

**BOARD OF TRUSTEES MEETING MINUTES
JUNE 17, 2020**

Members present via Zoom: Cindy Yulich (Chair), Larry McElwain (Vice-Chair), Bob Moody (Treasurer), Beth Llewellyn (Secretary), Tom Sloan, Pat Miller, Jim Brooke, Rob Chestnut, Dr. Marc Scarbrough, Dr. Lee Reussner, Dr. Jim Mandigo, Russ Johnson, Sheryle D’Amico, Traci Hoopingarner, Janette Kirkpatrick, Deb Cartwright, Brian Bradfield, Colleen Browne, Jared Abel, Michael Williams, Rebecca Smith, Andy Ramirez (Hospital Counsel)

Other attendees via Zoom: Danae Johnson, Amy Northrop, Autumn Bell, Chad Lawhorn (LJ World) and 89 community members.

Call to Order

The meeting was called to order at 8:35 a.m.

Opening Statement

The following opening statement was read by Danae Johnson, Director – Executive Administration:

“Good morning. Thank you for joining the LMH Health Board of Trustee’s meeting. Before we get started, we’d like to outline a few important procedural details for this meeting:

- LMH Health Board of Trustees welcomes community feedback on policies and issues affecting its clinics and the hospital. In order to ensure time is used efficiently, we will not take public comments during the meeting. However, comments may be shared with board members in a number of different ways, including the comments section of our webpage, by emailing trustees@lmh.org, by calling 785-505-6138, or by contacting individual trustees with the contact information listed on our website at lmh.org.
- During the meeting, each Trustee will identify themselves using their first and last name prior to commenting.
- Roll call will be taken for voting on each item requiring board action.
- We will be having an executive session at this meeting. At the appointed time, the Board Chair will call for a motion to enter into executive session. This motion will include the time that the open session of the meeting will resume. Executive session is reserved for Trustees and Hospital Executives only. Everyone else will be asked to leave the meeting during executive session and is welcome to return to the meeting when open session resumes.
- If members of the public wish to obtain meeting materials, please contact email trustees@lmh.org or call 785-505-6138.”

Approval of Agenda

The agenda was presented for review with approval requested.

MOTION to approve the agenda as presented
Made by Tom Sloan,
Seconded by Bob Moody
Motion carried.

Consent Agenda

The following were presented for approval as part of the consent agenda:

- Board of Trustees meeting minutes, May 20, 2020
- Finance Committee meeting minutes, Jun. 15, 2020
- LMH Health Board of Trustees Bylaws Amendment:

**AMENDED AND RESTATED BYLAWS OF
THE LAWRENCE MEMORIAL HOSPITAL
BOARD OF TRUSTEES**

**ARTICLE V
COMMITTEES**

5.1 BOARD COMMITTEES:

5.1-1C QUALITY COMMITTEE:

The Quality Committee shall consist of four (4) Trustees appointed by the Chairperson of the Board, the President and Chief Executive Officer, ~~the Vice President of Nursing, the Associate Vice President – Clinical Excellence, Senior Nursing Executive, the Senior Clinical Excellence Executive~~, and the Medical Director of Quality Services and, if designated, an Advisor who is a licensed healthcare provider. The Chairperson of the Board shall appoint the chairperson of the committee and the committee shall meet regularly. The Quality Committee's purpose is to assist Hospital leadership in its efforts to improve patient care using available resources while remaining consistent with achievable objectives. The objectives of the Quality Committee are to measure, assess, and improve outcomes related to patient care and other important functions of the Hospital.

- General Medical Staff Bylaws Amendment:
- Medical Executive Committee Approved: 2/11/2020
- General Medical Staff Approved: 4/18/2020

ARTICLE TEN: STUDENTS & RESIDENTS

10.1 Medical, dental, osteopathic, nursing, and physician assistant students and residents currently enrolled and in good standing at their respective accredited schools and programs may wish to gain practical clinical experience by working with a member of the Medical Staff in the member's office, as well as in the Hospital. The Hospital must have a current affiliation agreement in place with the relevant program. The student or resident will not be considered for Medical Staff membership or privileges, but will be supervised by an LMH Active Medical Staff member, a licensed Practitioner with appropriate clinical privileges that reflect the patient care responsibilities given to the student/resident. Students and residents working directly with patients in the Hospital must have their activities established in the following manner:

10.1.1 Students – The application for sponsorship of a student must be submitted by an Active Medical Staff member not on provisional status. The application should include duties and responsibilities proposed to be assigned. The student must not be considered an independent Practitioner with the ability to provide direct patient care such as writing orders and providing coverage in the absence of the sponsoring Practitioner. All orders, progress notes, histories, and physical examination reports must be countersigned by the responsible member of the Medical Staff. Orders will be countersigned or verbally authorized by telephone prior to execution. In the event that the sponsoring Practitioner is temporarily out of town or otherwise unable to attend to the Practitioner's duties, the Chief of Staff may approve alternate supervision.

