

Full Authority Board Meeting 12/05/17

Full Authority Board Members Present: George “Bud” Banker, Bear Lake Township Representative; Nelson “Jerry” Cannon, Garfield Township Representative; Ruth Crawford, Rapid River Township Representative; Allen Dimon, Kalkaska Township Representative; Sonja Dunham, Oliver Township Representative; Gerald “Jerry” Gaultier, Boardman Township Representative; Eric Hendricks, Orange Township Representative; Emory “Dan” Johnson, Village of Kalkaska Representative; Bethel Larabee, Excelsior Township Representative

Members At Large Present: Richard Hodgman, MD; Jeremy Holmes, DO; Jeffrey Lavender, Kathy Ryckman, Bruce Zenner

Staff Members Present: Kim Babcock, Christine Bissonette, Daniel Conklin, Renee Cunningham, Connie Farrier, Danielle Hamernik, Andrew Raymond, Kevin Rogols, Teresa Smith, Laura Zingg

TOPIC	SUMMARY	ACTION ASSIGNMENT
Call to Order	Board Chair, Emory “Dan” Johnson called the meeting to order at 6:00 PM in the Dr. William W. Kitti Education Center at the Health Center.	
Consent Agenda	<p>Consent agenda was presented. It was noted that the Employee Newsletters weren’t included in the packet.</p> <p><u>Motion was made and duly supported to approve the Consent Agenda, minus the employee newsletters, that will be sent out under separate cover. All “AYE”. Motion carried.</u></p>	Mrs. Smith to send out the employee newsletters to the board members.
Munson Healthcare Update	Mr. Johnson reported that Mr. Paul Shirilla has semi-retired and Munson Healthcare will be rotating different Vice-President’s in the system to attend our meetings.	
<p>Board Education</p> <p>Acme Business Plan</p>	<p>Mr. Rogols provided an update on the Acme Business Plan that has been developed for providing physical therapy and laboratory services in the Acme area in conjunction with Crystal Lake Clinic.</p> <p>At prior meetings, the question arose whether such a service would potentially be in conflict with Critical Access Hospital (CAH) regulations. To answer that question, Attorney Shirilla identified a legal expert in the area of CAH, David Snow. Attorney Snow, identified several legal structures under which a CAH could provide such offsite services.</p> <ul style="list-style-type: none"> • Following a review of the updated business plan: <p><u>Motion was made and duly supported to move forward with discussions with Crystal Lake Clinic regarding our interest in proceeding</u></p>	

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	<u>ahead with a business endeavor. All “AYE”. Motion carried.</u>	
Committee Reports Building Committee	There wasn't a meeting held in November 2017.	
Executive Committee Meeting Update Executive Committee Ratifications – October 18, 2017 Meeting	The committee discussed the following: <ul style="list-style-type: none"> • Establishment of a work group to begin a review of the hospital bylaws which, upon conclusion, will be submitted to the Full Authority Board for comment, modification and ultimate approval. • Executive Committee to also function as a Finance/Audit Committee. • Completion of the annual performance review of the KMHC CEO for fiscal year 2017 and establishment of CEO goals/objectives for fiscal year 2018. • The terms of a modernized affiliation agreement with Munson Healthcare as it pertains to employment of the CEO. <p style="text-align: center;"><u>Motion was made and duly supported to approve the actions of the Executive Committee from the October 18, 2017 meeting. All “AYE”. Motion carried.</u></p>	

<p>Executive Committee Ratifications – November 8, 2017 Meeting</p>	<p>The committee:</p> <ul style="list-style-type: none"> Resolved to establish a swing bed program and authorized Administration to draft the resolution for signature by the Board Secretary. Directed the engagement of Wipfli to complete a strategic financial plan for KMHC. Recommend that the Full Authority Board engage Wipfli as our independent auditors for the next 3 years <p><u>Motion was made and duly supported to approve the actions of the Executive Committee from the November 8, 2017 meeting. All “AYE”. Motion carried.</u></p>	
<p>New Auditor</p>	<p>The Executive Committee recommended that the Full Authority Board engage Wipfli as KMHC’s independent auditor for the next 3 years.</p> <p>Items to consider:</p> <ul style="list-style-type: none"> Many audit concerns with current auditor over the past 2 years. We would see a cost savings of approximately \$20,000 per year. Wipfli works with most of the critical access hospitals in the State of Michigan and Wisconsin. KMHC will incur approximately \$2,000 in additional fees related to coordination of information from the Munson Finance Department. <p><u>Motion was made and duly supported to approve the recommendation made by the Executive Committee to engage Wipfli as the independent auditor for Kalkaska Memorial Health Center for the next three years. All “AYE”. Motion carried.</u></p>	
<p>Nominating Committee Meeting Update</p>	<p>The Nominating Committee met on November 21, 2017. We have 2 members with their “Member at Large” terms expiring:</p> <ul style="list-style-type: none"> Kathy Ryckman Dr. Holmes as an ex-officio member, as the Chief of Staff of Kalkaska Memorial Health Center. <p><u>Motion was made and duly supported to accept the</u></p>	

