

08/21/2015 Board of Trustees

**MINERS' COLFAX MEDICAL CENTER
REGULAR MEETING OF THE BOARD OF TRUSTEES**

Call to Order

The meeting of the Miners' Colfax Medical Center Board of Trustees was called to order by Chair McQueary on August 21, 2015 at 1:00 pm. The meeting was held in the Long Term Care Facility Conference Room located at 900 S. Sixth St. in Raton, New Mexico.

Members Present:

Kathy McQueary

Raymond Rodarte
Donald Belknap, MD
Scott Berry

Staff Present:

Shawn Lerch, CEO
Marin Wamsley, Recorder

Visitors Present:

(See attached list)

Pledge of Allegiance

Chair McQueary led Board members, staff, and visitors present in reciting the Pledge of Allegiance.

Correction/Approval of Agenda

Motion: After review of the August 21, 2015 agenda, Dr. Belknap made a motion to accept as presented. With a second from Mr. Rodarte, a voice vote was taken and all Board Members present voted in favor. Motion carried.

Correction/Approval of Minutes

After review of the July 10, 2015 minutes, Mr. Berry made a motion to accept as presented. With a second from Mr. Rodarte, a voice vote was taken and members present voted in favor. Motion carried.

Recognition of Visitors & Visitors Forum

Recognition of Visitors-Please see list.

Executive Session

Chair McQueary announced that the Board of Trustees will go into Executive Session for the purpose of limited personnel matters pursuant to Section 10-15-1 (H) of the Open Meetings Act.

Motion: At 1:07 Mr. Jarrell made a motion to go into Executive Session For the purpose of limited personnel matters pursuant to Section 10-15-1 (H) of the Open Meetings Act. With a second from Mr. Rodarte, Roll call vote was **not** taken and all members present voted in favor. Motion carried.

Motion: A motion was made by Mr. Rodarte to return to regular session. With a second from Mr. Jarrell, the Board of Trustees returned to regular session at 1:18 pm. No action taken.

Medical Staff Privileges & Appointments (Please see attached list)

Only one *Motion* was made for both New Appointments and Re-Appointments. A motion was made by Mr. Berry to approve all credential recommendations for appointments and re-appointments to the medical staff. With a second from Mr. Rodarte, a voice vote was taken and members present voted in favor. Motion carried.

Medical Staff Report

None – Dr. Caruana not present

Old Business

Mr. Lerch updated the Board of Trustees on the OB Clinic's decreased patient volume. He found no reason for it after researching Dr. Belknap's question about that at July's Board Meeting.

Mr. Lerch also updated the Board of Trustees on the status of the trips for the Long Term Care residents Mr. Rodarte had mentioned after speaking with residents at July's Board of Trustees Meeting. Mr. Lerch stated Long Term Care does provide short trips including shopping trips. However, there have been no trips to Lake Maloya since last year, because the van transporting the residents broke down and cell coverage was non-existent. Long Term Care is very concerned about this risk, because some residents require oxygen and nursing is limited at the Lake. So, they do not want to take residents past 20 miles of the Long Term Care facility.

Ms. Horner suggested a two-way radio set up and Park Rangers could check on the medical emergency, but Mr. Lerch explained there are limitations with two-way radios.

Mr. Rodarte emphasized some residents are on oxygen. Two members on the Council will look into this.

Visitors Forum

Concern from Ms. Horner. Dr. Christine Lopez's receptionist told her Ms. Horner would have to pull her file from her prior doctor allowing Dr. Lopez to see her file before deciding to see her as a patient. Ms. Horner explained this causes a problem, because her prior physician might not accept her again as a patient after dropping him or her.

Mr. Lerch responded Nurse Practitioners can only see certain patients, because they have limitations. Also, a certain process is in place for accepting patients including filling out a required State of NM form. He emphasized we cannot break that contract. Also, he stated the concern exists about patients not adhering to their care instructions. For example, patients do not

take their prescribed medications. Mr. Lerch recognized the problem of patients transferring from their prior physicians to the Clinics taking 2 to 6 months.

Concern from Mr. Felix Petterlin. He voiced his concern about patients with no doctor becoming established with a doctor. Mr. Lerch responded those patients can pick which doctor they want.

Question by Mr. Pat Petterlin. He asked if I do not have a doctor I might as well go to the ER?

After, urgent care was suggested by Ms. Horner, Mr. Lerch emphasized the Rural Health Clinic is not an urgent care, but a primary care clinic with worked out schedules and open slots for acute illness. If a patient is not established with one of the Clinic doctors, being seen by one will take longer.

