

**AGENDA**  
**COMMUNITY HEALTH SERVICES BOARD**  
**Cordova Library Conference Room**  
**SPECIAL MEETING**  
**June 5, 2013 6:15pm**

At CCMC, we believe that healthy people create a healthy community.
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President  
David Allison  
term expires 03/14

Vice-President  
EJ Cheshier  
term expires 03/15

Secretary  
David Reggiani  
term expires 08/15

Board Members  
Bret Bradford  
term expires 03/15  
Tim Joyce  
term expires 03/14  
Kristin Carpenter  
term expires 04/16  
James Burton  
term expires 03/15

Administrator  
Theresa L. Carté

- I. OPENING**
  - A.** Call to Order
  - B.** Roll Call – David Allison, EJ Cheshier, David Reggiani, Bret Bradford, Tim Joyce, Kristin Carpenter, James Burton.
  - C.** Establishment of a Quorum
- II. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**
  - A.** Guest Speaker
  - B.** Audience Comments (limited to 3 minutes per speaker).  
Speaker must give name and agenda item to which they are addressing.
- III. CONFLICT OF INTEREST**
- IV. APPROVAL OF AGENDA**
- V. APPROVAL OF CONSENT CALENDAR**  
Minutes from the May 29, 2013 HSB Special Meeting ...Pg 1
- VI. REPORTS AND CORRESPONDENCE**
  - A.** Administrator's Report
  - B.** President's Report
  - C.** Finance Report ...Pg 2

**VII. ACTION ITEMS**

- A.** Debt Repayment Agreement ...Pg 4
- B.** Amendment to Operating Agreement regarding Management Fee ...Pg 6
- C.** Election of Officers

**VIII. DISCUSSION ITEMS**

- A.** 12 month Operating Report ...Pg 8
- B.** Annual Review of Providence's performance
- C.** Recommend a Cordova resident to serve on Providence's Region Community Ministry Board ...Pg 24

**IX. AUDIENCE PARTICIPATION** (limited to 3 minutes per speaker)

Members of the public are given the opportunity to comment on matters which are within the subject matter jurisdiction of the Board and are appropriate for discussion in an open session.

**X. BOARD MEMBERS COMMENTS**

**XI. EXECUTIVE SESSION\***

\*Executive Session: Subjects that may be considered in executive session are: 1) Matters, immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity; 2) Subjects that tend to prejudice the reputation and character of any person, provided that the person may request a public discussion; 3) Matters which by law, municipal charter, or ordinance are required to be confidential; 4) Matters involving consideration of governmental records that by law are not subject to public disclosure; 5) Direction to an attorney or labor negotiator regarding the handling of specific legal matters or labor negotiations.

## XII. ADJOURNMENT

**Minutes**  
**Community Health Services Board**  
**City Hall Conference Room**  
**May 29, 2013 – 12:00 PM**  
**Special Meeting**

**I. CALL TO ORDER AND ROLL CALL –**

**David Allison** called the HSB special meeting to order at 12:00 pm. Board members present: **David Allison, EJ Cheshier, David Reggiani, Bret Bradford and Tim Joyce.**

A quorum was established.

COCM staff present: **Theresa Carté**, CEO

**II. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

**A. Guest Speakers – None**

**B. Audience Comments – None**

**III. CONFLICT OF INTEREST – None**

**IV. APPROVAL OF AGENDA**

**M/ Cheshier S/ Joyce Move** to approve the agenda.

**Upon voice vote, motion passed 5-0**

**V. APPROVAL OF CONSENT CALENDAR - None**

**VI. REPORTS AND CORRESPONDENCE**

**A. Administrator's Report - None**

**B. President's Report - None**

**C. Financial Statistical Report - None**

**VII. ACTION ITEMS**

**A.** Credentialing and Privileging of Robert L. Gear III, D.O. (Locum Tenens physician)

**B.** Credentialing and Privileging of Donald L. Ives, M.D.

**C.** Credentialing and Privileging of Beverly DeGrandchamp, A.N.P.

**M/ Bradford S/ Reggiani** "I move to approve the credentialing and privileging of Robert Gear, Donald Ives and Beverly DeGrandchamp."

