



**GOVERNING BOARD
REGULAR MEETING**

The Campbell County Hospital District Board of Trustees met in the Hospital's Fifth Floor Classrooms on Thursday, July 20, 2017.

Members present:

Mr. Mike Dugan
Ms. Ronda Boller
Dr. Ian Swift
Mr. Mr. Dunlap
Mr. Randy Hite

Members excused:

Mr. Harvey Jackson
Dr. Sara Hartsaw

Also present:

Mr. Andy Fitzgerald, Chief Executive Officer
Dr. Jennifer Thomas, Chief of Staff
Mr. Dalton Huber, CFO
Ms. Deb Tonn, Vice President of Patient Care
Mr. John Fitch, Interim Vice President of Human Resources
Mr. Steve Crichton, Vice President of Plant and Facilities
Ms. Chelsey Petersen, Nursing Administration LTC
Ms. Ellen Rehard, Recorder
Public

OPENING

Call to Order

Mr. Dugan, Chairman, called the meeting to order at 5:00 p.m.

Mission Statement

Mr. Hite read Campbell County Health's Mission Statement.

Vision Statement

Dr. Swift read Campbell County Health's Vision Statement.

Roll Call

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

Approval of Agenda

Mr. Dunlap requested an addition be made to the agenda. He would like to ask a question. Mr. Dugan placed that item prior to the Chairman's report.

Dr. Swift moved, seconded by Mr. Dunlap to approve the agenda as amended. Mr. Dugan, Ms. Boller, Dr. Swift, Mr. Dunlap and Mr. Hite voted aye. Motion carried.



Consent Agenda

Dr. Swift requested the item #4, items requiring Board action from the July 13, 2017 Facilities Planning Committee meeting, be pulled from the consent agenda for discussion. Mr. Dugan added those items immediately following the Consent agenda.

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

Approval of Minutes

Minutes from June 22, 2017, Board meeting (copy appended to minutes).

Administrative Policy Review

Five Administrative policies, Freedom of Information Act, Guidelines for Hospital Demonstrations, Inter-Office Mail, Medical Records Maintenance and Memorials for Campbell County Health Employees, Board Members, and Medical Staff Members (copy appended to minutes). **No motion required.**

Finance Meeting

Items requiring Board Action from the July 17, 2017 Finance Committee Meeting (copy appended to minutes).

Committee Reports

Campbell County Healthcare Foundation
The Legacy Advisory Board
Quality Committee
Facilities Planning Committee

Mr. Dunlap moved, seconded by Ms. Boller to approve the consent agenda as amended. Mr. Dugan, Ms. Boller, Dr. Swift, Mr. Dunlap and Mr. Hite voted aye. Motion carried.

Facilities Planning

Information Systems Site B – Pioneer Manor

Mr. Crichton explained IS has outgrown the existing data center and it was necessary to identify another option. The kitchen space at Pioneer Manor was the least expensive of any of the options for a budget of \$850,000.

Energy Conservation Measures

Mr. Crichton stated that CCH has been working with HGA on ways to reduce energy consumption. HGA has completed an initial assessment and has made a series of recommendations. The annual energy savings associated with these projects is \$190,000.

Emergency Power Supply System

Mr. Crichton described the periodic interruptions that occur during the monthly generator testing. The capital expenditure is to replace outdated transfer switches. New transfer switches will be able to go to a closed transition switch allowing CCH to go from emergency power to city power.

Dr. Swift moved, seconded by Ms. Boller, to go forward with the plan from Facilities Planning Committee. Mr. Dugan, Ms. Boller, Dr. Swift, Mr. Dunlap and Mr. Hite voted aye. Motion carried.



