

MEETING: **Board of Trustees**
 DATE: **October 25, 2016**
 TIME: **6:00 pm**
 LOCATION: **Room # A**

Board Members:

- Patrick Drouhard, Chair
- Carolyn Beal, Secretary
- Patricia Anthony
- Paul Hinkle
- D. Vincent Trago, MD
- Brent Winand
- Brad Wood

Other Attendees

- CJ Miller, President & CEO
- Jonathan Kelly, VP Finance
- Lorelei Heineman, VP Patient Care Services
- Thomas Freundlich, MD, Medical Staff President
- Matthew Hintz, MD Past Medical Staff President
- Cheryl Herbert, Sr. VP Regional Operations, OhioHealth
- Sandie Fisher, Executive Secretary
- Dennis Leader, Commissioner/Financial Advisor
- Jon Christensen, Board Attorney

Other Guests:

Michael Patterson, Information Systems Director

TIME	TOPIC	LEADER	DISCUSSION / RECOMMENDATIONS	FOLLOW-UP
6:00	Call to Order	Mr. Drouhard	The meeting was called to order at 5:56 p.m.	
	Approval of Minutes	Mr. Drouhard	A motion was made by Mr. Wood and seconded by Ms. Anthony to approve the minutes of the previous meeting with one minor correction – page 3, the capital budget amount by 2018 should be \$1,830,000. The motion was approved unanimously.	

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			<p>As Dr. Trago is out of state and wishes to join the meeting via teleconference, Ms. Beal made a motion, seconded by Ms. Anthony to allow Dr. Trago to participate and vote on any motions via teleconference.</p> <p>The motion was approved unanimously.</p>	
	Consent Agenda	Mr. Drouhard	<p>A motion was made by Mr. Hinkle and seconded by Ms. Anthony to approve the Consent Agenda as presented.</p> <p>The motion was approved unanimously.</p>	
		Mr. Kelly	<p><u>Financial Reports</u> Mr. Kelly reported on the combined September financials and indicated September was a slightly unfavorable month.</p> <p>Net operating income was unfavorable to budget by \$80,000 which brings the year-to-date variance favorable to budget by \$543,000.</p> <p>Gross revenue was \$113,000 favorable to budget and overall, expenses were \$18,000 unfavorable to budget.</p> <p>Hospital days in A/R increased from 56.7 to 66.1. Days cash on hand decreased from 47.5 to 33.3. Mr. Kelly noted a large Medicare payment was received in October which had an immediate positive impact in both areas.</p> <p><u>Finance Committee Minutes – October 19, 2016</u> The minutes of the October Finance meeting were reviewed.</p>	

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			<p>As previously reported to the Board, this was the last year for Rea and Associates to audit MCH as the contract ended. The State then issues an RFP and a bidding process takes place. Mr. Kelly would like to contract with a different firm, Arnett Carbis Toothman. He feels it would be good to have a "different set of eyes" on our financial statements and processes. A fresh perspective is always beneficial.</p> <p>A motion was made by Mr. Wood and seconded by Mr. Winand to approve the three year contract with Arnett Carbis Toothman per Mr. Kelly's recommendation.</p> <p>The motion was approved unanimously.</p>	
		Dr. Freundlich	<p><u>Medical Staff Report</u> In Dr. Freundlich's absence there was no actual report although there were credential recommendations as follows:</p> <p><u>Appointments</u></p> <ul style="list-style-type: none"> • Randy E. Jones, MD – Emergency Medical Staff – Emergency Medicine • Pantelhs Pete Varlas, MD - Emergency Medical Staff – Emergency Medicine • Sarah DeVol Garee, FNP-BC – Advanced Practice Provider Staff – Nurse Practitioner- Ambulatory Care and Nurse Practitioner – Emergency Department (Urgent Care) • Ajay S. Hira, MD – Radiology – Teleradiology • Elizabeth W. Lazzara, MD - Radiology – Teleradiology • Erinn K. Noeth, MD - Radiology – 	

