aging of the population and rising health care costs are contributing to the growth in Medicare spending over time. In 2010 there were 40.3 million people over the age of 65. The U.S. Census Bureau projects 83.7 million people over the age of 65 by 2050. The actual Medicare spending for 2010 was \$446 billion and projected to be \$1.2 trillion in 2028.

State and Federal issues for CCH to consider:

- Medicaid Expansion – estimated 27,000 potential enrollees in the state.
- 340B program – CCH realizes at least \$2M per year in savings.
- Reimbursement does not keep pace with inflation – CCH loses \$7.8M looking at cash received from Medicare vs. the actual expenditures.
- Technology and reimbursement pushing more care to the outpatient side, while an aging population is pushing back because the elderly receive more acute care. The 2nd floor remodel is a great example of trying to predict the future.
- To offset physician shortages, CCH will continue to see an increase in Advanced Practice Providers (APPs).
- Most independent hospitals in the state and nation are aligning with a larger partner.

Navigant

Dr. Swift asked to bring to the Board as an action item a motion to accept Navigant as a service line consultant. Mr. Huber explained that Navigant will help with the following questions:

- What are the community service needs?



- What can the community support?
- What services can achieve clinical quality and liability thresholds?
- Who are the other providers in the market?
- How are CCH's existing services positioned with respect to cost, contribution, Market?
- Are there improvement opportunities?
- Which services must CCH have?
- What services are core services?
- Which ones are mission services?
- Which services should CCH directly provide?
- Are there services it should partner with another entity?

Mr. Huber added this would be approximately a four to five month process. Dr. Hartsaw suggested a report be made at the next strategic planning retreat. Mr. Gerrits requested that BHS be included in the evaluation.

Dr. Swift moved to accept Navigant as a consultant to help CCH evaluate the service line. Mr. Jackson, Dr. Swift, Ms. Boller, Dr. Hartsaw, Mr. Hite, Mr. Gerrits and Mr. Stuber voted aye. Motion carried.

Mr. Jackson reviewed discussion items that will be included in future discussions:

Service lines – Next Board retreat

Bullet points to be an ongoing presentation at the Finance Committee

Billing manual – Charge the Finance Committee to discuss monthly and bring to the full Board every other month

Marketing Discussion – January Board meeting

Alignment – Board retreat

Legacy – Board retreat

Mentorship program – December Board meeting

Board members discussed the retreat format and many agreed today's format was excellent.

EXECUTIVE SESSION

The regular meeting recessed into Executive Session at 3:02 p.m.

The regular meeting reconvened at 4:35 p.m

ACTION ITEM

Press Release



Dr. Hartsaw moved, seconded by Dr. Swift, to approve the press release as presented. Mr. Jackson, Dr. Swift, Ms. Boller, Dr. Hartsaw, Mr. Hite, Mr. Gerrits and Mr. Stuber voted aye. Motion carried.

ADJOURNMENT

There being no further business the meeting adjourned at 4:36 p.m.

The next regularly scheduled Board meeting is December 6, 2018 at 5:00 p.m. in Classroom 1.

Ronda Boller, Secretary

Ellen L. Rehard, Recorder