

**NRMC Board of Directors
February 26, 2013**

Members Present by phone: Steve Russ, Bill Denman, Dr. Turner, Cathy Hissink, Jenise Burch, Wayne Prewitt, Brad Copeland, Bob Beaver, Judy Feuquay

Others Present by phone: Bryan Breckenridge, Tommy McGee, Cory Vokoun, Holly Bush, Steve Branstetter, Mandi Jordan, Daniel Landon of MHA

Members Absent: Glenn Rogers, Dr. Conley

Topic	Discussion	Action & Follow-Up
<p>Board Education “Medicaid Expansion” by Daniel Landon, MHA</p>	<p>Mr. Daniel Landon of the Missouri Hospital Association attended via teleconference to provide an overview of the Medicaid Expansion Option that is being debated by state and federal legislators.</p> <ul style="list-style-type: none"> • Medicaid eligibility standards below 138% of federal poverty level will be raised to 138% to increase coverage. • Funding of the Medicaid Options will be paid at 100% by the federal government for the first 3 years (2014-2016), then will incrementally decrease requiring states to fund 10% by 2020. Currently, states fund 35% of the Medicaid program. • Effects on the State of Missouri and its Economy – mandated expansion by 2014 but Supreme Court ruling made it optional, reduction in hospital payments, many legislators predisposed against the Medicaid Option. • Cuts to hospital payments will be from Medicare, Medicaid, and DSH. Sequestration cuts 2% off the top, related to the deficit reduction. • Expect hospitals to be paid \$4billion less by 2020. This may result in a reduction of 5,000 jobs, \$1.1billion in cost shifting, and \$1.9billion less in capital investments. • Many businesses and community chamber of commerce representatives endorse the Medicaid Option knowing the major impact to hospitals will effect communities. • Missouri Governor’s budget plan shows this Option as revenue neutral due to the shift from state to federal funding. It will also increase tax revenue by \$50-80million. Expect it to be budget neutral by 2021. • Opposition includes overall partisan objections, lack of state funding, concerns that the federal funding will not be received, that Missouri taxpayers will pay for program, and that Medicaid is a flawed system that should not be expanded. The Missouri Governor’s budget plan shows that this Option does not adversely impact stat funds, and that the savings exceeds the expenses. There is a caveat that if federal funding is not received, the program will end at the state level. • Discussed responses from other states – Iowa is against, Illinois is for, Kentucky is for, Tennessee is for, Arkansas is for, Oklahoma is unknown, Kansas is hesitant, Nebraska is undecided, Ohio is for, Florida is for, and New Jersey is possibly for. • If the Medicaid Option does not pass, all cuts in the federal law will continue, DHS payments will decrease, Medicare payments will decrease, and the sequestration will cut 2% off the top to reduce the deficit. There will not be revenue to offset these cuts, and the uninsured will not be covered. Puts hospitals in a difficult position, may have to decrease services, employment, and capital investments – all detrimental to communities. • Direction from the Missouri Hospital Association is to become active and spread the word to local organizations. Involvement of Board members and community members is preferred. The more who involvement and contacts made, the better. Discussed the need for talking points to be distributed so 	<p>Informational.</p> <p>Follow-up as needed:</p> <ul style="list-style-type: none"> • Talking points will be distributed to the Board. • CEO & COO will provide speaking engagements at local organizations. • Board, Admin, and community leaders to make contact with state and federal legislators. • Mr. Landon to forward status of local representatives. • Financial impact to NRMC of sequestration to be forwarded to full Board.

