

Bartlett Regional Hospital

Minutes
BOARD OF DIRECTORS MEETING
August 23, 2022 – 5:30 p.m.
Virtual Meeting via Zoom

CALL TO ORDER – Meeting called to order at 5:30 p.m. by Kenny Solomon-Gross, Board President. Roll call taken.

BOARD MEMBERS PRESENT (*Zoom attendees italicized*)

Kenny Solomon-Gross, President

Mark Johnson

Max Mertz

Brenda Knapp, Vice President

Hal Geiger

Lisa Petersen

Deb Johnston, Secretary

Iola Young

Lindy Jones, MD

ALSO PRESENT (*Zoom attendees italicized*)

David Keith, CEO

Dallas Hargrave, HR Director

Barbara Nault, Legal Advisor

Anita Moffitt, Executive Assistant

Bob Tyk, Interim CFO

Tracy Dompeling, CBHO

Robert Palmer, CBJ Attorney

Nathan Overson, Compliance

Kim McDowell, CCO

Joseph Roth, MD

Michelle Hale, CBJ Liaison

Nate Rumsey, Bus. Dev.

INTRODUCTION OF CEO – Mr. Keith reported he had a very busy, fruitful first week. He thanked the board for allowing him to be here in this role. He has met with most of the Board members and looks forward to meetings with the rest.

APPROVE AGENDA – **MOTION** by Ms. Knapp to approve the agenda as presented. Ms. Johnston seconded. There being no objections, agenda approved.

PUBLIC PARTICIPATION – None

CONSENT AGENDA – **MOTION** by Mr. Geiger to approve the consent agenda. Ms. Knapp seconded. There being no objection, the July 26, 2022 Board of Directors Minutes, August 16, 2022 BRH & Assembly Joint Committee Minutes and the May and June 2022 Financials approved.

OLD BUSINESS

Covid-19 Update - Ms. McDowell reported 2 Covid positive patient in house. One is an incidental finding and neither are on ventilators. 8 employees out with Covid, this is the lowest number of employee positivity we've had in a while. PPE and testing supplies are good. Staffing is short but is not Covid related.

Family Practice Building Acquisition – Mr. Solomon-Gross reported the BRH and Assembly Joint Committee met last week to discuss the acquisition of the Family Practice building and have sent it back to the Board for action. Ms. Knapp expressed her support for moving forward with the purchase. Reasons: It would allow BRH to have a presence in the Valley, protect the local practice currently in the building, address some of our needs for space to possibly expand our services or provide housing. It seemed that the Assembly would support a zoning change to allow more flexibility in the use of this property. Mr. Johnson questioned whether costs for maintenance, upgrades and parking needs had been considered. Mr. Solomon-Gross stated the underground tank is the biggest issue identified and the seller would take care of it, the other issues are minor. Mr. Johnston raised the question about the need for a Certificate of Need (CON) and what BRH is planning to use the property for. If BRH purchases the property to act as a landlord, a CON would not be needed as no beds are being added and it is under the \$1.5 Million

threshold. A review would need to be conducted if other medical services are to be considered. Dr. Jones said the benefits outweigh any potential issues and a decision should be made to move forward with the purchase. Mr. Mertz and Ms. Johnston agreed. Discussion held about what we can and can't do based on the zoning of the property. Mr. Johnson and Ms. Young expressed concern that there are better ways to spend the money for BRH and the community than buying this property. Mr. Johnson initiated discussion about where the physicians currently in the building would go if not allowed to stay in their current location. Dr. Jones stated his opinion that there is a high probability Family Practice would disband as there is nowhere for the providers to go that would not require a very large investment in remodeling a new location. Discussion held about rent; all tenants must pay fair market value. Ms. Petersen expressed concern for the number of patients that would be displaced if a local medical practice closed. She also noted the rents BRH would collect will help offset the cost of buying the property. Mr. Mertz requested a motion be made before further discussion.

MOTION by Ms. Johnston that BRH move forward with the purchase of the Family Practice building located in the valley. Ms. Knapp seconded.