**Upon voice vote, motion passed 5-0**

**VIII. DISCUSSION ITEMS - None**

**IX. AUDIENCE PARTICIPATION – None**

**X. BOARD MEMBERS COMMENTS - None**

**XI. EXECUTIVE SESSION – None**

**XII. ADJOURNMENT –**

**M/ Joyce S/ Bradford Move** to adjourn the meeting.

**Allison** declared the meeting adjourned at 12:04 pm.

**Transcribed by: Faith Wheeler-Jeppson**

**Financial Report for April, 2013**  
**By: Timothy Kelly, CFO**

**Cordova Community Medical Center:**

In April 2013, CCMC reported a net income of \$514k which was significantly above the target of (\$26.5k (loss)). The \$540k (favorable) difference between actual and budget is explained by, 1.) continued full capacity in the Long Term Care Unit, and 2.) utilizing CCMC swing beds for rehabilitation and increasing the physical therapy and occupational therapy departments.

Although the above conditions appear to have salvaged a year that appeared to be on course to a net loss, CCMC is currently attempting to diversify its revenue streams by expanding its medical clinic and increasing its outpatient volumes, while continuing to keep patients within Cordova. Furthermore, with the expansion of ancillary services such as a new CT Scanner and eICU, the possibility of retaining patients and raising their quality of care has significantly increased CCMC's standing within the community. Finally, Healthland Software is currently in the process of preparing and implementing a new Electronic Health Record with accompanying integrated financial software.

The State's reconsideration of their 2009 rate rebasing resulted in slight increases to Medicaid rates retroactive to 1/1/2011. However, the State's position on LTC rates has not changed. The impact to CCMC is very detrimental and the DH&SS's decision is currently under review with an anticipation of being appealed.

	<b>April 30, 2013</b>		<b>Fiscal Year to Date</b>	
	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>
<b>Net Operating Income (Loss)</b>	\$ 513,812	\$ (26,457)	\$ 222,072	\$ (264,573)
<b>Full Time Equivalents</b>	65.74	66.00	66.36	66.00
<b>Acute Average Daily Census</b>	0.53	0.15	0.31	0.15
<b>LTC Average Daily Census</b>	10.00	9.00	9.83	9.00
<b>Swing Bed Days</b>	23	20	323	180
<b>Medicare Swing Days</b>	23	13	221	130
<b>OP Visits</b>	31	34	218	380
<b>Net AR Days</b>	80.6	60.0	75.07	60.0
<b>Days Cash on Hand</b>	23.5	23.5	23.5	23.5

**Sound Alternatives Counseling Center:**

In April, Sound Alternatives received a net income of \$122k. The substantial increase in April was due to the receipt of a \$56k waiver invoice. The Counseling Center continues to have a stable financial year due to a healthy state grants and steady respite care.

	<b>April 30, 2013</b>		<b>Fiscal Year to Date</b>	
	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>
<b>Net Operating Income (Loss)</b>	\$ 121,589	\$ 9,368	\$ 203,279	\$ 112,427
<b>Full Time Equivalents</b>	13.59	13	13.99	13
<b>OP Visits</b>	46	77	584	775
<b>Net AR Days</b>	29.49	30	29.21	30

**DEBT REPAYMENT AGREEMENT  
BETWEEN  
CORDOVA COMMUNITY MEDICAL CENTER AND  
THE CITY OF CORDOVA**

**WHEREAS**, the City of Cordova (City) and Cordova Community Medical Center (CCMC) are partners in the provision of healthcare services in Cordova; and

**WHEREAS**, the City and CCMC are committed to achieving financial sustainability; and

**WHEREAS**, the City has provided CCMC financial loans to sustain operations and continue to provide healthcare services to the community.

**Now therefore**, for and in consideration of the mutual promises and covenants herein contained, the parties agree that CCMC will repay any and all outstanding debt owed to the City of Cordova, including the following:

1. \$700,000.00 in working capital and cash flow to sustain operations; and
2. \$800,000.00 (exact amount is yet to be determined) in capital to purchase an Electronic Medical Record system.

The parties agree to the following debt repayment methodology and terms:

(a) It is desirable to allow for the growth of working capital and reserve capacity in CCMC's bank account. Therefore, as is considered customary in the hospital industry, CCMC shall be permitted to use surplus operating revenues to increase the total balance in its account to cover up to ninety (90) days of Operating Expenses.

(b) Operating revenues resulting in account balance in excess of ninety (90) days of Operating Expenses shall be applied as follows, (i) up to fifty percent (50%) will be applied to debt owed to the City and (ii) no less than fifty percent (50%) shall accumulate in the account for future community health care investments, or be expended as otherwise determined by the City.

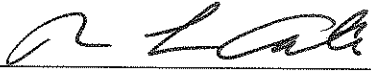
(c) This agreement is in effect for a period of two (2) years, at which time it may be reviewed, modified and renewed upon agreement of both parties.