Add the following language: Sponsors and supervisors of students must be credentialed at LMH Health for at least 12 months prior to supervising a student. Exceptions may be approved by the Department Chief.

- Medical Executive Committee recommendations:

MEDICAL STAFF & ALLIED HEALTH PROFESSIONAL STAFF - New Appointments:

Benjamin Cross, MD & Brandon Ricke, MD (Active Admitting; Emergency Medicine) – Initial appointment 6/17/2020 not to exceed 2 years.

Alana Ryan, DO (Active Admitting; Family Practice) – Initial appointment 6/17/2020 not to exceed 2 years.

Thomas Grillot, MD (Active Admitting; Radiology) – Initial appointment 6/17/2020 not to exceed 2 years.

MEDICAL & LMH EMPLOYEE/ALLIED HEALTH PROFESSIONAL STAFF – Reappointments:

Jodie Barr, DO (Active Admitting; IM/Oncology) - Reappointment 7/1/20 not to exceed 2 years.

Michele Bennett, MD (Active Admitting; OB/GYN) - Reappointment 7/1/20 not to exceed 2 years.

John Clough, MD (Active Non-Admitting; Surgery/Spine) - Reappointment 7/1/20 not to exceed 2 years.

Darcy Conaway, MD (Active Admitting; IM/Cardiology) - Reappointment 7/1/20 not to exceed 2 years.

Dale Denning, MD (Active Admitting; Surgery/Vein) - Reappointment 7/1/20 not to exceed 2 years.

Brendan Farrell, DDS (Active Admitting; Surgery/Oral Max.) - Reappointment 7/1/20 not to exceed 2 years.

David Fritz, MD (Active Admitting; Surgery/Spine) - Reappointment 7/1/20 not to exceed 2 years.

Tyler Goetz, MD (Active Admitting; Anesthesia) - Reappointment 7/1/20 not to exceed 2 years.

Chad Gustin, MD (Active Admitting; Emergency Medicine) - Reappointment 7/1/20 not to exceed 2 years.

Phillip Harvey, DDS (Consulting; Surgery/Oral Max.) - Reappointment 7/1/20 not to exceed 2 years.

Jon Heeb, MD (Active Admitting; Surgery/Urology) - Reappointment 7/1/20 not to exceed 2 years.

James Herrin, MD (Active Admitting; Emergency Medicine) - Reappointment 7/1/20 not to exceed 2 years.

Kambrie Kato, MD (Consulting; Tele-Radiology) - Reappointment 7/1/20 not to exceed 2 years.

John Keller, MD (Active Admitting; Surgery/Plastic) - Reappointment 7/1/20 not to exceed 2 years.

Douglas Klingler, MD (Active Admitting; Surgery/Urology) - Reappointment 7/1/20 not to exceed 2 years.

Natalie Koedertiz, MD (Active Admitting; Surgery/Ophthal.) - Reappointment 7/1/20 not to exceed 2 years.

Thomas Marcellino, MD (Active Admitting; Family Practice) - Reappointment 7/1/20 not to exceed 2 years.

Mallory Martinez, MD (Active Admitting; Anesthesia) - Reappointment 7/1/20 not to exceed 2 years.

Colleen Mathis, MD (Active Admitting; Pediatric Hospitalist) - Reappointment 7/1/20 not to exceed 2 years.

Steve Myrick, MD (Active Admitting; Surgery) - Reappointment 7/1/20 not to exceed 2 years.

Lorraine Nichols, DO (Active Non-Admitting; Family Practice) - Reappointment 7/1/20 not to exceed 2 years.

Matthew Rendel, MD (Active Admitting; Surgery/Spine) - Reappointment 7/1/20 not to exceed 2 years.

Scott Robinson, MD (Active Admitting; Emergency Medicine) - Reappointment 7/1/20 not to exceed 2 years.

Stuart Thomas, MD (Active Admitting; IM/Gastroenterology) - Reappointment 7/1/20 not to exceed 2 years.

PRIVILEGE &/or STATUS CHANGES & RESIGNATIONS:

David Robbins, MD – Active Admitting; IM/Cardiology – Requests privilege addition of “Cardiac Loop Recorder Implantation/Removal”.