Mr. Keith stated it's an interesting conundrum and not ideal. From a strategic standpoint, BRH needs opportunity space in order to move forward as it currently has zero space available to be able to expand. With BRH's current space shortage, this property could probably be put into use immediately. He suggested that perhaps there is an opportunity with those physicians as well as BRH has no primary care strategy. Physician employment models are growing and whoever owns primary care, owns the physician landscape in the growth opportunities.

Mr. Johnson stated this purchase was not part of the Master Facility Plan and expressed concern that if we purchase this property to assist these providers, we would be setting precedence for assisting other providers in the future. Mr. Solomon-Gross requested a roll call vote be taken to move forward with the purchase of the Family Practice building. **MOTION approved by a 7-2 vote.** (Mr. Solomon-Gross, Ms. Knapp, Ms. Johnston, Mr. Geiger, Mr. Mertz, Ms. Petersen and Dr. Jones voted yes. Mr. Johnson and Ms. Young voted no.)

NEW BUSINESS

Land Acknowledgement – Mr. Solomon-Gross stated land acknowledgements are made at the beginning of School Board and Assembly meetings. Ms. Young feels a land acknowledgement is very important and a meaningful way to show respect to the indigenous people. An ad-hoc committee will be formed. It will be charged to hold meetings to gather public comment and to bring a recommendation back to the full Board for consideration. Mr. Geiger volunteered to chair this committee, Erin Hardin will be the BRH staff representative. Mr. Solomon-Gross and Mr. Geiger will meet tomorrow to discuss who else should be on the committee. Mr. Solomon-Gross thanked Ms. Young for bringing this matter to his attention.

MRI & CT Replacement Appropriations Request – Mr. Tyk reported the bids for the MRI & CT replacement project have come in much higher than the architect's estimates (estimate \$1.4M, costs \$3.5M). Staff requests the Board recommend an approval of an appropriation request of an additional \$1,185,900 for this project to be funded from BRH Fund Balance. If approved, it will be forwarded to the CBJ Public Works and Facilities Committee and the CBJ Assembly for approval. ***MOTION by Ms. Johnston that the Board approve the increase in the estimated costs, based on the lowest bid received, and move the request for the additional \$1,185,900 to the Assembly for approval. Ms. Knapp seconded.*** Mr. Keith asked why the over run and if this is a systemic challenge here. Mr. Tyk reported the estimators believe the inflated bids are due to a combination of subcontractors bidding the project are busy with other projects at the moment. The cost of materials also continues to increase. Mr. Solomon-Gross requested a roll call vote. ***MOTION to request the Assembly approve an appropriation of an additional \$1,185,900 for the MRI & CT replacement project unanimously approved.***

MEDICAL STAFF REPORT – Dr. Roth had left the meeting and was unavailable to give a report. Dr. Jones reported August 2nd Medical Staff meeting was business as usual.

COMMITTEE REPORTS:

Planning Committee – Minutes from the August 9th meeting in the packet. Ms. Knapp reported these meetings are very informative and all Board members are encouraged to attend when able to do so. An action item came out of the last meeting for the Board to conceptually approve staff's recommendation of developing the 3rd OR suite. Staff is to bring relative costs, timelines and cost benefit information to the Planning and Finance Committees for consideration and a final recommendation to the Board. BRH currently has 2 ORs in operation, a 3rd is used for storage of supplies and equipment. The Master Facility plan included a project to replace lights and booms in the 2 operational ORs. Rather than doing this project now and pulling everything out again in the future, a recommendation has been made for renovation of the 3rd OR and installation of lights, booms and electrical upgrades in all 3 surgical suites. These electrical upgrades would allow us to prepare for the inevitable changes of the future, such as robotic surgery. A 3rd OR would allow more services to bring in more revenue and will also allow us to continue to have two operational ORs available while one is shut down for the work to be done ***MOTION by Ms. Knapp on behalf of the Planning Committee that the Board approve the concept of moving forward with the development of a third OR, understanding we already have the space that will need to be cleaned out to serve this purpose.*** Staff will come back with cost estimates, timelines and cost benefit information. Ultimately, staff will present information about equipment, such as robotics. It was noted that leasing options no longer require purchasing robots. Mr. Keith stated his opinion that in terms of robotics, a conceptual idea is a great start as a service line approach. Dr. Jones expressed concern about the ability to staff a 3rd OR and what the surgeons' demands would be for OR time. Discussion held about the motion. Mr. Geiger questioned if a motion is needed since it is an operations matter. Ms. Knapp stated staff had requested the Board's conceptual approval before they expended a lot of manpower on it. Mr. Solomon-Gross supports conceptually approving the idea of accepting the recommendation of developing a 3rd OR. Mr. Mertz suggests Mr. Solomon-Gross and Mr. Keith determine the process for bringing these types of thing forward in the future. **There being no further discussion and no objections, MOTION approved.** Ms. Knapp reported information about the delays for the ED expansion project are in the Planning Committee minutes included in the packet. The request to use the GC/CM (General Contractor/Construction Manager) procurement process has not gone before the Assembly for approval yet due to Mr. Palmer's recommendation to wait for the determination of the Certificate of Need (CON). Mr. Keith reported we have received a determination that a CON is not required for the Behavioral Health building but have not received a determination for the ED expansion project.