City of Cordova:

\_\_\_\_\_  
Don Moore  
City Manager

\_\_\_\_\_  
Date

Cordova Community Medical Center:

  
\_\_\_\_\_  
Theresa Carte  
Administrator

5/28/2013  
\_\_\_\_\_  
Date

## SECOND AMENDMENT TO MANAGEMENT CONTRACT

WHEREAS, Providence Health & Services – Washington, a Washington non-profit corporation doing business as Providence Health & Services Alaska (“Providence”), and the City of Cordova, Alaska (“Cordova” or “City”) have entered into that certain Management Contract effective March 1, 2012 pursuant to which Providence shall manage the operations of the Cordova Community Medical Center (“CCMC”); and

WHEREAS, Providence and Cordova may modify the Management Contract by a written amendment as provided in Paragraph 16 the Management Contract; and

WHEREAS, Providence and Cordova desire to amend the Management Contract to provide compensation to Providence for its management services under the Management Contract at \$250,000 annually rather than to permit adjustment of this amount to reflect the Consumer Price Index as originally provided in Paragraph 3 of the Management Contract; and

WHEREAS, this Second Amendment shall supersede the provisions of the Management Contract to the extent those provisions are inconsistent with the provisions of this amendment.

NOW, THEREFORE, effective as of \_\_\_\_\_, 2013, the Management Contract is hereby amended to delete the last two sentences in Paragraph 3 of the Management Contract, which shall now read as follows (deleted language stricken through):

**FEE FOR MANAGEMENT SERVICES.** For the services set forth in paragraph 2, above, Cordova shall pay Providence a fee equal to the sum of the following: (i) the salary and benefits Providence pays to the Administrator provided such amount is included in a duly approved CCMC budget, and (ii) Two Hundred Fifty Thousand (\$250,000) per year. Cordova shall pay Providence as follows: quarterly, with payments of equal amounts to be paid on January 1<sup>st</sup>, April 1<sup>st</sup>, August 1<sup>st</sup>, and December 1<sup>st</sup> of each year. Any adjustments to the salary Providence provides the Administrator shall be reviewed with the Board before it becomes effective and shall not exceed \$200,000 in salary. Benefits paid to or for the Administrator shall be commensurate with the benefits Providence provides its other employees. Providence shall provide the Board with information on the Administrator’s pay and benefits upon request. ~~The \$250,000 annual fee shall be adjusted annually (with the first adjustment to be made effective January 1, 2013) by a percentage equal to the increase in the most recently available Urban Consumer Price Index for Anchorage, Alaska (“CPI-U”). For example, if as of January 1, 2013 the most current available CPI-U is for the year ending December 31, 2011, then as of January 1, 2013 the percentage increase in the fee will equal the percentage increase in the CPI-U from December 31, 2010 to December 31, 2011.~~



The undersigned has executed this Second Amendment to the Management Contract on the date(s) indicated below.

CITY OF CORDOVA

By \_\_\_\_\_

Its \_\_\_\_\_

Date \_\_\_\_\_

PROVIDENCE HEALTH &  
SERVICE ALASKA

By \_\_\_\_\_

Its \_\_\_\_\_

Date \_\_\_\_\_

JUNE 5, 2013

# CORDOVA COMMUNITY MEDICAL CENTER

1<sup>ST</sup> YEAR-END OPERATING REPORT

PRESENTED JUNE 5, 2013

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# EXECUTIVE SUMMARY

Dear Cordova City Council Members, Mayor and City Manager:

At Cordova Community Medical Center (CCMC), our vision: “*Dedicated to excellence for every person every time*” has shown through thanks to the support of the City . We appreciate the efforts of the former Mayor and City Council in acquiring the funding in support of several critical building projects.

The new roof and signage have been completed and are very effective. The initial work on the HVAC system made a measurable difference in our temperatures; the continued work on the pneumatic control system, set to start in June, will allow our Residents and staff to enjoy a more comfortable environment and reduce our operating costs for utilities.

We have started the work on the outside walls which will improve the integrity of the building and upgrade the appearance. The floor replacement is planned to follow these two projects.

We received approval and signed the contract for our Electronic Health Record, Healthland’s Centriq. We have received our first Meaningful Use payment as a result of this.

On behalf of the CCMC Team, we appreciate your continued trust and support.

