

**Annual Business Meeting**

**October 8, 2013**

Members Present: Darrold Bertsch, Alex Schweitzer, Gary Miller, Robert Black, Peggy Larson, Keith Heuser, Reed Reyman, Shawn Smothers, Mark Kerr, Pete Antonson, Roger Baier, Les Urvand, Mark Rinehardt, Doris Brown, Jodi Atkinson, Bruce Bowersox, Jac McTaggart, Becky Hanson, Tod Graeber, Jerry Lepp, Dr. Craig Lambrecht, Jim Opdahl, Todd Hudspeth, Randall Pederson, Jim Long, Louise Dryburgh, Mariann Doeling, and Rocky Zastoupil.

Darrold Bertsch, NDHA Board Chair asked if there is a quorum present. Lori Schmautz stated yes a quorum is present.

Meeting called to order by Darrold Bertsch, NDHA Board Chair. Darrold announced that all reports being given today will be posted on the NDHA website if members want a copy.

Award Presentations:

Life Source - Jerry Jurena called on Kathy Selden, Hospital Services Manager for Life Source to present their organ & tissue donor awards. Recipients this year are Mercy Medical Center, Williston and Sanford Medical Center, Fargo.

AHA Membership Awards were presented by Jerry Jurena. 50 Year Membership Awards went to Lisbon Area Health Services, Pembina County Memorial Hospital – Cavalier, and Tioga Medical Center. 75 Year Membership Awards were presented to Jamestown Regional Medical Center, Mercy Medical Center – Williston and St. Joseph’s Hospital – Dickinson.

AHA Grassroots Champion Award was presented to Keith Heuser,
CEO of Mercy Hospital in Valley City.

Minutes: The October 9, 2012 meeting minutes were given to members. Mariann Doeling made the motion to accept the minutes as written. Shawn Smothers second. Minutes approved.

Reports:

**Board Chair** – Chairs report given by Darrold Bertsch. Darrold touched on the growth of the state’s economy and the challenges that come along with it. During this year’s legislative session our concerns were heard and our legislators stepped up to the plate and provided assistance and support in many areas. To highlight a few of our successes was funding through:

* HB 1012 which gave a 4% inflationary adjustment each year of the biennium for hospital & physicians, Rural Health Clinic reimbursement will be rebased to Medicare allowable costs, CAHs will continue to be reimbursed allowable cost for Lab and CRNA services, LTC facilities received a 3% annual inflator and a wage pass through to help with retaining and recruiting staff.
* Energy Impact and Infrastructure funding was approved to provide grants for LTC, basic care facilities, CAHs and EMS organizations located in oil producing counties. A Loan Program was approved to provide 1% loan funds to medical facilities to assist in construction that improves health care infrastructure, priority given to hospital in oil producing counties. And construction of a new medical school is taking place and residency slots are being expanded.
* Workforce funding approved through HB 1211 to provide grant funds to the AHEC to address health care workforce issues across the state.
* Medicaid Expansion was approved. The state anticipates another 19,000-32,000 individuals will be eligible for Medicaid benefits and receive the assistance they need to address their health related issues.
* Legislative Studies were approved that relate to the Affordable Care Act (ACA), behavioral health, community paramedic programs and community based services.

**President’s** report given by Jerry Jurena. Jerry introduced the new CEO’s and shared the information that he heard over the summer in regards to health care; the future of hospitals not only in ND but across the country. So what is NDHA’s role as we move forward? At the state level we will continue to be an advocate of all the hospitals regarding policy and reimbursement. We will continue to be part of legislative committees studying health care; we will collect and provide information to legislators on issues or areas of concern; and we will strive to educate legislators on issue that affect not only reimbursement but operations. We will be the conduit of communications to the membership to keep the membership informed of discussions that will change or alter reimbursement or operations. On the federal level we will continue to work with our congressional delegation to assure our concerns and issues are heard. We will work collectively with other states on issues of reimbursement and policy to strengthen our message and we will be a partner with AHA on regulatory issues.

**Washington Report** written by John Flink, NDHA Consultant was read by Jerry Jurena. Three major challenges over the next three months include: the need to fund the federal government after Oct. 1st, the need to increase the limit on the nation’s borrowing authority, and the need to prevent another Jan. 1st Medicare physician payment cut. John mentioned that at this point it is impossible to predict how all this will turn out but serious talk is beginning about a grand budget deal that would address both entitlement and tax reform…that spells trouble for us. At this time there is no immediate threat to the frontier states wage index or to CAHs despite what you have read in the recent OIG reports.