	<u>recommendation of the Nominating Committee to appoint Kathy Ryckman to a 4-year term, as well as Dr. Jeremy Holmes, as an ex-officio member, as the KMHC Chief of Staff for a 4-year term. All "AYE". Motion carried.</u>	
	<p>The Nominating Committee is recommending the following slate of officers:</p> <ul style="list-style-type: none"> • Bruce Zenner – Chair • Dean McCulloch – Vice Chair • Kathy Ryckman – Secretary/Treasurer <p><u>Motion was made and duly supported to approve the slate of officers as presented. All "AYE". Motion carried.</u></p>	Place the election of the Executive Committee members on the January meeting agenda.
	<p>Future board leaders are encouraged to attend the MHC Governance Leadership Program. Mrs. Ryckman is currently in the program and noted that they are reading the book "Culture of Inquiry". This is a very good book. Mr. Zenner has attended this program in the past. The next program won't begin for approximately 9-10 months.</p>	
Board Chair Report	<p>Mr. Johnson reported that yesterday, KMHC and MHC leadership met to discuss the KMHC/MHC relationship. Members present discussed several items regarding the present relationship with MHC:</p> <ul style="list-style-type: none"> • MHC has transitioned enormously over the past few years, and now owns the vast majority of its affiliated hospitals. • Owned hospital finances are overseen by the system, not the hospital. • KMHC perceives that it has been left out of many system discussions and system initiatives because it is not owned. • KMHC is struggling to understand where it fits into the system among the owned hospitals. • MHC is struggling to understand where KMHC fits into the system, among the owned hospitals. • How best can KMHC continue to be a viable partner with MHC? • Partnership – What are our options? • The range of potential relationships spans that of a vendor, to that of a partner, shy of ownership. 	

	<ul style="list-style-type: none"> • KMHC believes that placement on the relationship continuum is dependent upon the service being discussed/considered. • MHC desires KMHC to behave like an owned entity to be fully included in system activities. • KMHC does not perceive that they are being treated like an owned entity and that behaving like an owned entity may not fit our municipal community/hospital mission. • Currently, KMHC can negotiate for services with outside vendors if necessary to obtain better pricing/options. • KMHC would like the opportunity to participate in all discussions. We do get a lot of value for the services provided with MHC, but we are not owned and as a municipal hospital, are spending community money. 	
<p>CEO Report</p> <p>November Financial Statement</p>	<p>Mr. Andrew Raymond reported on a couple recent findings when preparing for the 2017 Medicare cost report:</p> <ul style="list-style-type: none"> • First, in preparation of the FY2017 cost report, provider hours (and cost) were allocated by <u>urgent care visits rather than emergent visits</u> by the MHC staff completing the cost report. Because the number of urgent care visits were less than the number of emergent visits, Medicare paid KMHC too much for idle time. • Second, the proportion of Medicare self-pay was overstated on the 2017 statements thus resulting in an overpayment from Medicare. • These 2 errors resulted in an overpayment of approximately \$250,000. This overpayment had not been reserved and will need to be booked in November resulting in a net operating income being artificially reduced by \$250,000 from what it otherwise would have been. • Additionally, future contractual allowances will need to be increased to reflect this lower payment moving forward, approximately \$20,000 per month. • These items along with the elimination of the rural access pool monies, fiscal year 2018 is shaping up to be a challenge. <p>On a brighter note, effective in October, 2018 LTC reimbursement should increase \$23 per resident day and thus contribute an addition of \$800,000 per year to KMHC operational reimbursement.</p>	

