

Full Authority Board Meeting June 28, 2016

Full Authority Board Members Present: Sue Allen, Bear Lake Township Representative; Ruth Crawford, Rapid River Township Representative *; Betty Dunham, Oliver Township Representative *; Marianne Ewald, Clearwater Township Representative; Gerald Gaultier, Boardman Township Representative *; Eric Hendricks, Orange Township Representative (left at 7:11 PM); Ray Hoffman, Coldsprings Township Representative; Carl Ingersoll, Springfield Township Representative; Dan Johnson, Village of Kalkaska Representative *; Bethel Larabee, Excelsior Township Representative; Dean McCulloch, Blue Lake Township Representative *

Members At Large Present: Dr. Richard Hodgman; Dr. Jeremy Holmes; Jeffrey Lavender *; Michael Perreault; Laura Purtil; Kathy Ryckman *; Bruce Zenner *

Staff Members Present: Kim Babcock; Christine Bissonette; Daniel Conklin; Connie Farrier; Danielle Hamernik; Kevin Rogols; Paul Shirilla; Teresa Smith; Laura Zingg

Members Not Present: Jerry Cannon, Garfield Township Representative *; Al Dimon, Kalkaska Township Representative

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TOPIC	SUMMARY	ACTION ASSIGNMENT
Call to Order	Upon proper motion, Board Chair, Mr. Emory “Dan” Johnson called the meeting to order at 6:00 PM in the Dr. William W Kitti Education Center.	
	We viewed the Munson Healthcare System-wide video prior to the meeting.	Mrs. Smith to send out the system video link to all board members.
Consent Agenda	<p>The Consent Agenda was reviewed and approved, with item b – KMHC May 2016 financial statements being removed from the consent agenda.</p> <p><u>Motion was made and duly supported to accept the Consent Agenda, minus the May 2016 financial statements. All “AYE”. Carried.</u></p>	
Financial Statements	<p>Mr. Johnson wanted to highlight a few key areas on the May 2016 financial statements:</p> <ul style="list-style-type: none"> • Acute Care admissions have vastly increased. We accomplished our goal of increasing inpatient admissions. • Overall outpatient volumes have increased vastly. • LTC occupancy rate at 101.9%. This is related to the addition of 20 new long term care beds. <p><u>Motion was made and duly supported to accept the May 2016 financial statements as presented. All “AYE”. Carried.</u></p>	

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<p>Board Education</p> <p>Community Needs Assessment</p>	<p>Mrs. Laura Zingg presented the results of the 2016 Community Health Needs Assessment. The entire report was distributed to members for review. This assessment is a 3-year process that began with 26 identified needs, narrowed down to the final prioritized needs that Kalkaska Memorial Health Center (KMHC) will focus on are as follows:</p> <ul style="list-style-type: none"> • Obesity and overweight • Diabetes • Substance abuse/tobacco use • Access to health services • Mental health • Maternal, fetal and infant health • Access to healthy foods <p>Over the next several months KMHC will be determining how to implement our specific strategies to move forward. The first organizational meeting will occur next week.</p> <p>We have decided to implement a new chronic disease management program. The primary care providers will be our primary referral source for this new program.</p> <p>Mr. Johnson noted that the IRS requires health facilities, not governmental facilities to report on community health needs. KMHC has always participated in this activity even though it isn't a requirement.</p>	

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	<p><u>Motion to made and duly supported to accept the Community Health Assessment Needs report as presented. "All AYE". Carried.</u></p>	
<p>FY 2017 Operating Budget</p>	<p>Mr. Rogols presented the FY 2017 operating budget. Budget highlights include:</p> <ul style="list-style-type: none"> • Elimination of 2007 debt financing! • Continuation of service growth. • 3% rate increase in Acute, LTC and Outpatient Services. 1% rate increase for Kalkaska Medical Associates. • Potential addition of 23 FTE's throughout the organization. • Potential increase of KMHC minimum wage to \$12 per hour – January 2017. This would be an increase of about 6.5% increase. • Physician/provider additions including: <ul style="list-style-type: none"> ○ The addition of Dr. Kelly Donovan to the KMA practice in November 2016. ○ The expansion of Dr. Mark Brewster's gastroenterology practice to full time. ○ Further expanded physician coverage in Emergency Services with Drs. Ancel and Craven. • Refinement of Medical Staff leadership roles including: <ul style="list-style-type: none"> ○ Commencement of the Acute Care Medical Director, Dr. Andy 	

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	<p>Long.</p> <ul style="list-style-type: none"> ○ Commencement of the Walmart and Occupational Health medical Director, Dr. Nate Sailor. ○ The addition of a dedicated Physician Assistant to LTC and Assisted Living, Sharon Johnson, PA-C ● Opening of the new 20 bed LTC “Green House” expansion. <ul style="list-style-type: none"> ○ Continued decrease of LTC length of stay and increased focus on rehabilitation. ● Resources for preparation of the 2017 millage and potential bond financing. ● Completion of the KMHC Master Facility Planning process. ● Expanded mission based outreach services. <ul style="list-style-type: none"> ○ Diabetes Management Clinic – Dr. Gary Ziegler as Medical Director and recruitment for a manager of the program. <p>Mr. Rogols noted that there is a move in the government to decrease Critical Access Hospital reimbursement to from 101% to 100% of cost. This past year KMHC revenues have grown faster than our expenses, resulting in a larger payment back to CMS than prior years.</p> <p>Volume forecasts for the next fiscal year were based on the assumption of annualized numbers for 10 months in the current fiscal year. Revenue comparison for FY 17 budget are as follows:</p> <ul style="list-style-type: none"> ● Gross revenue up 3.1% ● Deductions up 5.1%. 	