Sincerely,

*Theresa L. Castle, Ph.D*  
Administrator

# MAJOR ACCOMPLISHMENTS

- eICU keeping residents in Cordova
- CT Scanner plans are moving forward
- Electronic Health Record selected and project moving forward
- Improved LTC State Survey results
- Updated Mission Statement and revised Core Values, created a Vision Statement
- Created a 2013 Strategic Plan

*Stewardship*

*Justice*

*Integrity*

*Excellence*

*Compassion*

# CCMC Strategic Plan

## Mission

As a partner in our community, Cordova Community Medical Center provides personalized service to support the health and well-being of all people through their journeys in life

## Vision

Dedicated to excellence for every person every time

## Values

Stewardship - Respect - Compassion - Integrity - Excellence

<b>STRATEGIES</b> (What will we do and why)	<b>KEY TACTICS</b> (How will we do it)
<p><b>1. Achieve Primary Care Clinic Excellence</b> To be recognized as a primary care clinic of excellence for the community by leveraging CCMC's unique position as the most comprehensive continuum of care in Cordova</p>	<p>A. Partner with local businesses, government and industry to better meet their needs                      B. Expand ancillary services                      C. Stabilize provider base                      D. Explore expanded hours to increase access                      E. Address staffing plan for each role to ensure continuity of operations</p>
<p><b>2. Keep Residents in Cordova for their health care</b> Reduce the need for people to leave Cordova for care to strengthen and solidify CCMC's position as the provider and partner of choice in Cordova</p>	<p>A. Explore collaboration opportunities with other providers and stakeholders to reduce outmigration of patients                      B. Leverage Providence's experience and new telehealth initiatives to expand needed specialty services                      C. Educate community regarding full range of services offered at, and the benefits of utilizing, CCMC</p>

# PEOPLE

- Employee Engagement Survey, selected National Research Corporation for our survey process, first survey this year
- Training
  - 2 Lab personnel attended annual conference in Fairbanks
  - Nursing training on CPR, Adverse Medication Events, and Patient Falls Reduction, Wound Care, and Alzheimer's Patients
- Recruiting
  - Director of Rehabilitation Services/Occupational Therapist/Activities Director/Lab Supervisor
  - 2 Licensed Clinical Social Workers (therapist and medical)
  - CFO
  - AP/Payroll Clerk
  - 3 Nurses

# QUALITY

<b>QUALITY MEASURES</b>	<b>2012 Jan- Dec</b>	<b>2013 Jan - April</b>	<b>CCMC Goals</b>
<b>Resident Falls</b> per 1000 resident days	3.85	3.34	<3
<b>Patient Falls</b> per 1000 days	6.59 (actual n=2)	0	<4
<b>Adverse Drug Events</b> per 1000 pt days (medication error requiring pharmaceutical intervention)	0	0.84	0
<b>Catheter Associated Urinary Tract Infections</b> per 1000 pt days	0	0	0
<b>Blood Transfusions</b> (correct pt gets correct blood transfused)	100%	100%	100%
<b>Pressure Ulcers</b> after admission (per number of admissions)	0	0	0
<b>Readmissions within 30 days</b> per number of admissions	0	0	0
<b>Hand washing Compliance</b> ( based on number of hand washing opportunities when entering and exiting a patient or resident room)	48%	48%	>60%



# PHYSICIAN RECRUITING

- Contracted with new Medical Director, Dr. Jim Dudley, who has been supporting healthcare in Cordova as a Locum tenens since 2009
- Interviewed 4 physicians for permanent placement; reasons for non-acceptance of offers
  - Housing availability
  - Family responsibilities in lower 48
- Contracted with a long term Locum Tenens to support us as we look for permanent placement; Dr. Robert Gear is here for 4 months
- Contracted with a PA/NP group (4 providers) to provide continuity in provider care
- Contracted with Delta Physician Recruiting to increase our visibility to permanent Physician candidates

# CUSTOMER SERVICE

- Selected National Research Corporation for our survey process
- Surveys will start on July 1<sup>st</sup> with our goal to be in the top quartile
- Surveying the following areas:
  - Inpatient (HCAHPS)
  - Outpatient Rehab
  - Emergency Department
  - Clinic
  - Long Term Care