Concern from Mr. Pat Petterlin is concerned about patients being established, but needs care on the weekend and the Rural Health Clinic is not open on the weekends. Mr. Lerch responded the Rural Health Clinic needs to be established first and then we can look into urgent care rules and regulations.

Additional Concern from Ms. Horner. If she has too many health problems and signed over her file to Dr. Lopez and might be told no, she might not have a doctor at all. Mr. Lerch apologized and promised the registration team will be educated about the proper process of registering new patients. He will speak to Rhonda Moniot, our Rural Health Clinic Manager, and have her call Ms. Horner. Chair McQueary emphasized we need to work out the process of being accepted by a new practitioner after leaving the prior one.

Question by Mr. Felix Petterlin. If his doctor, Dr. Conder, is out of town and no other doctor can take care of him, where should he go? Mr. Lerch responded the ER is his only option. He added when Dr. Christine and Leonardo Lopez were out of town, more slots were open with other doctors to cover for them, but we need more providers to provide more coverage for seeing more patients.

Concern from Ms Horner. The ER is overrun and it is not being used for what it is designed for. In other words, more non-emergency, than emergency cases, are being seen in the ER. Mr. Lerch agreed.

New Business

Chair McQueary, after reviewing the printed list of approved policies, emphasized to the other Board Members they are easy to review online since they are red lined. She emphasized no further action is required, since they have already been approved through the website.

Administrator's Report

Strategic Plan Update:

Mr. Lerch stated he is working with Tri-County, which has a new CEO, and will travel to Taos to meet him to work on the behavioral health program. The detention center designed holding

cells for behavioral health patients. This program will also serve Veterans. Mr. Lerch will meet with the Veterans Services in Albuquerque on September 3, 2015. The preliminary budget request of renovating the old health facility (the old Acute Care facility) is \$7 million total including \$1.2 million for behavioral health. There are Miners who can benefit from this program too. Mr. Lerch discussed this Behavioral health initiative with Federal and State representatives with the purpose of the Federal and State governments being able to enhance the programs. Mr. Lerch is also working with SOY on two Behavioral Health Grants to assist funding this program.

MCMC hosted a successful 8th grade health day with the purpose of a mentoring program to encourage potential career choices in all health care fields. The health day had a great turnout with enthusiastic students.

We are coordinating with the High School under the career pathways program, especially encouraging students' interest in CNA positions.

NRC, a national survey group for customer service, shows 60% of patients would recommend us. Mr. Lerch stated new processes are in place for outpatient testing. Patients will know when they will receive their radiology and lab results and what these results mean.

Mr. Lerch wants to strengthen MCMC's financial position by the end of Fiscal Year 2015 with positive cash flows and an updated charge master. The goal for the end of Fiscal Year 2016 is a 2% operating margin.

Also, he wants to improve the Advanced Benefit Notice and verification to decrease denials.

Other improvements that strengthen our financial position are:

Coding is improved through our third party, Acurus. Improved coding decreases denials from insurance companies.

Our extended business office, NRA, the National Recovery Association, has improved our collections process.

Our financial consultant, Bret Goebel, has enhanced our Medicaid process.

Our contracting process with third party payers is enhanced.

Mr. Lerch informed the Board of Trustees insurance companies have consolidated: Blue Cross/Blue Shield bought Cigna and Aetna bought Humana.

Mr. Lerch referred to the ongoing education of legislature and government agencies concerning our initiatives and asking for their support for providing resources. Mr. Lerch met with the State Personnel Office during several meetings on Healthcare Classifications for improving compensation for licensed professionals and our whole healthcare team. This goal could save \$150,000 per year. Representative Roch was very supportive of this goal. Mr. Lerch also met with Congressman Lujan when he was in town.

Mr. Lerch expressed his goal of creating a world renown and recognized pulmonary facility attracting patients from all over the United States by the end of Fiscal Year 2015. Part of this

goal is recruiting a new respiratory manager. We have not had one for the past two years. Two candidates were interviewed, but were not the right fit. Mr. Lerch is working with the State Personnel Office for increased compensation. Chair McQueary asked about using fellowships to find a candidate. The United States has only eleven occupational pulmonologists with this specialty with Dr. Sood at the top of the list.

We now have patients from OK, TX, and WY in our Outreach program.

We obtained new capital funding of \$450, 000 for our Cardiopulmonary program.

Mr. Lerch expressed his goal to maintain a core group of health care professionals reducing the turnover rate to 10% and reducing the agency contract cost by 50% by the end of Fiscal Year 2015.