Board Education “Medicaid Expansion” by Daniel Landon, MHA (cont.)	<p>everyone can speak to the key points. Mr. Landon noted resources that he will make available.</p> <ul style="list-style-type: none"> • Discussed position of local representatives – no bill filed in the Senate, which is an indication that we need to be concerned. The House has not voted, leaning toward removing funding for Option from Governor’s budget plan. This can be added back in, but we miss the opportunity for it to be funded 100% by the feds. • Mrs. Feuquay stated that we will pull numbers to identify the specific impact to NRMC if the sequestration occurs. This information will be distributed to the full Board. • Mr. McGee clarified that there are two issues: 1) Affordable Care Act mandating Medicaid Expansion, and 2) budget crisis causing sequestration for deficit reduction. Mr. Landon agreed and stated that they two are combined to show the overall impact to revenue. The group discussed that the states do not have the authority to change sequestration, it is a federal issue. • Mr. Branstetter inquired about the impact to LTC; Mr. Landon stated that a broad coalition of providers is engaged in this effort, but LTC is not as involved because the impact is mostly to ages 65 and younger. 	<p>Informational.</p>																		
Call to Order	<p>The meeting was held via teleconference due to severe winter weather. Instructions to join the conference call were distributed (<i>Dial 1.800.920.7487, enter Participant Code 3938893#</i>). No conflicts of interest were disclosed. Mr. Russ called the meeting to order at 5:48 p.m. Results of a Roll Call are as follows:</p>	<table border="0"> <tr> <td>Janise Burch</td> <td>Present by phone</td> </tr> <tr> <td>Bill Denman</td> <td>Present by phone</td> </tr> <tr> <td>Cathy Hissink</td> <td>Present by phone</td> </tr> <tr> <td>Wayne Prewitt</td> <td>Present by phone</td> </tr> <tr> <td>Steve Russ</td> <td>Present by phone</td> </tr> <tr> <td>William Turner</td> <td>Present by phone</td> </tr> <tr> <td>Bob Beaver</td> <td>Present by phone</td> </tr> <tr> <td>Brad Copeland</td> <td>Present by phone</td> </tr> <tr> <td>Glenn Rogers</td> <td>Absent</td> </tr> </table>	Janise Burch	Present by phone	Bill Denman	Present by phone	Cathy Hissink	Present by phone	Wayne Prewitt	Present by phone	Steve Russ	Present by phone	William Turner	Present by phone	Bob Beaver	Present by phone	Brad Copeland	Present by phone	Glenn Rogers	Absent
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Celebration of Good Things	<ul style="list-style-type: none"> • Mrs. Feuquay discussed the progress on Journey to Excellence is exciting, and financials are improving. • Dr. Turner complimented staff who have been present at the hospital during the bad weather; Mrs. Feuquay explained that beds and rides are offered to assist employees. She agreed that our employees have been wonderful. 	<p>Follow-up as needed.</p>																		
Approval of Minutes & Reports	<p>Reports and minutes of the following meetings were provided in the packet for review:</p> <ol style="list-style-type: none"> Board of Directors – <i>January 29, 2013</i> Financial Strength Committee – <i>February 19, 2013</i> Quality Dashboard – <i>February 2013</i> 	<p>The minutes and reports were approved upon a motion made by Mrs. Hissink and a second by Mr. Denman.</p>																		
Board Education	<ol style="list-style-type: none"> “Medicaid Expansion,” presentation by Daniel Landon, Missouri Hospital Association, Feb 2013. Presentation given prior to meeting being called to order; see notes above. “Consumer Sentiment Fact File,” HealthLeaders Media, Jan-Feb, 2013. Mrs. Feuquay reported that the article demonstrates that seniors have confidence in the Medicare program, that office visits to primary care physicians are increasing, and that elective procedures and admissions are decreasing. 	<p>Informational.</p>																		
Administrative Reports	<p>CEO Report:</p> <ul style="list-style-type: none"> • <i>Physician Recruitment & Medical Staff</i> – Dr. Hahm, GS, will be visiting Mar 1st. Physician Relations & Retention Committee met, Dr. Harrison resigning (relocating to Louisiana near family). Joint Conference has been moved from March to April. BKD will be providing standardized physician practice reports; information will go to the Financial Strength Committee in March. 	<p>Informational. Follow-up as needed:</p> <ul style="list-style-type: none"> • Physician practice reports to be presented to Financial Strength Committee in March. 																		