# GROWTH

<b>Volumes</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>Jul 12- Apr 13</b>	<b>FY2013 Annualized</b>
<b>Acute Average Daily Patient Census</b>	1.1	2.0	1.6	0.6	1.4	1.4
<b>Long Term Care Average Daily Resident Census</b>	8.0	9.2	9.3	8.8	9.8	9.8
<b>Clinic</b>	1,407	1,632	1,534	1,688	1,296	1,555
<b>Outpatient</b>	439	396	422	454	218	262
<b>Emergency Room Visits</b>	766	753	767	758	485	550
<b>Lab/X-Ray Tests</b>	2,335	2,273	2,137	1,495	1,060	1,272
<b>Observation</b>	53	59	58	36	12	14
<b>Sound Alternatives Client Visits</b>	854	937	902	1,038	584	701
<b>Total Outpatient Visits</b>	6,311	6,580	6,156	5,802	3,904	4,685
<b>Total eICU Admits</b>	0	0	0	0	4	5

# GROWTH

SPECIALTY SERVICES	
EXISTING	NEEDED
Pediatric	Dermatology
Orthopedics	Ear Nose and Throat (ENT)
Ophthalmology	Phlebology
Optometrist	

# FINANCIAL

<b>Cordova Community Medical Center</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>July 2012 - April 2013</b>	<b>FY2013 Annualized</b>
Gross Patient Service Revenue (GPSR)	5,653,178	6,366,818	6,353,869	5,551,737	6,541,742	7,850,090
Net Patient Service Revenue (NPSR)	4,926,561	5,769,348	5,645,017	5,273,175	4,943,724.0	5,932,469
Full-Time Equivalent Employees (FTEs)	63.22	69.17	66.67	66.05	67.11	67.11
# of Employees	112	126	99	96	99	99
Charity Care/Bad Debt	448,172	759,751	12,861	269,979	185,553	317,246
Days Cash on Hand	13.24	31.06	17.45	3.96	23.50	8.50
Year-end Cash in the Bank	263,346	574,337	334,755	6,949	378,105	150,000
Net Operating Income (Loss)	(1,096,331)	(895,695)	(686,517)	(974,491)	256,821	308,185

<b>Sount Alternatives Counseling Center</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>July 2012 - April 2013</b>	<b>FY2013 Annualized</b>
Grant Revenue	560,302	520,084	420,180	415,772	512,225	614,670
Other Revenues	339,651	414,563	308,963	418,481	170,440	204,528
Program Expenses	(651,783)	(767,247)	(619,540)	(749,487)	(479,386)	(575,263)
Net Operating Income (Loss)	248,170	167,400	109,603	84,766	203,279	243,935

# FINANCIAL

City Supplement Trend	2010	2011	2012	July 2012 - April 2013
Total Operating Support	\$ 697,638	\$ 400,000	\$ 602,369	\$ 200,000
Capital Support	\$ 121,960	\$ 58,825	\$ 74,849	\$ 574,611

# 2012-13

## SERVICE ENHANCEMENTS

- Portable X-Ray System
- Healthland Unix Server and Software
- 3 Emergency Preparedness Stretchers
- eICU Services (April to present)
- eCare Mobile Cart
- New Hot Water System
- HVAC Upgrade (in progress)
- Roof Replacement
- Mind-Ray Telemetry Unit
- Exterior Insulation Finishing System (EFIS)

# 2012 COMMUNITY BENEFIT

- Initiated tracking of Charity Care
- 74+ local jobs
- Support local CNA program
- Diabetic Support Group
- PWS Traveling Health Fair – offered discounted lab services
- Community Mass Vaccination
- Promote and support education for health care careers among local youth (HS job shadow program)
- Food Bank & Angel Tree
- Free medication box refill for community members
- Free blood pressure checks
- Provide Senior meal program and Senior Ride program
- Free sharps disposal for community members
- Provide laundry service for local government agencies
- Able to provide CPR training



# 2013 PRIORITIES

- Stabilize local provider base
- Complete design, plan & purchase phases of CT Scanner project
- Expand specialty clinics
- Prepare to implement Centriq electronic medical record
- Achieve Meaningful Use
- Prepare to implement ICD-10
- Promote appropriate uses of eICU (eCareMobile Unit)
- Complete building projects (Pneumatic control system, EIFS, Flooring)
- Collaborate with Cordova School District

## Providence Region Community Ministry Board (CMB)

- CMB Role
  - Informs/advises Providence about evolving community health needs
  - Governs medical staff processes (bylaws, credentialing, discipline, etc.) and quality (including risk & safety)
  
- 10 meetings/yr
  - 6 Tuesday evenings in Anchorage
  - 3 outside Anchorage (Valdez, Kodiak & Seward)
  - 1 Saturday Strategic Planning Retreat
  
- Attendance Expectations
  - 60% (6/10 mtgs) ☐ → □ ↑↑↑↑
  
- Travel Reimbursement
  - All aspects of travel for CMB meetings are reimbursed