New Appointments:

Active:

Department of Medicine	
William A. Hoskinson, DO	Internal Medicine – Hospitalist
Katie J. Houmes, MD	Family Medicine - Hospitalist

Limited Health Care Practitioner:

Department of Medicine	
Whitney Shawver, APRN	Geriatric Medicine/Long Term Care/ Palliative & Hospice Care

Reappointments:

Active:

Department of Surgery	
James LaManna, MD	Radiology
Department of Medicine	
Douglas Tew, PA-C	Family Medicine / Ambulatory
Department of Surgery	
Patrick Love, DDS	Dentistry

ADDITIONAL PRIVILEGES REQUESTED

Robert Grunfeld, MD To perform Platelet-Rich Plasma (PRP) injections for the purpose of promoting wound healing.

MEDICAL STAFF RESIGNATIONS TO NOTE

Peter Anderson, MD (e-ICU) Effective June 6, 2017

Mr. Dugan, Ms. Boller, Dr. Swift, Mr. Dunlap and Mr. Hite voted aye. Motion carried.

Refinancing Series 2009 Bonds

Mr. Huber stated the Finance Committee is ready to move forward with refinancing the Series 2009 Bonds. CCH has received a proposal from Siemens on a methodology for interest rates who would like to visit the facility in mid-August and move forward. A second bank is interested in taking the remaining bonds that Siemens doesn't feel they can carry. Interest rates are in the mid 3% range, and will drop payments about \$600,000 a year. The current bond total debt service is \$64,000,469. The refunding bond total debt service is \$55,938,945 for a savings of \$9M.

Mr. Hite moved, seconded by Ms. Boller, to approve the recommendation from Finance Committee to move forward with refinancing the Series 2009 bonds. Mr. Dugan, Ms. Boller, Dr. Swift, Mr. Dunlap and Mr. Hite voted aye. Motion carried.

FY17 Strategic Plan overview

Mr. Fitzgerald reviewed the results of the FY17 Strategic Plan.

People:

- Maintain employee voluntary turnover at 16.8%. Met the goal at 16.4%.



- Employee Engagement percent favorable score to increase. Did not meet the goal.
- Recordable injuries (as defined by OSHA) will decrease from 5.9 to 5.6. Did not meet the goal.
- Improve organizational leadership assessment score from 55.5% to 57.9% for Directors and Managers stating leadership training is either “very effective” or “extremely effective.” Did not meet the goal.

Care:

- VTE prophylaxis is ordered and administered within 24 hours when appropriate. Met the goal.
- Sepsis: early management, severe sepsis and septic shock protocol compliance. Did not meet the goal.
- Decrease readmission rate within 30 days for patients over age 64 from 9% to 8.5%. Will meet and may exceed the goal.
- Decrease the number of residents who have moderate to severe pain from 23.7% to 21.3%. Exceeded the goal.
- Decrease weight loss in residents from 9.9% to 7.6%. Exceeded the goal.
- Reduce serious safety events (SSE) from 3.1 to 2.8. Exceeded the goal.
- Increase the percentage of BHS clients reporting a decrease in suicidality upon treatment completed. Exceeded the goal.

Service Excellence:

- Increase the number of HCAPHS domains to 6 of 9 above 75th percentile as measured by Health Stream vendor survey. Met the goal.
- ECD scores for 8 of 17 questions above the 75th percentile of patient experience as measured by Health Stream vendor survey. Met the goal.
- 3 of 5 outpatient questions at or above the 50th percentile of patient experience as measured by HealthStream vendor survey. Did not meet the goal.
- Increase Long Term Care satisfaction by increasing 6 out of 15 key drivers to above the 50th percentile as measured by the NRC vendor survey. Came close but did not meet.
- 6/13 of the CG survey questions will be at or above the 50th percentile. Met the goal.

Business:

- Increase adjusted discharges to 100% of budget. Did not meet the goal.
- Increase operating budget to budget of 7.5%. Did not meet the goal.
- Maintain cash days on hand from 189 days to 168 days. Exceed the goal.
- CCMH AR days will be reduced to 70 days. Met the goal.

FY18 Strategic Plan

Mr. Fitzgerald reviewed the FY18 Strategic Plan.