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	<ul style="list-style-type: none"> • Net revenue up 1.7% • Total Operating Revenue up 1.2% • Potential increase of FTE's by 7% • Potential increase of salaries by 12.1% (Reviewed the list of FTE additions by department, which will be evaluated prior to recruitment.) <p><u>After thorough discussion, motion was made and duly supported to approve the FY 17 Operating Budget as presented. All "AYE". Carried.</u></p>	
FY 2017 Capital Budget	<p>Mr. Rogols presented information for the FY 17 Capital Budget in the amount of \$2,543,570.</p> <p>Mr. Rogols explained that the Infrastructure Project was taken out to bid recently. We had allotted \$750,000 towards this project. The bids came back significantly higher than anticipated. Many of the contractors are very busy in the area. In fact, we initially only had one excavation contractor bid on the project. We took the project out to bid a second time and did receive a second bid. Unfortunately, the bids came back \$141,000 higher than originally budgeted. As such, the Fiscal Year 2017 Capital Budget has been re-prioritized to include this higher amount with an equivalent amount (\$140,000 placed on a "contingency" list for 2017.</p> <p>A question was asked if monies from State funding are secure for the upcoming year. At this time it is believed that this funding is secure.</p> <p><u>Motion to made and duly supported to approve the FY 17 capital budget as presented. All "AYE". Carried.</u></p>	

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Update on Overtime Pay Rules on Our Employee Compensation	Mrs. Kim Babcock noted that the new overtime pay rules will only affect one employee, as most of our employees are paid on an hourly basis.	
Committee Reports Building Committee	No meeting in June.	
Quality and Patient Safety	No meeting in June.	
Compliance Committee	No meeting in June.	
Board Chair Report Board Member Job Description Committee	Meeting has been set up for July 11 th at 4:45 PM.	Mrs. Smith to resend the job descriptions to the committee meeting members.
Open Meetings Act Follow-Up	Mr. Paul Shirilla included follow-up information in the packet for review related to the Open Meetings Act Educational session held in April. A draft policy on public participation was included in the packet for review as well.	Discuss the public participation policy at a future board meeting.

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Medical Staff Report	<p>Dr. Holmes reported that the KMHA providers have received their new iPad Pros. They all like their new devices. Formal training will be held in about a week and a half.</p> <p>All prescriptions are now being prescribed through their electronic medical record program.</p> <p>Dr. Holmes noted that servicing chronic pain patients is becoming more difficult. Pain management is a heavily scrutinized program by the Drug Enforcement Agency. With Dr. Meyer leaving the community, there isn't any pain clinic provider within in our facility. KMHC is evaluating whether or not we want to offer this type of service in the future. Currently, KMA will do an assessment and will consult the Michigan Automated Prescription System on any potential pain management patient; but third party scrutiny and associated legal risk is so high, KMA physicians are reluctant to provide pain management care. KMA requires pain management patients to agree to regular drug testing prior to prescribing narcotics. Additionally, if the patient doesn't follow the plan developed for them, and adhere to the compliance contract individually designed for each pain management patient, the provider will release them from their care.</p> <p>The Sharps Day disposal events have been very well received. The next event is being held on September 6, 2016 from 10:00 AM – 2:00 PM. Information regarding upcoming events is posted on our website.</p>	
Credentialing Discussion	No credentialing to present for the month of June.	
CEO Report		

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Physical Therapy-Lab Expansion into the Acme Area.	The Board of Trustees discussed the possible business opportunity to establish KMHC physical therapy and /lab services in the Acme area. Board members conveyed “informal support” being expressed in many of the townships with the exception of Rapid River. Many members were intrigued by this opportunity and would like to review a business plan.	Administration will bring the business plan for the expansion of physical therapy and lab services in the Acme area to the July Board Meeting.
Coral and Second Street Update – Infrastructure	Discussed earlier under the FY 17 Capital Budget.	
RHC Expansion	We have received site plan approval for the expansion of the Rural Health Clinic. We hope to take this project out to bid within the next week or so.	
Munson Healthcare Update	<p>Mr. Paul Shirilla reported that the major topic of discussion at the recent Munson Healthcare Board meeting was the FY 17 budget. The MHC Board also reviewed the recommendations from the information technology consultants.</p> <p>MHC continues discussions with West Shore Hospital. A presentation is occurring with the County Commissioners in July. If the County Commissioners approve the purchase of the facility by MHC, the transaction could be completed by the end of the year.</p>	
Open Dialogue from Members	<p>There was discussion regarding the availability of parking spaces around the Education Center during the evening hours. It was noted that staff are allowed to park closer to the building when working the evening shifts.</p> <p>A member present was concerned about the availability of counseling services at KMHC. Mrs. Zingg noted that services are available through the Teen Health Center and is promoted through the school systems. Extensive</p>	

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	discussion ensued focusing on the need for mental health and substance abuse services within Kalkaska County.	
Questions &Comments From Guests	No guests were in attendance at the meeting.	
Upcoming Events	An Open House for the Administrative Offices is being held on June 29 th from 2:00 – 4:00 PM. The Board Building Committee Meeting is being held on July 11, 2016 at 10:00 AM.	
Adjournment	Upon proper motion the meeting was adjourned at 8:07 PM.	

Respectfully submitted,

Dean E. McCulloch,
Board Secretary/Treasurer