Roger Dreiling, MD – Active Admitting; IM/Cardiology – Resignation effective 7/31/2020

Sabrina Prewett, DO – Active Admitting; Emergency Medicine – Resignation effective 6/30/2020

Charles Yockey, MD – Active Admitting; IM/Pulmonology/Critical Care – Resignation effective 6/29/2020

Kyle Miller, MD – Consulting; Tele-radiology – Resignation effective 5/8/2020

Max Pollock, MD – Consulting; Tele-radiology – Resignation effective 6/1/2020

Michael Whiteside, MD – Consulting; Tele-radiology – Resignation effective 11/2/2019

David Weiss, MD – Consulting; Tele-psychiatry – Resignation effective 6/8/2020

Jennifer Kelley, Dental Assistant – AHP; Legends Dental/Dr. Ryan Brittingham – Resignation effective 5/22/2020
Vascular Surgeons: Richard Arnspiger, MD; Jenny Cho, MD; Byron DeCamp, MD; Kirk Hance, MD; & Axel Thors, DO – Requests extending call exemption through 7/31/2020

MOTION to approve the consent agenda
Made by Bob Moody,
Seconded by Tom Sloan
Motion carried

Chairperson of the Board Report

- Cindy Yulich, Chair, spoke about the events around racial injustice that have been occurring in Lawrence and around the country. She reminded the Board of the hospital's abiding commitment as given by Elizabeth Watkins that "...no person shall be excluded on account of race, or physical, social or financial condition". Ms. Yulich urged the Board and hospital staff to "join [her] in committing to the hard, and potentially uncomfortable work, that is required in both our personal and our professional lives to meet this challenge. We must redouble our efforts and commit to each other that we can, and we will, do better."

Chief of Staff Report

- No report.

CEO and Executive Team Report

- **CEO Report:** Russ Johnson, President and CEO, reported on the following:
 - **Resuming services:** As a hospital, LMH Health has learned a lot about providing care during a pandemic, and our community has done an exceptional job of flattening the curve. The health of our community is LMH Health's top priority. Patients can be confident in resuming visits with their health care providers. LMH Health is committed to providing, high-quality care – wherever, whenever and however our patients need it.
 - **Looking ahead:** The steps LMH Health took to affirm our position as a leader in quality and affordable care over the past few years positioned the hospital positively in advance of COVID-19. The hospital showed improved financial performance in the early months of the year, and as we look ahead, many of the new initiatives are beginning to show solid return on investment. The hospital is prepared for a future of greater competition, lower cost and evolving patient expectations because we:
 - Significantly built our physician enterprise and specialty care
 - Expanded our ORs and building a new sterile processing center
 - Provided emergency behavioral healthcare
 - Increased our primary care access points with new locations (East and South)
 - Broke ground on LMH Health WestIn the last three years, we moved quickly and accomplished a great deal—all consistent with Destination Health, the hospital's strategic plan, and informed by changes in the market. LMH Health is strongly with a clear vision on the horizon. To ensure LMH Health's future success, we will continue innovating in patient care and engaging in strong fiscal stewardship.
 - **Lawrence Surgery Center:**
 - LSC is a 50/50 joint venture with LMH Health and several surgeons.
 - After the acquisition of OrthoKansas, and as part of a commitment to an expanded regional orthopedic center, LMH Health and OrthoKansas mutually committed to the development of a new facility.
 - As plans for the West Campus facility came into focus, LMH and OrthoKansas decided to invite the Lawrence Surgery Center to occupy the new surgical space at West.