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			<p>Teleradiology</p> <ul style="list-style-type: none"> • Elder A. Oliveros, MD - Radiology – Teleradiology • Scott D. Schlesinger, MD Radiology – Teleradiology • Suraj Singh Waikhom, MD Radiology – Teleradiology <p><u>Reappointments</u> (for the period 11/1/16 thru 10/31/2018)</p> <ul style="list-style-type: none"> • Larry S. Elliott, MD – Emergency Medical Staff – Emergency Medicine • Charles F. Botti, Jr., MD – Consulting Medical Staff – Interpretation of Noninvasive Vascular Testing • Joseph F. Wilcox, MD – Consulting Medical Staff – Orthopedics-Outpatient Clinic • Tracie S. Bakewell, CNP – Advanced Practice Provider Staff – Nurse Practitioner – Ambulatory Care • Sandy F. Kovacs, CNP – Advanced Practice Provider Staff – Nurse Practitioner – Emergency Department (Urgent Care) <p><u>Voluntary Withdrawal</u></p> <ul style="list-style-type: none"> • Aaron V. Weber, MD – Courtesy Medical Staff – Ophthalmology – Effective 10/31/16 • P. Rao Lingam, MD – Courtesy Medical Staff – Pain Medicine – Effective 10/31/2016 <p><u>Focused Professional Practice Evaluation</u> The Credentials Committee reviewed the following focused professional practice evaluations for initial privileges and determined</p>	



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			<p>the following practitioners satisfactorily demonstrated ability to exercise the clinical privileges initially granted.</p> <ul style="list-style-type: none"> • Tracie S. Bakewell, CNP – Privileges granted in Ambulatory Care – Nurse Practitioner • Amber Caplan, CNP – Privileges granted in Ambulatory Care – Nurse Practitioner 	
		Ms. Heineman	<p><u>Administrative Report</u> Ms. Heineman reviewed the report and indicated TeamHealth is still trying to finalize the Emergency Department physician panel.</p>	
	2017 Capital and Operating Budget	Mr. Kelly	<p>Mr. Kelly presented the 2017 Capital and Operating budget. He indicated volumes have been budgeted at run rates for 2016 except for inpatient admissions and provider increases at Northfield and the Cardinal Center. No additional providers are assumed.</p> <p>Fee increases are budgeted to be 5% except for laboratory charges which will remain the same.</p> <p>No additional reimbursement is assumed on Medicare, Medicaid and self-pay.</p> <p>Mr. Kelly indicated if the decision is made by the Board to discontinue Home Health Services, the budget will be revised to reflect the change.</p> <p>The capital budget was raised to \$1,815,000 for 2017 with \$865,000 budgeted for surgery space and renovation. Architects will be touring the surgery area to give recommendations as to the</p>	

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			<p>to see how the area can be renovated to be more functional.</p> <p>The capital budget will be funded by operations.</p> <p>A motion was made by Mr. Winand and seconded by Mr. Wood to approve the 2017 Capital and Operating budget as presented.</p> <p>Mr. Kelly indicated the approved budget will be presented to the Commissioners prior to November 1, per Ohio Revised Code.</p>	
	<p><i>Home Health RFP Discussion</i></p>	<p>Mr. Miller</p>	<p>Mr. Miller gave a current update on Home Health. They currently have 40 patients (down from an average of 60-70). The only full-time aid took the full-time courier position so they cannot accept any new patients that require aid services. Two RNs and 1 LPN are seeking other positions. MCH is certainly not the market leader in this area and have not been for some time. It was noted that the uncertainty of the future of the department has been a struggle for the staff.</p> <p>The Board discussed all the available options.</p> <p>A motion was made by Mr. Winand and seconded by Mr. Wood that Morrow County Hospital would cease to have Home Health services effective December 31, 2016.</p> <p>The motion was approved unanimously.</p> <p>Mr. Miller indicated a thorough communication plan, based on all probable options, has been</p>	