<p>Munson Clinical Integrated Network</p>	<p>Mr. Rogols presented information on a participating provider agreement with the Munson Clinical Integrated Network.</p> <ul style="list-style-type: none"> • Dr. Holmes and Mr. Rogols represent KMHC on this committee. • Contracts have been reviewed by Mr. Raymond, Mr. Rogols and Dr. Holmes. • The network will negotiate contracts with the insurance companies. We will have the opportunity to opt in or out of each agreement. If we chose to opt out, we would not be able to negotiate with the specific payor on our own. • MHC is the sole corporate member. • The network cannot impose a capital contribution on a participating entity. <p><u>Motion was made and duly supported to approve the Clinical Network Participating Provider Agreement as presented. All "AYE". Motion carried.</u></p>	
<p>Huntington</p>	<p>Mr. Raymond presented the need to open a new account for the new millage dollars that we will be receiving. It is a requirement to have these funds separated from other monies. We currently still have some monies left in our current millage account. A resolution was included in the meeting packet to allow for the opening of a new account.</p> <p><u>Motion was made and duly supported to approve the Huntington Bank Resolution as presented. All "AYE. Motion carried.</u></p>	
<p>Medical Staff Report</p>	<p>Dr. Holmes reported that the Medical Staff met last week. A committee has been working on revisions to our current Medical Staff Bylaws. These revisions have been submitted to the Legal Department for review and recommendations.</p> <p>Many members have expressed the desire to change our current call process. The new process is as follows:</p> <ul style="list-style-type: none"> • If a minimum of 5 providers participating in call exists, then: <ul style="list-style-type: none"> ○ Members could opt out if they have 25 years of service ○ Need to have 5 or more providers available in the call pool. ○ Allows for special consideration upon request to opt out as well. 	

	<p>The Medical Staff reviewed these proposed changes and approved to move forward with these recommendations for possible implementation in January 2018.</p> <p>We are also working on changes related to the call process for our long term care residents.</p>	
<p>Closed Session - Into</p>	<p><u>Motion was made and duly supported to go into closed session at 7:37 PM to consider material exempt from discussion or disclosure by state or federal statute. A roll call vote was taken as follows: Bud Banker, yes; Jerry Cannon, yes; Ruth Crawford, yes; Al Dimon, yes; Sonja Dunham, yes; Jerry Gaultier, yes; Eric Hendricks, yes; Bethel Larabee, yes; Richard Hodgman, MD, yes; Jeremy Holmes, DO, yes; Jeffrey Lavender, yes; Kathy Ryckman, yes; Bruce Zenner, yes and Emory “Dan” Johnson, yes. All “AYE”. Motion carried.</u></p>	
<p>Closed Session – Out of</p>	<p><u>Motion was made and duly supported to come out of closed session at 7:43 PM. A roll call vote was taken as follows: Bud Banker, yes; Jerry Cannon, yes; Ruth Crawford, yes; Al Dimon, yes; Sonja Dunham, yes; Jerry Gaultier, yes; Eric Hendricks, yes; Bethel Larabee, yes; Richard Hodgman, MD, yes; Jeremy Holmes, DO, yes; Jeffrey Lavender, yes; Kathy Ryckman, yes; Bruce Zenner, yes and Emory “Dan” Johnson, yes. All “AYE”. Motion carried.</u></p>	
<p>Approval of Credentialing Credentialing Review Staff Appointments Anna Stone, MD - Cardiology</p>	<p>Upon recommendation from the KMHC Medical Staff, the Board of Trustees reviewed the appointment application from Anna Stone, MD with cardiology privileges as a member of the Consulting Staff. Relevant information was discussed during the closed session.</p> <p><u>Motion was made and duly supported that the Board of Trustees approves Anna Stone, MD for appointment to the Consulting Staff of Kalkaska Memorial Health Center with privileges in cardiology services for the period of December 5, 2017 through December 4, 2019. All “AYE”. Carried.</u></p>	