People:

- Reduce employee voluntary turnover from 16.4% to 15.6%.
- Recordable injuries (as defined by OSHA) will decrease from 6.5 to 6.2.
- Improve organizational leadership assessment score from 55.1% to 57.9% for Directors and Managers stating leadership training is either “Very Effective” or “Extremely Effective.”
- To meet the recruitment needs of the organization active open positions will decrease from 202.8 to 192.7 in “time to fill” days.

Care:

- Sepsis. Early management, severe sepsis, and septic shock. Core measure for Medicare.
- 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.

- Decrease number of falls in LTC by 30%.
- Reduce Serious Safety Event rate.
- Of patients reporting suicidal thoughts, the average percentage of clinical improvement over total of patients measured by My Outcomes will be at least 33%.
- Improve the transition of care across the continuum as measured by acute readmission rate for patients over age 64.

Service:

- Increase the number of HCAHPS domains to 6 of 9 above the 75th percentile as measured by Health Stream vendor survey.
- ECD scores for 8 of 17 questions above the 75th percentile of patient experience as measured by Health Stream vendor survey.
- 3 out of 5 outpatient questions will be at or above the 50th percentile of patient experience as measured by HealthStream vendor survey.
- 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.
- Increase Physician Clinic scores to 5 of 9 questions at or above the 60th percentile as measured by the HealthStream survey.
- Increase Walk In Clinic patient experience scores to 5 of 9 questions at or above the 50th percentile as measured by HealthStream survey.

Business:

- Increase Operating Margin to budget.
- Maintain Cash Days on Hand from 188 days to 185 days.
- CCMH AR days will be reduced to 60 days.
- Improve collection rates from collection agencies by 5% from 2.0% to 2.1%.

Strategic Projects

- Diabetic Program
- Wound Center
- Develop IP Room Replacement Plan
- Implement an energy management plan
- Meditech 6.15 ambulatory implementation
- New PACS
- Investigate home monitoring technology to enhance home care and increase efficiency.
- Improve and increase marketing for CCH
- Recruitment of Physician
- Establish a Succession Planning model for CCH
- Implement a bundled pricing program
- Implement a KRONOS productivity monitoring system
- Consumer driven AR management pricing and insurance/self-pay amounts prior to service
- Revenue Cycle Management project

Mr. Dunlap moved, seconded by Dr. Swift, to approve the 2018 Strategic Plan as presented. Mr. Dugan, Ms. Boller, Dr. Swift, Mr. Dunlap and Mr. Hite voted aye. Motion carried.



INFORMATIONAL ITEMS

Board Member Question

Mr. Dunlap expressed that he had questions on succession planning, but Mr. Fitzgerald already touched on that subject. Mr. Fitzgerald stated that CCH has a tremendous amount of talent within the organization and plans to share more with the Board on the subject in the fall.

Chairman's Report

Mr. Dugan thanked the staff employed by the organization during the past 12 months for battling through the tough times in Campbell County. CCH did not have to do any lay-offs or make any drastic service line cuts.

EDUCATIONAL SESSION

Proposed FY17-18 Budget

Mr. Dalton Huber presented the proposed Campbell County Health Budget to the Board and the community for fiscal year 2018.

CAMPBELL COUNTY HEALTH	
PROPOSED BUDGET	
FY2018	FY 2018 Budget
Total Patient Service Revenue	335,575,390
Charity Care	(9,867,496)
Provision for Bad Debts	(16,622,498)
Revenue Deductions	(141,679,930)
Net Patient Service Revenue	167,405,466
Other Operating Revenue	4,641,257
Total Operating Revenue	172,046,723
Operating Expenses	
Salaries & Benefits	90,870,424
Physicians' Expense	21,607,109
Supplies	28,096,813
Other Expenses	23,394,609
Interest Expense	2,661,322
Depreciation & Amortization	17,671,410
Total Operating Expense	184,301,687
Operating Income (Loss)	(12,254,964)
Non-Operating Gains (Losses)	
Mill Levy	12,486,000
Investment	250,000
Gain/Loss on sale of assets	(150,000)
Total Non-operating gains, Net	12,586,000
Revenue & Gains in Excess of Expenses	331,036
Capital Budget FY2018	17,953,328



The Capital budget is at \$18M and is the lowest amount in recent years.