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			<p>developed and the closure option will be implemented tomorrow.</p> <p>The staff of Home Health have expressed a desire to communicate any transfer or closure to their patients in person before they receive the required letter notification. This department has always been very tight-knit and they are dedicated to remain together to see this through.</p>	
	<p><i>Interim Surgery Management Contract</i></p>	<p>Mr. Miller</p>	<p>Mr. Miller reported the surgery director left MCH in August. Administration had asked Marion General surgery management to do an operational assessment of our surgery department. They completed the assessment which resulted in 17 recommendations. Management feels it would not be advantageous to hire a new manager to have to implement those recommendations. Instead, an interim management agreement for weekly on-site management with the assessment team from Marion is being proposed. The duties would be shared between the three individuals and would be 3 to 5 days per week depending on volumes and staffing, for a period of six to nine months. During that time, a search for a new manager would take place. Mr. Miller also indicated the cost of the management agreement is less than the salary of the director that was in place.</p> <p>The board discussed the recommendation. Ms. Heineman reported she would expect someone to be here perhaps 4 hours per day depending on volumes and staffing.</p>	

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			<p>A motion was made by Mr. Wood and seconded by Ms. Beal to approve an interim management agreement with Marion General for on-site management for a period of six to nine months.</p>	
	<p><i>Human Resources Update</i></p>	<p>Mr. Miller</p>	<p>Due to the retirement of the Human Resources Director, Sherrie Nelson at the end of the year, Mr. Miller shared that OhioHealth has led the search for a replacement. They presented five candidates that have been interviewed. The five were narrowed down to two. It is expected an offer will be made within the next 30 days.</p>	
	<p><i>OhioHealth Report</i></p>	<p>Ms. Herbert</p>	<p>Ms. Herbert reported OhioHealth is working on the strategic road map to encompass the next three to five years. There is a lot to take into consideration with the change from volume to value and the expected changes in physician reimbursement.</p> <p>She also reported numerous changes are occurring in the healthcare field. Six hospitals in the last two weeks have contacted OhioHealth regarding some type of affiliation or membership.</p> <p>Tomorrow is the OhioHealth Leadership Briefing (OLB) being held at the Greater Columbus Convention Center. This meeting is an all-day system-wide event and that includes 1400 management personnel from managers, directors, VPs etc.</p> <p>Mr. Miller added that MCH will have a presence there.</p>	

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7:07 p.m.	<i>Recess for Executive Session as Defined by Ohio Revised Code Section 121.22(G)(7), Trade Secrets</i>	Mr. Drouhard	<p>A motion was made by Mr. Wood and seconded by Mr. Winand to go into Executive Session for the stated reasons.</p> <p>The motion was approved by roll call vote.</p> <p>Mr. Leader and Mr. Christensen were requested to remain. Ms. Heineman, Mr. Kelly, Mr. Miller, Ms. Herbert, Mr. Patterson and Ms. Fisher were excused.</p>	
7:53 p.m.	<i>Return to Regular Session</i>	Mr. Drouhard	<p>A motion was made by Mr. Hinkle and seconded by Ms. Beal to return to the Regular Session.</p> <p>The motion was approved unanimously.</p>	
	<i>Other</i>	Mr. Drouhard	<p>Item #7 Stipends for Board members was discussed. The Ohio Revised Code allows the Commissioners to grant stipends for hospital trustees. Mr. Leader indicated there were different kinds of meetings that could be eligible for a stipend - board meetings, up to 13 per year, the officers were be eligible for a higher rate, also committee work could be eligible as well. Mr. Leader also indicated school boards get a stipend of \$125 per meeting. He also mentioned there were no test cases.</p> <p>The board decided stipends for regular meetings up to 13 per year would be sufficient.</p> <p>Mr. Leader indicated the commissioners would need to pass a resolution in order to begin paying stipends.</p>	

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	<i>Discussion of Executive Session Topic (if any)</i>	Mr. Drouhard	None	
	<i>Action of Executive Session Discussion</i>	Mr. Drouhard	None	
7:57 p.m.			Being no further business, the meeting was adjourned.	
Minutes submitted by:		Approved by:		
				
Carolyn Beal, Secretary		Patrick Drouhard, Chair		