Finance Committee – Ms. Johnston reported the minutes from the August 12th meeting, included in the packet, accurately reflect the discussions from the meeting. She noted that bad debt is much higher than any other year we've had. This will be looked at closely to determine why. As we go through the audit process we'll get a better understanding. In response to Mr. Solomon-Gross, Mr. Tyk reported we are working with CBJ on an RFP to get a third party to help us collect bad debt. Questions about outsourcing self-pay are still coming in from interested parties to clarify what we are looking for. We hope to have all questions answered and responses to the RFP back in a couple of weeks. Ms. Johnston explained that the purpose for outsourcing self-pay is for collecting payment. Bad debt on the financial statements don't necessarily relate to collections. Bad debt expense is an estimate of what we think we won't be able to collect and will be favorably affected if we improve our collections. Clarification provided that we are not looking for a collection agency, we are looking for help in processing self-pay accounts. (BRH has 6,200 self-pay accounts and only one person processing them.)

Board Compliance and Audit Committee – Ms. young reported minutes from the August 19th meeting in the packet are accurate. She is very pleased with what the committee has been able to accomplish over the last few months. The 340B Oversight Committee is up and functioning as is the New Service Line Committee. Mr. Keith introduced Nate Rumsey. Mr. Rumsey is the newly hired Business Development Analyst. He will assist Mr. Keith, the Planning Committee and others with service line development, strategic planning and other things of that nature. Mr. Rumsey thanked the Board and Senior Leaders for allowing him to speak. He expressed appreciation for the opportunity to be on board and able to support BRH in moving ahead with strategic initiatives. It's been a good first

month and he looks forward to learning more about the hospital and seeing how we can expand into the future. He is recently retired from the Coast Guard with a background in engineering, project management and process improvement.

MANAGEMENT REPORTS:

Legal Report – Ms. Nault reported the following: Since the last meeting, the 340B pharmacy contract voluntary disclosure is essentially complete; letters have been sent to all of the affected manufacturers with proposed repayments, a 90-day status report submitted to HRSA and another to be submitted in 90 days. Mr. Overson is working with pharmacy and finance on this project. Her firm continues to work with Senior Leadership, Contract Manager and Director of Physician Services as needed on various services agreements for different specialties. Working with CBJ Law on an amendment to the Applied Behavioral Analyst services agreement with the Juneau School District. Working with Behavioral Health, Compliance and CBJ Law related to parental consent issues for hospital admissions of minors. Working with Behavioral Health on a proposed arrangement for physician oversight services. Finished negotiating a third party agreement for a consultant to review the Medical Staff Services office processes and are working with Contract Manager and Senior Quality Director on an additional external peer review resource. Mr. Mertz obtained confirmation that BRH did a self-disclosure for 340B and that HRSA reviewed the corrective action plan and made no requests to modify it. The 340B Oversight Committee has been implementing the plan. Ms. Nault will provide a copy of the corrective action plan included in the letter submitted to HRSA. Mr. Overson identified the members of the 340B Oversight Committee. A request made to include those names in his report for next month's Board meeting. Mr. Palmer thanked Ms. Nault for all of her work. He had nothing to add to the Family Practice Building and Certificate of Need topics already discussed. There will be more to report on these topics at a later date.