<p>Telemedicine Appointments</p> <p>Radiology</p> <p>Patrick Henderson, MD</p>	<p>Upon recommendation from the KMHC Medical Staff, the Board of Trustees reviewed the appointment data from Patrick Henderson, MD, with privileges in radiology services as a member of the Telemedicine Staff for services provided for Kalkaska Memorial Health Center. Relevant information was discussed during the closed session.</p> <p><u>Motion was made and duly supported that the KMHC Board of Trustees approve Patrick Henderson, MD for appointment to the Telemedicine Staff of Kalkaska Memorial Health Center with radiology privileges for services provided for Kalkaska Memorial Health Center for the period of December 5, 2017 through December 4, 2019. All "AYE". Motion carried.</u></p>	
<p>Staff Reappointments</p> <p>Emergency Medicine</p> <p>Sally Ancel, DO</p> <p>Edward Craven, MD</p>	<p>Upon recommendation from the KMHC Medical Staff, the Board of Trustees reviewed the reappointment applications from Sally Ancel, DO and Edward Craven, MD with emergency medicine privileges as a member of the Active Staff. Relevant information was discussed during the closed session.</p> <p><u>Motion was made and duly supported that the Board of Trustees approve Sally Ancel, DO and Edward Craven, MD for reappointment to the Active Staff of Kalkaska Memorial Health Center with privileges in emergency medicine for the period of December 5, 2017 through December 4, 2019. All "AYE". Motion carried.</u></p>	
<p>Brandon Peters, DO</p> <p>Robert Smith, MD</p>	<p>Upon recommendation from the KMHC Medical Staff, the Board of Trustees reviewed the reappointment applications from Brandon Peters, DO and Robert Smith, MD with emergency medicine privileges as a member of the Consulting Staff. Relevant information was discussed during the closed session.</p> <p><u>Motion was made and duly supported that the Board of Trustees approve Brandon Peters, DO and Robert Smith, MD for reappointment to the Consulting Staff of Kalkaska Memorial Health Center with privileges in emergency medicine for the period of December 5, 2017 through December 4, 2019. All "AYE". Motion carried.</u></p>	
<p>Allied Health Professionals</p> <p>Michael Fulker, PA-C</p>	<p>Upon recommendation from the KMHC Medical Staff, the Board of Trustees reviewed the reappointment applications from Michael Fulker, PA-C; Ralph Geraci, PA-C; Jason Hicks, PA-C; Julie Moore, PA-C; Shamarie Regenold, NP;</p>	

<p>Ralph Geraci, PA-C Jason Hicks, PA-C Julie Moore, PA-C Shamarie Regenold, NP Craig Sheerin, PA-C David Vande Kieft, PA-C Ernest Walker, PA-C</p>	<p>Craig Sheerin, PA-C; David Vande Kieft, PA-C and Ernest Walker, PA-C with emergency services privileges as a member of the Allied Health Professional Staff. Relevant information was discussed during the closed session.</p> <p><u>Motion was made and duly supported that the Board of Trustees approves Michael Fulker, PA-C; Ralph Geraci, PA-C; Jason Hicks, PA-C; Julie Moore, PA-C; Shamarie Regenold, NP; Craig Sheerin, PA-C; David Vande Kieft, PA-C and Ernest Walker, PA-C for reappointment to the Allied Health Professional Staff of Kalkaska Memorial Health Center with privileges in emergency medicine for the period of December 5, 2017 through December 4, 2019. All "AYE". Motion carried.</u></p>	
<p>Ophthalmology Ashley Holdsworth, DO</p>	<p>Upon recommendation from the KMHC Medical Staff, the Board of Trustees reviewed the reappointment application from Ashley Holdsworth, DO with ophthalmology services privileges as a member of the Consulting Staff. Relevant information was discussed during the closed session.</p> <p><u>Motion was made and duly supported that the Board of Trustees approve Ashley Holdsworth, DO for reappointment to the Consulting Staff of Kalkaska Memorial Health Center with privileges in ophthalmology services for the period of December 5, 2017 through December 4, 2019. All "AYE". Motion carried.</u></p>	
	<p>The Board of Trustees took a five minute recess at 7:45 PM. Management Staff left the meeting at this time, with the exception of Mr. Rogols and Mrs. Smith.</p>	
	<p>The Board of Trustees came back together at 7:51 PM for an Executive Session.</p>	
<p>Executive Committee Meeting Follow-Up from October 18, 2017</p>	<p>The Full Authority Board discussed the affiliation agreement with Munson Healthcare (MHC) and the terms applicable to the KMHC Chief Executive Officer's (CEO) direct employment by KMHC.</p> <p>Discussion ensued.</p> <p><u>Motion was made and duly supported to approve the Executive Committee to negotiate and enter into an employment contract between Mr. Rogols and KMHC. All "AYE". Motion carried.</u></p>	

Questions & Comments From Members & Guests	No questions or comments from members or guests.	
Upcoming Events/Conferences	Mr. Johnson reminded everyone to work on completing the Board of Trustees Survey. Please read the questions very carefully. Some of the questions pertain to the healthcare system and some pertain to Kalkaska Memorial Health Center.	
Adjournment	Upon proper motion, meeting was adjourned at 8:24 PM.	

Respectfully submitted,

Bruce Zenner
Board Vice-Chair