Mr. Lerch explained Health Stream provides an enhanced learning program for clinical and medical staff saving an extra \$2500 a year. This funding can contribute to trauma designation.

Mr. Lerch is on the Center for Community Sustainability Council. Council Members are working with the Eastern NM robust e-learning program.

Mr. Lerch explained the new Clinic has been certified from a Primary Clinic to a Rural Health Clinic. This is important, because we receive a 65% higher reimbursement.

Goals for this Clinic will be designating a Medical Director and working with other Rural Health Clinics to develop best practices for ours in a time frame of six months.

Motion made by Dr. Belknap to accept the Strategic Plan Update as presented to the BOT with a second by Mr. Rodarte. Voice vote was taken and motion passes.

Financial Report (SEE ATTACHED)

Mr. Lerch provided results from July 31, 2014 and July 31, 2015 to show a comparison to the Board of Trustees. .

MCMC received two less inpatient admissions this year. Clinic admissions last year totaled 750, 683. ER admissions last year totaled 492, 539. Inpatient stays totaled 146 days last year and increased to 165 days this year due to more acute and observation cases.

Overall receivables (payments) totaled 750,000 last year and increased to almost 1 million this year. Inpatient revenues increased overall this year from 334,887.80 to 501,623.18. Dropped bills have increased to \$2.5 million this year from \$2.1 million last year. Mr. Lerch is working with Healthland to provide a better, quicker comparison between years.

Mr. Lerch explained to Mr. Felix Petterlin he is also the CFO at this time.

The beginning of this fiscal year shows mostly increases in gross charges. Black lung shows a 65% increase, CT shows a 64% increase, ER shows a 60% increase, and Hospitalists show a huge increase from the total of \$34,765.08 from last year to \$32,578.24 already this year. Cardiology clinic is down because we do not have established cardiology doctors at this time. Actual charges and procedures are increased also.

Overall results show an increase from \$332,000 last year to \$352,000 this year. Lab increased 42%, MRIs are up 93%, and MedSurg shows great growth at 83% showing strong continuity and appropriateness of care.

Observation cases and inpatient admissions are down.

Since, Lisa Theis has joined Rocky Mountain Physical Therapy as an Occupational Therapist swing bed has grown over 4,000. Occupational therapy is an important aspect for the swing bed program. It increased 23% and jumped higher in August.

Specialty Clinic has increased from \$75,000 last year to \$124,000 this year.

Surgery Clinic shows a bit of a dip, but growth in August.

Surgery shows an increase from \$142,980.92 already this year from the total of \$169,356.35 last year.

Overall Fiscal Year 2105 showed good growth with \$25,600,000 from \$21 million. Adjustments (deductions from patient revenue such as Collection Agency Adjustment and Administrative Adjustment) increased from \$13 million to \$15.2 million.

Medicare cost settlement shows \$900,000.

Overall other revenue shows an increase from \$2.3 million to \$4.6 million with operating revenue at almost 5 million.

Medicaid is very far behind. They are working on our 2012 audit now.

The Miners' Trust Fund shows a total of \$136 million.

Mr. Berry asked if we are heading towards our goal of 2% growth. Mr. Lerch responded positively, because the Hospitalist and Swing Bed programs show an average of 8 to 10 patients and we are reimbursed well.

SHARE, the State system of expenses, collaborate with Centriq. They show a total of \$1,354,000 for FICA payments and expenses for MCMC.

Our Accounts Receivable shows a total of \$1.6 million.

The CFR (Affecting Fund or Account) journal entries on the SHARE system show \$92 dollars for July 2014.

Our OPR (operating costs) shows \$524, 000 for July 2014.

Straight Payroll shows \$658,000 for July 2014.

The total balance of expenses for July 2014 shows \$111,651.

Mr. Lerch added the patient days statistics report shows a good forecast.

Motion by Mr. Rodarte to accept the financial report as presented to the BOT with a second by Mr. Berry. Voice vote was taken and motion passes.

Executive Session

Motion: At 2:23 Mr. made a motion to go into Executive Session for the purpose of limited personnel matters pursuant to Section 10-15-1 (H) (2) and for the purpose of strategic planning pursuant to section 10-15-(H) (9) of the Open Meetings Act. With a second from, Roll call vote was taken and all members present voted in favor. Motion carried.

Adjournment

With no further business to discuss, a motion was made by Mr. Berry to adjourn the Board of Trustees meeting. With a second from Mr. Rodarte the meeting adjourned at. 3:30 pm.

Attest

Kathy McQueary, Chair

Date

Raymond Rodarte, Secretary Treasurer

Date