Administrative Reports (cont.)	<ul style="list-style-type: none"> • <i>Quality</i> – Dashboard has been revised. Joint Commission readiness efforts include QHR mock survey and environment of care consultant visit. • <i>New Services</i> – Hyperbaric chambers and cabinetry should be delivered this week; training scheduled for staff; expect to open late March. Dialysis is progressing as Freeman group starts construction; expect to open in 6-8 months. • <i>Informational Technology</i> – Mrs. Feuquay acknowledged Mrs. Bush and Nancy Simons for their work on the Meaningful Use attestation; she reported that Mr. McGee submitted the attestation and we expect \$1.6million by mid-April. Cerner training is going well overall; commended interim leadership in IT department for hard work. • <i>Healthy Nevada</i> – PedNet study results should be forthcoming soon. • <i>MHA Conference</i> – recently attended and learned more about tertiary affiliations and partnerships; high priority. • <i>Journey to Excellence</i> – focusing on accountability and implementing proven best practices. Combining Workforce and Community Board Committees to share details of these efforts and report to full Board, will provide better understanding of activities. 	Informational. <ul style="list-style-type: none"> • PedNet study results to be shared.
	QHR Report: <ul style="list-style-type: none"> • Mrs. Feuquay discussed the planned Consultation Services. Mrs. Burch verified the dates of the Strategic Planning Session September 12-14. 	Informational.
Financial Strength Report	Financial Strength: <ul style="list-style-type: none"> • Operating Income was \$107,849; Net Income was \$140,574. Reported \$20,000 donation from Auxiliary for the Ultrasound machines. • Still tracking ahead of budget on admissions. Births also exceeding budget by 7.1%, expect 330 deliveries this year. • Cash is at 159.8 days; 4.81% margin. • Bond covenants exceeding targets. • FY14 Budget planning on track. 	See approval below.
	AR Reduction: provided in packet.	Informational.
	QHR Trending: provided in packet.	Informational.
	ER Financial Analysis: Report showing 11 months actual data for ED physicians (not total ED) provided. Admissions have increased from 7.5% to 10.7%, increasing by 344 admissions totaling \$168,240 in revenue. Expenses are less than expected, so we nearly broke even. Group acknowledged that the transition from external management to in-house management was a good decision. Mr. Denman inquired about readmissions rates; Mrs. Bush reported that our rate in 2012 was 9.2% compared to the industry standard of 16%; we are doing well. Mrs. Feuquay discussed the improvement in the quality of services and patient satisfaction; she thanked Dr. Loney, Vonda Jackson, and Tommy McGee; she is proud and pleased with this service.	Informational.
	Physician Practice Analysis: provided in packet.	Informational.
	Spending Authority Policy Revision Recommendation: The group discussed that the Financial Strength Committee recommended the proposed revisions for approval by the Board.	The financial report and revised policy was approved upon a motion made by Mr. Denman and a second by Dr. Turner.

Financial Strength Report (cont.)	Approval Items: 1. Neurology Services – Dr. Chris Andrew 2. Equipment Lease – Dr. Chris Andrew 3. Reference Lab – Nevada Internal Medicine 4. Space Lease – Dr. Candice Moore 5. Nuclear Medicine – Ameritech 6. Cylinder Medical Gas – Airgas 7. Laboratory Medical Director – Litton Pathology 8. Ultrasound Maintenance – Siemens 9. Flash Sterilizer – Steris 10. Microsoft Office Licenses 11. Microsoft Dynamics – TriBridge & Greenshades 12. Laptops, Docking Stations, Batteries 13. Barcode Scanner, Label Printer, Document Scanners 14. Desktop PCs, Laptops, Toughbooks, Label Printer	The approval items were approved upon a motion made by Dr. Turner and a second by Mr. Denman.
Board Governance	Physician Relations & Retention Committee Update – Mrs. Feuquay reported that the information requested by Dr. Thompson was provided. The committee has discussed how to share sensitive information or discuss controversial topics; Mr. Russ stated that he is pleased that this committee will be able to help discuss how to handle situations as they arise.	Informational.
	2013 Board Committee Schedule – Mrs. Feuquay explained that the changes made by combining Financial Strength and Technology, as well as Workforce and Community Networking, are an effort to reduce the number of meetings and to make them more meaningful. The Workforce and Community Committee will be a vehicle to discuss Journey activities and patient satisfaction.	Informational.
	Board Strategic Planning Session – Scheduled September 12-14; Mrs. Feuquay described our QHR facilitator and provided login information to the webinar in her board report for Board members to access and review.	Informational.
New Business	None.	None.
General Board Discussion	None.	None.
Adjournment	At 6:36 p.m., Mr. Russ asked for a motion to adjourn into Executive Session in accordance with RSMo (1994) Section 610.021 Subparagraphs (1), (3), and (13). Results of a Roll Call are as follows:	Jenise Burch Yea Bill Denman Yea Cathy Hissink Yea Wayne Prewitt Yea Steve Russ Yea William Turner Yea Bob Beaver Yea Brad Copeland Yea Glenn Rogers Absent

Respectfully submitted,

Mandi Jordan
Executive Assistant