



Daniels Memorial Healthcare Center

"Committed to providing excellence in rural community healthcare"

Daniels Memorial Hospital Association Annual Meeting November 19, 2015

Members Present: Scott Susag, Perry Wolfe, Mike Bjarko, chairman, Ana Brenden, Susan Ferestad, Paul Kanning, Nancy Lund, Kathy Wilcoxon,

Members Absent: Larry Henderson, Karen Tande

Others present: CEO Dave Hubbard; Vern Carda V. P. Regional Operations, Billings Clinic; Nathan McCarthy, CPA WIPFLI; 58 community members per sign-in sheet attached to these minutes

Meeting was called to order at 6:01PM by Chairman Mike Bjarko.

Kathy Wilcoxon moved the agenda be approved, seconded by Scott Susag, motion carried unanimously.

Minutes of the November 20, 2014 annual meeting were approved as amended, correcting 'with' to "will" on page 2 second paragraph, on motion by Nancy Lund, seconded by Scott Susag, carried unanimously.

Chairman Mike Bjarko welcomed all in attendance and thanked them for coming. He stated that yesterday we had five people for three open directorships and we now had only three and asked those in attendance to consider nominations from the floor between now and when we get to the nominating committee report and balloting.

Jim Buer, Daniels Memorial Hospital Foundation spoke of building endowment for the future, they have purchased Gift Legacy used for their new website and printing advertising pieces. He thanked the sponsors and donors for participating in their special event fund raisers. During the past year Peyton Bennett left \$50,000 in memory of his wife Florence Sherron Bennett a long time director of nursing at Daniels Memorial and Leonie Blanc left a gift of \$765,000.

Perry Wolfe, chair of the Daniels County Public Hospital District reported during calendar year 2015 the District provided \$206,755.50 for the Intergovernmental Transfer (IGT) for which Daniels Memorial Nursing Home received \$291,154.40. The District also provided \$250,000 in direct operating funding for salaries and expenses. He stated that the mill levy will be voted on again in June 2016 and requested the community's support in advance.

Dave Hubbard, CEO reported that this had been a difficult year financially. He thanked the dedicated staff and board for their service to Daniels Memorial. He advised the business office is collecting copayments up front at time of service and also is working hard keeping our accounts receivable days down despite our switching systems. 107 patients have signed up for the portal so they have access to their personal health records via their home computers. We have switched over from ICD-9 which had 13,000 diagnostic codes to ICD-10 which has 68,000 codes as required by CMS. We completed Phase I EMR meaningful use and are currently working on Phase II also required by the government. Dave thanked the Billings Clinic for the virtual microscope that was given to DMHC that provides real time information. When a slide is put on the microscope in the lab in Scobey it can be read by a pathologist in Billings immediately. He thanked everyone for their concern for health care in Scobey and coming to the meeting.

Vern Carda, Vice President Regional Services at Billings Clinic thanked Daniels Memorial for partnering with Billings Clinic. He stated change is the one thing that is constant in health care and that following and implementing a strategic plan is key in today's environment. He cited Physicians Quality Reporting System(PQRS) as one of the latest regulatory items signifying more change. Vern has joined Billings Clinic in the past six months, relocating from South Dakota and stated he looks forward to working with our facility in coming years.

Nathan McCarthy, WIPFLI formerly Galusha, Higgins, and Galusha of Helena presented the financial report. They completed the audit for 2014-2015 and they issued a clean audit opinion which is the highest level of assurance that the facilities financial records accurately reflect the actual operations. An individual from the community asked if the information we were discussing could be made available to review. He advised that it could and it was decided it would be placed on the website where anyone can view it. Nate commented that the target in small health care operations used to be operating on a 3-5% margin, now breaking even is the norm in small Critical Access Hospitals. Dave stated that in 2013-14 the nursing home occupancy was 100% and we had 8-10 skilled nursing beds, right now nursing home occupancy is at about 65% which accounts for a major drop in revenue. Dave also commented that gross daily billings had been as low as \$7000-8000 and that we are now up to about \$18,000.

Scott Susag took over the chair as chairman Mike Bjarko is up for election. He gave the nominating committees report with the nominations of J. R. Maldonado, Mike Bjarko, and Wendy Tade. Scott called three and several times for any nominations from the floor. Barb Ward nominated Jedda Barron. The spelling of Jedda's name was written on the eraser board for everyone to write on their ballots. The ballot stated to vote for no more or less than three. It was discussed that the words "or less" should be struck. Each candidate was given the opportunity to address those present. The ballots were collected and Scott Susag and Vern Carda left to count the ballots.

Open discussion regarding the state of health care in Daniels County and in other areas was held awaiting the voting results. The general consensus was that small health care facilities everywhere are struggling under the current reimbursement system.

Scott returned and advised that by their ballots those present had elected J. R. Maldonado, Jedda Barron, and Mike Bjarko.

Ana Brenden thanked all present for the opportunity to have served on the Board the past several years and urged everyone to stick together.

Chairman Bjarko thanked Ana and Scott for their service to Daniels Memorial.

At 7:56PM Scott Susag moved the meeting adjourn.

Chairman

Secretary