In response to Mr. Mertz, Mr. Overson reported there are two parts to the 340B program. The internal pharmacy function has worked well for years and we will continue to move forward with it. The contract pharmacy portion of the 340B program began in 2019. Through monitoring and auditing of that portion of the program, it was determined that there were some challenges that caused us to pause and take a look at corrective action. It is still undetermined whether we will continue with the third party, contract pharmacy portion. Mr. Keith will have discussions with Mr. Overson and others about the risk vs. reward and a decision will be made. Mr. Solomon-Gross expressed thanks and appreciation for Ms. Nault's assistance in navigating issues last month while Mr. Palmer was out of town and prior to Mr. Keith's arrival.

HR Report – Mr. Hargrave highlighted traveler utilization from his report. Traveler pay strategy changed in December 2021 to keep up with the national average and to keep us competitive. Traveler pay is slowly starting to come down and we are trying to hire more permanent staff. He reported that he and Mr. Tyk are conducting initial interviews for a permanent CFO. The next step in the recruitment process is to schedule candidate interviews with Senior Leadership. In response to Mr. Mertz, he reported we are advertising in HFMA, Indeed.com, LinkedIn and AHHA (Alaska Hospital and Healthcare Association). There is some internal head hunting being done but we have not engaged with an external head hunter or recruitment agency. We do have a consultant conducting an analysis for executive pay but pay is negotiable and will depend on experience. Mr. Mertz stated he would like to see a program implemented that targets former Juneau youth and residents to come back and fill vacant positions.

CCO Report – Mr. Geiger requested clarification about the downtime solution noted in Ms. McDowell's report. This is a repository that allows patient data to be accessed when Meditech is off line. Mr. Solomon-Gross thanked her for her thorough report.

CBHO Report – Ms. Dompeling reported we have received a letter from the Commissioner's Officer confirming that we do not need a CON for the Crisis Care Center (CCC). Agnew : Beck was on site, lots of discussion with key leaders throughout BRH talking about programming and service development. Internal discussions held about staffing levels needed to provide service, HR and Finance are reviewing a spreadsheet with all positions to help determine salaries. Along with this information, Agnew : Beck will look at the services for which we will be able to bill and the rate of reimbursement for services to give us a financial oversight for what we are looking at for the CCC. She hopes to have accurate numbers available by next month's meeting. Discussion held about ways to entice applicants. Recruitment will start no later than October.

CFO Report – Mr. Tyk reported the finance department is currently short staffed and we are a little behind on closing out the month of July. Sam Muse has replaced Blessy Robert as the Controller, the Grant Accountant and Senior Accountant have left to work for SEARHC and the Accounts Payable person is now the CFO's assistant. (She is currently filling both

roles until her replacement comes on board mid-September.) Interview of Senior Accountant applicant scheduled. These issues are not affecting the audit preparation as Ms. Robert had been doing a lot of that remotely. Preliminary field work by the auditors had been done about 1.5 months ago. The audit is scheduled to begin on September 6th. Mr. Mertz initiated discussion about why the two accountants went to work for SEARHC. Mr. Tyk is confident that Mr. Muse is going to be able to shape this department so it becomes more than it's ever been. Mr. Mertz stated it's important for the new CFO to have a focus on returning BRH to being a preferred place of employment. Stable accounting functions are critical to operations. Mr. Geiger received clarification that MCR is Medicare and MCD is Medicaid. He initiated discussion about case mix index. The case mix index changes reimbursement every month. In response to Ms. Knapp, Mr. Hargrave reported we have an RFP (Request for Proposals) for a 3rd party to conduct a competitive wage analysis as part of our retention strategy. Discussion held about an early out program for self-pay accounts, self-pay discounts, service rates and patient leakage. Dr. Jones stated that JEMA (Juneau Emergency Medical Associates) has been working collaboratively with BRH on its charity care program; Mr. Tyk will provide an update about this program at next month's Board meeting.

