

09/30/2015 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 September 30, 2015 at 6:02 pm. The meeting was held in the North Board Room at the Downtown Hyatt Regency at 330 Tijeras NW in Albuquerque, New Mexico.

Members Present:

Kathy McQueary
Raymond Rodarte
Donald Belknap, MD (tele-conference)
Scott Berry
William "Cotton" Jarrell

Staff Present:

Shawn Lerch, CEO
Marin Wamsley, Recorder
Kandace Evans

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 September 30, 2015 Agenda, Mr. Berry made a motion to move Item 11C (Audit Exit) under Item Number 5, Recognition of Visitors. With a second from Mr. Jarrell, a voice vote was taken and all Board Members present voted in favor. Motion carried.

Correction/Approval of Minutes

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

Recognition of Visitors & Visitors Forum

Recognition of Visitors-Please see list.

Audit Exit Conference:

Kevin Smith of Eide Bailey presented the Board of Trustees with an audit exit conference for FY 2014 via telephone conference call. Joining the call from the State Auditors' Office was Kevin Serason. MCMC has had the financial team working on the budget which includes Mr. Goebel, our financial consultant, who prepared the initial audit and updated the financial cost report.

The Board of Trustees and Mr. Lerch were presented with a 6-page memo about a disclaimer of opinion from Mr. Smith's office. Mr. Smith highlighted the major points with the Board. (Please see Attached)

Chair McQueary asked Mr. Smith if he was satisfied responses they received from MCMC. Mr. Smith felt that there was full cooperation by MCMC and they can move forward to reconcile Miners' Colfax Medical Center's financial accounts.

Chair McQueary emphasized the problems that have arisen through this reconciliation process is not due to mismanagement, but not following proper policies and procedures. She praised Mr. Goebel and the finance team for their hard work. Mr. Smith concurred.

Chair McQueary asked what the process is from here and what the timeline is to turn in our financial information to the State Auditor. Mr. Smith explained within the next week the reimbursement report can be submitted to the State Auditor.

Mr. Lerch emphasized enhancing financial controls by choosing a new CFO. This choice is between two excellent CFO candidates. Mr. Lerch will provide the final result at the next Board Meeting.

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 6:02 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 taken and all members present voted in favor. Motion carried.

Motion: A motion was made by Mr. Berry to return to regular session. With a second from Mr. Rodarte, the Board of Trustees returned to regular session at 6:14 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 Dr. Belknap to approve all credential recommendations for appointments and re-appointments to the medical staff. With a second from Mr. Berry, a voice vote was taken and members present voted in favor. Motion carried.

Medical Staff Report

None – Dr. Caruana not present

Old Business

Chair McQueary emphasized the Bylaws have been a year-long process. Our attorney, Danelle Smith, has finished her part. The compliance between both Medical Staff and Board has been

achieved. Only a few grammatical errors exist in the Board Bylaws. Also, Dr. Belknap needs to discuss midlevels in ER to finish the Medical Staff Bylaws.

Discussion on bylaws changes were made as proposed by the Board. (Please see attached work copy)

A motion was made by Mr. Berry to approve the Bylaws. With a second from Mr. Rodarte, a voice vote was taken and members present voted in favor. Motion carried.

Visitors Forum

No comments made.

New Business

Dr. Sood's Presentation: Agenda 2020

Southwest Mining Health Center of Excellence

Dr. Akshay Sood presented to the Board of Trustees a strategic profile of the Black Lung Program and collaboration with the University of New Mexico. The future of this program will improve the health and safety of miners locally, regionally, and of the world with strength from Miners' Colfax Medical Center.

He would like our program to take on a leadership role at all levels: local, regional, national, and international in the future.

A major goal is to attract and retain faculty to create a permanent legacy for miners purpose of endowment of education and Miners' Colfax Medical Center's program.

Mr. Jiron, a visitor, suggested Miners' Colfax Medical Center should partner with the Veterans Administration so miners can avoid traveling long distances for EKG's and CTs. Mr. Lerch responded we are working with Tricare insurance for this. Also, he explained, the Veterans Association's new access card program provides access to services at Miners' Colfax Medical Center.

Fundraising Presentation:

Mr. Ken Thompson explained the program involves setting up endowments for donors and work that goes on at hospital.

Mr. Lerch approached him a year ago and requested solidifying a relationship between Miners' Colfax Medical Center and UNM.