Mr. Huber presented a comparison of revenue and expense for 2017 to the FY18 budget. There will be a few adjustments made that will be presented at the August Finance Committee meeting.

**CAMPBELL COUNTY HEALTH
STATEMENT OF REVENUE & EXPENSE**

	FYE 2017 Preliminary	% Change from Actual to Budget	FYE 2018 BUDGET
TOTAL PATIENT SERVICE REVENUE	315,541,350	6.35%	335,575,390
CHARITY CARE	9,924,468	-0.57%	9,867,496
PROVISION FOR BAD DEBTS	14,733,149	12.82%	16,622,498
REVENUE DEDUCTIONS	134,964,939	4.98%	141,679,930
NET PATIENT SERVICE REVENUE	155,918,794	7.37%	167,405,466
INTEREST & OTHER OPERATING REVENUE	4,810,049	-3.51%	4,641,257
TOTAL OPERATING REVENUES	160,728,843	7.04%	172,046,722
OPERATING EXPENSES:			
SALARIES	63,294,392	8.20%	68,484,803
EMPLOYEE BENEFITS	20,543,239	8.97%	22,385,620
PHYSICIANS' SALARIES AND COMPENSATION	21,432,321	0.82%	21,607,109
SUPPLIES	27,466,943	2.29%	28,096,813
CONTRACT SERVICES	9,436,571	-20.23%	7,527,789
SERVICE AGREEMENTS/REPAIRS/UTILITIES	8,571,730	0.53%	8,616,974
OTHER EXPENSES	6,596,979	9.90%	7,249,846
INTEREST EXPENSE	2,616,623	1.71%	2,661,322
DEPRECIATION & AMORTIZATION	17,806,849	-0.76%	17,671,410
TOTAL OPERATING EXPENSES	177,765,647	3.68%	184,301,687
OPERATING INCOME / (LOSS)	(17,036,804)	(28.07)%	(12,254,964)
NON-OPERATING GAINS (LOSSES):			
DISTRICT MILL LEVY	15,649,884	-20.22%	12,486,000
	464,825	-46.22%	250,000
GAIN/LOSS ON SALE OF ASSETS	(159,950)	(6.22)%	(150,000)
TOTAL NON-OPERATING GAINS, NET	15,954,759	-21.11%	12,586,000
REVENUE & GAINS IN EXCESS OF EXPENSES	(1,082,045)	-130.59%	331,036

FY17 ended with a net loss, but Finance has projected improvement for FY18. Mr. Huber projects 120 more admissions in 2018, flat outpatient volumes, a small growth in surgery, some clinic growth and a 3% price increase, which is close to inflation. Included in the budget is a 3%



salary adjustment combination of market and merit. Salaries are looking to grow about 8% with the elimination of contract labor from the budget.

EXECUTIVE SESSION

The regular meeting recessed into Executive Session at 6:17 p.m.

The regular meeting reconvened at 8:00 p.m.

FY17-18 BUDGET

Mr. Dugan asked if there were any comments or questions on the budget from the public at this time. There were none.

ACTION ITEM

Dr. Swift moved, seconded by Ms. Boller, to approve the Fiscal Year 2018 Budget as presented. Mr. Dugan, Ms. Boller, Dr. Swift, Mr. Dunlap and Mr. Hite voted aye. Motion carried.

ADJOURNMENT

There being no further business, the meeting adjourned at 8:00 p.m.

The next regularly scheduled Board meeting is August 24, 2017 at 5:00 p.m. in Classroom 1.

Ronda Boller, Secretary

Ellen Rehard, Recorder