CEO Report – Mr. Keith reported he's had a lot of meetings with physicians, community leaders, Board members, Senior Leaders, management staff, etc. Through the very welcoming community, he has learned they want a stronger hospital with more local services. He stated that BRH leaders and staff need to put their attention on BRH, he and the Board will handle the concerns with SEARHC. He has requested data to help determine why there is a problem with staff recruitment and retention. He will look for opportunities to bring the medical community and BRH back into alignment. Leadership team and staff will work with the Planning Committee to enhance the strategic plan and add some refinements. An operational plan will be built to support the strategic plan. He observed that Senior Leadership is adjusting to his management style. They are eager to engage and want to be more proactive. Managers are still nervous with a wait and see attitude. There is a lot of positive energy and they are looking to Senior Leadership for guidance. He thinks some of the Board members are nervous as well. His goal is to build trust that we can bring solutions to the table to build consensus and move forward. There is a lot of opportunity for improvement but BRH is not as broken you think. He thanked the Board for allowing him to be here. Mr. Solomon-Gross expressed appreciation for Mr. Keith's efforts so far.

CBJ LIAISON REPORT – Ms. Hale welcomed Mr. Keith and thanked him for his clear, honest style. She stated BRH has a well-functioning Board and expressed appreciation for the questions they have been asking. She reported she and her mother were very impressed by the follow-up care provided to her mother after her Covid experience. Ms. McDowell will share Ms. Hale's appreciation with the staff.

PRESIDENT REPORT – Mr. Solomon-Gross is excited to attend the Leadership Conference with other Board members, Mr. Keith and Ms. McDowell. Kim Russel will also be in attendance. Ms. Knapp reported that every year is different. The most current information regarding the health care industry will be provided. Board members split up to attend different sessions and gather at dinner to share what they've learned. Mr. Solomon-Gross highlighted that he has written a letter of support for CBJ's Safe Streets (included in the packet). He thanked Ms. McDowell for providing the data included in the letter.

BOARD CALENDAR – September calendar reviewed. The Quality meeting will be deferred until October. A Governance Committee meeting will be determined at Thursday's Governance meeting. Mr. Solomon-Gross and Mr. Geiger will discuss the ad-hoc Committee tomorrow.

BOARD COMMENTS AND QUESTIONS – Mr. Geiger expressed thanks to the BRH staff and Valley Medical Staff for bringing his new granddaughter into the world. Mr. Mertz thanked Ms. Young for writing "The Hospital". He was very pleased to read it as it speaks to the challenges BRH is facing. He feels very strongly that there is a need for BRH to be an independent hospital and that the Board needs to focus on what we need to do to remain independent long term.

EXECUTIVE SESSION – *MOTION by Mr. Geiger to recess into executive session to discuss several matters as written in the agenda:*

- *Those which by law, municipal charter, or ordinance are required to be confidential or involve consideration of records that are not subject to public disclosure, specifically the Credentialing report, Medical Staff Meeting minutes and, the patient safety dashboard.*

And

- *To discuss possible BRH litigation, specifically a candid discussion of facts and litigation strategies with the BRH and Municipal attorney. (Unnecessary staff and Medical Chief of staff may be excused from this portion of the session.)*

And

- *To discuss information presented that the immediate knowledge of which would clearly have an adverse effect upon the finances of BRH; that being a discussion about campus planning. (Unnecessary staff and Medical Chief of staff may be excused from this portion of the session.)*

Ms. Johnston seconded. Mr. Solomon-Gross reminded attendees that all information to be discussed in executive session is confidential. Attendees are to ensure there are no unauthorized people in the room with them or able to hear the conversations.

The Board entered executive session at 8:06 p.m. after a 5-minute recess. They returned to regular session at 8:16 p.m.

MOTION by Mr. Geiger to approve the credentialing report as presented. Ms. Knapp seconded. There being no objections, MOTION approved.

ADJOURNMENT: 8:16 p.m.

NEXT MEETING: 5:30 p.m. – Tuesday, September 27, 2022