Mr. Thompson explained the endowed chair will attract and retain the very best qualified people in this country.

Please see attached

Administrator's Report

Mr. Lerch explained the capital outlay hearing will take place in Santa Fe on October 21, 2015. The cardiopulmonary program is approved for Fiscal Year 2016 with \$450,000 for appropriations and \$750,000 for equipping it for Fiscal Year 2017. The goal is to also work on the telemedicine program. The estimated cost will total a little over \$1 million dollars. HVAC has not been worked on since 1997 at our Long Term Care facility.

Also, another goal for our Long Term Care facility is improving the dementia and memory courtyard for improving quality of care. This estimated cost will total \$300,000.

The hospitalist program doing well and increasing in utilization with the addition of Mark Bayliss, P.A. and Erin Percy, P.A.

There were 6 candidates for the CFO position and now have decided on 2 top candidate. Mr. Lerch will make an offer after performing background checks. Job offer will be made sometime next week.

Sally Chavez is cutting her hours at the wellness center, so we are looking for additional volunteers to cover, since it is popular with the community and resident miners, hospital staff, and Auxiliary members.

The new Fiscal Year 2015 is awarded to Clifton Larson and Lofton. They will begin onsite field work on October 19, 2015 and plan to finish by December 2015.

The requisition for the CT scanner falls under procurement exemptions. Mr. Lerch drafted a letter to Larry Maxwell and he explained we do not have to follow the regular procurement procedure, because the CT scanner is so unique and specialized. \$750,000 has been approved in Fiscal Year 2015 for this. A springtime install is planned, since the CT room will have to be gutted to install the scanner.

Our Care Flight agreement is solidified. They are waiting for a place for the crew to stay while in Raton. They found a place very close, but negotiations fell through.

The Des Moines school based clinic is doing very well and Kirstin Adams there on Wednesdays.

The Santa Fe Community College on October 15, 2015 for the Northeastern Region program involving many allied health careers, received \$600,000 funding over the next 3 years for Union County and other rural communities.

Financial Report (SEE ATTACHED)

Mr. Lerch presented Fiscal Year 2015 income statement, the revenue side of Centriq. The Centriq conversion in 2014 caused a period of no billing and loss of coding service. Fiscal Year 2015 was a positive year with \$25 million in June.

This statement included a \$10 million contract adjustment.

Net patient revenue totaled \$15 million.

Total revenue totaled \$26 million compared to \$21 million in 2014.

At this time, there is no final cost report, but Mr. Lerch said there was \$1.2 million loss in 2014.

Mr. Lerch forecasts \$300,000 positive revenue for 2015.

There have been 406 patient days in 2015 compared to 279 in 2014.

Last year saw only 1431 visits to the Rural Health Clinic compared to 1742 this year.

ER admissions rose from 217 to 1066 this year.

Actual cash increased from \$1.6 million to \$2.2 million this year for the first two months.

As of now, the total is \$3.6 million for the first three months of this year.

Gross bills total \$5.7 million this year from a dropped \$4 million last year.

Gross charges show a great increase across the board; 43% increase for first 2 months this year to \$5.7 million.

The charge master has been improved. We rank in the 30th or 40th percentile actual throughout region. Our goal is to rank in the 50th or 60th percentile.

Both Dr. Kazmi and Dr. Christine Lopez have seen growth in their practices.

Mr. Lerch explained established patients with the Rural Health Clinic doctors can see these doctors when they need to. There are established blocks of time in their schedules for this.

Mr. Lerch also explained quality in hospitalists improves ICU and MedSurg and utilizing ancillary services.

Concerning the trust funds, the operating trust totals 13.4 million dollars. The permanent land grant dropped \$4 million with a total of \$130 million, because of lots of gas and oil being shut in.

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

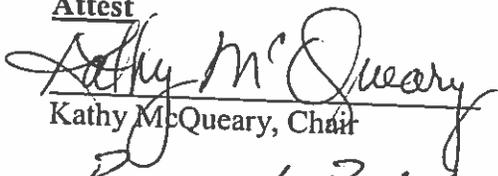
Executive Session

Motion: At 8:16 Mr. Berry 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 Mr. Jarrell, 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. Jarrell to adjourn the Board of Trustees meeting. With a second from Dr. Belknap the meeting adjourned at 9:22 pm.

Attest


Kathy McQueary, Chair


Raymond Rodarte, Secretary Treasurer

10/16/15
Date

10/16/15
Date