- The negotiations started with high-level proposals that included:
 - Moving the entire surgery center to west
 - Developing two separate surgery centers
 - Leaving the ASC at current location
- Pro formas were developed based on assumptions of volumes and expenses for all three scenarios.
- A small group of surgeons then evaluated and presented the findings to the entire investment team. The results showed that the best path forward was to move the surgery center.
- LMH proposed a new equity structure that would result in LMH having a majority equity position, but a 50/50 governance role.
- A letter of understanding between LMH and the investors was developed and signed in late 2018 that detailed that LSC's intention to move to LMH Health West, the ability for LMH to own greater than 50% of the business and LMH's willingness to allow LMH-employed surgeons to operate at the new center.
- The next steps involved deciding the final ownership percentage, fair market value rate for the equity purchase, the controlling interests LMH would have and how the surgery center would be able to recruit new surgeons into the new surgery center through future ownership.
- This process took the majority of the next 12 months and involved numerous negotiation sessions, financial valuation, legal expertise, and many iterations of plans and proposals.
- Early in 2020, the surgeon investors came to a consensus with LMH on the final ownership percentages and the fair market value of the equity transaction.
- Over the last three months, legal counsel has worked to finalize legal documents.
- Next steps are:
 - Finalize legal documents with signatures and execute the share transaction.
 - Occupy LMH Health West.
 - Present a prospectus to new surgeons interested in operating and potentially owning in the new surgery center.
- **Hospital-based contracts:**
 - LMH has had a 26-year long relationship with Dr. Robinson and LEMA. These contracts have been in place for many years and needed to be reviewed as part of the normal contract review process.
 - Upon reviewing the existing contract, it was apparent that it was not sustainable and if it stood as is, LMH's ability to operate effectively would be at risk.
 - During the review market data, national and regional benchmarks, OIG guidance were analyzed. LMH's own processes and systems as well as best practices in the market were reviewed. Based on this research, a review was not only prudent, it was imperative.
 - With that in mind, the decision was made to request proposals from not just LEMA, but two additional, highly-qualified provider staffing firms in the area with the goal of ensuring the long term stability of this hospital.
 - LMH sought to honor our collegial relationships at the outset—the physicians involved are friends, neighbors, colleagues and trusted partners.
 - LMH made a commitment to navigate the process with fairness, equity and transparency.
 - The overall goal was to minimize disruption to our clinicians; we would like to keep our clinicians here and build a sustainable model for practice and delivery of care.
 - As the three companies were interviewed, a matrix was developed to in order to help compare their proposals. This matrix consisted of over 30 data points.
 - The resulting recommendation was based on these key factors:
 - Resources needed to change processes /service – depth and breadth of operational expertise
 - Leadership – both short term and long term

- Billing and coding management – scope of current collection capability and needed changes
- Physician considerations (coverage, training, responsibilities)
- Community perception – Understanding the risks and concerns for making change
- Cost of service – savings of over \$5M over three years

Open Discussion

- Pat Miller, Trustee, shared how she is working to check her implicit biases. She expressed her appreciation of the work the hospital is doing in this area.
- Dr. Lee Reussner, Trustee Advisor, and Dr. Marc Scarbrough, Trustee, offered their perspectives on the review of the hospital-based contracts. A lengthy discussion followed about their concerns.

Executive Session

- Motion was made to recess into executive session to discuss with counsel the operating and purchasing agreements for the Lawrence Surgery Center and legal issues related thereto as authorized by Sections 75-4319(b)(2) of the Kansas Open Meetings Act which authorizes consultation with the hospital's attorney on matters deemed privileged by the attorney-client privilege with the open meeting reconvening at 10:45 am.
MOTION made by Bob Moody,
Seconded by Tom Sloan.
Motion carried.
- Motion was made to extend executive session with the open meeting reconvening at 10:50 am.
MOTION made by Bob Moody,
Seconded by Rob Chestnut.
Motion carried.
- Motion was made to extend executive session with the open meeting reconvening at 11:00 am.
MOTION made by Bob Moody,
Seconded by Rob Chestnut.
Motion carried.

Executive Session

- Motion was made to recess into executive session to discuss with counsel the terms of a professional services agreement for emergency and hospitalist services as well as legal issues surrounding provider engagement as authorized by Sections 75-4319(b)(2) of the Kansas Open Meetings Act which authorizes consultation with the hospital's attorney on matters deemed privilege with the open meeting reconvening at 11:30 am."
MOTION made by Bob Moody,
Seconded by Rob Chestnut.
Motion carried.
- Motion was made to extend executive session with the open meeting reconvening at 12:00 pm.
MOTION made by Bob Moody,
Seconded by Rob Chestnut.
Motion carried.
- Motion was made to extend executive session with the open meeting reconvening at 12:15 pm.
MOTION made by Bob Moody,

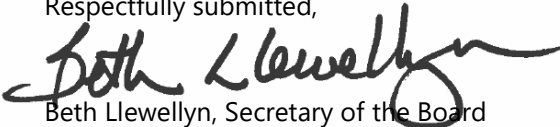
Seconded by Rob Chestnut.
Motion carried.

- Motion was made to extend executive session with the open meeting reconvening at 12:25 pm.
MOTION made by Bob Moody,
Seconded by Tom Sloan.
Motion carried.
- Motion was made to extend executive session with the open meeting reconvening at 12:30 pm.
MOTION made by Cindy Yulich,
Seconded by Jim Brooke.
Motion carried.

Adjournment

With no further business was presented, a motion was made to adjourn the meeting at 12:32 pm.
MOTION made by Bob Moody,
Seconded by Beth Llewellyn.
Motion carried.

Respectfully submitted,

A handwritten signature in black ink that reads "Beth Llewellyn".

Beth Llewellyn, Secretary of the Board