**Budget** was presented by Kelly Cermak, Finance Manager. Membership was informed that the NDHA Board approved a 2% increase in dues for this fiscal year. Kelly showed the operating revenues and expenses, and a breakdown of the investment income. He mentioned that the subsidiary Hospital Service Inc. is doing very well financially and that is expected to continue. The Foundation is financially very sound.

**Bioterrorism Grant** presented by Tim Blasl. ND receives federal grant dollars to assist hospitals with emergency preparedness. In 2013 the grant received was $724,929 and for 2014 is $712,971. There are grant qualifications which hospitals must meet to be eligible for these dollars. This year’s expenses included the BTWan system ($320,000), decontamination training (10,000), hospital medical assets (146,000), hospital equipment (115,000) and NDHA administration fees (13,500).

**Hospital Services Inc**. – NDHA is the sole shareholder of Hospital Services Inc. (HSI), a for-profit entity. Under the umbrella of HSI are:

* Advantage Group Purchasing Division report given by Alex Schweitzer, Board Chair. Advantage currently has an affiliation agreement with Amerinet. In the fall of 2013, after the retirement of Wade Johnson, VP the Board of Directors of HSI decided to enter into a direct service agreement with Amerinet starting Jan. 1, 2014. Amerinet will provide coverage and service provision for the geographic areas currently covered by Advantage. The office in Grand Forks will be closed and we will eventually hire one employee as the liaison between the HSI Purchasing Division, Amerinet and the members that both entities will serve. This year HSI was again a Diamond Sponsor of the NDHA convention in the amount of $10,000 and again exceeded budgeted revenue for 2012/2013 with another positive line budgeted for in 2013/2014. For the seconded year, a 30% bottom line dividend will be paid to the “parent” NDHA.
* HSI – Collections Division was established in 1963 and continues to serve the medical facilities in ND that are in need of assistance in the recovery of bad debt accounts. They were able to recover close to a million dollars this past year.
* Business Linx – does the peer review program to help critical access hospitals meet the survey requirement and comply with the hospital Conditions of Participation Requirement. Currently 17 hospitals in ND are participating in the program. We are looking at expanding this program to include the Montana Hospitals. Another service running under Business Linx is Ventures. Ventures was started with the MT Hospital Association as a way to bring their membership discounted purchasing opportunities along with providing more value to the membership. Businesss Linx is working with the Ventures program to bring these discounted services to the NDHA membership. They kicked this new Ventures program off with Sun Rx which is an expert in the 340B Pharmacy program. Other companies they are excited to bring to the membership are Commercial Energy – a natural gas savings, KiWi Tech – a coding company that can help you long term or short term, Medefis – which assists with staffing, National DME – which deals with durable medical equipment and NDD which provides lung testing devices just to name a few. Lastly, in the last legislative session the ND State Legislature approved a $700,000 grant to assist ND hospitals with their rising bad debt. They wanted to provide a “tool” for hospitals in verifying personal and health insurance information of patients. NDHA is working with Emdeon to provide this service to hospitals that are interested in utilizing this service. This “grant” will pay for one time license and implementation fees as well as the monthly maintenance fees for 36 months on the solution chosen. The hospital will be responsible for the per click fee. Contracts need to be in place before the end of this year, which means that your facility would need to start the process between now and the end of November.

**Foundation -** Jim Long presented the Foundation report for Chairman Jeff Lingerfelt. The projected income of the foundation is primarily from three sources, a donation from HSI, interest/dividend income, and appreciation of investments. As of August, 2013 the investment balance was $3,663,406. The foundation investment policy is being followed. Projected expenses are primarily the costs to complete the salary & benefit survey, economic impact report (PULSE) and the hospital indicators report. The foundation is the mechanism through which the following grants are administered: CAH Flex, CAUTI/CUSP, F-CHIP, Healthy ND and HEN. These grants help support the not-for-profit status of the foundation and are administered on a “break-even” basis. Future projects being considered are sponsorship of education programs, scholarship and a grant writer. The boards focus long term will center on education as originally envisioned by the foundation.

**Physician Recruitment** – this program was started in 2010 in response to NDHA members regarding physician shortages throughout the state. NDHA consulted with Kevin Malee to assist with this project. With rural hospitals/clinics coming together to share recruitment costs; expenses are kept manageable and successful placements are increased. Kevin gave a program summary for 2013 along with the challenges we face and the importance of each key step by step process.

**Hospital Engagement Network (HEN**) – Barb Groutt, CEO of the North Dakota Health Care Review (NDHCR) gave a status report on this program. The NDHCR was subcontracted by NDHA to facilitate the program. The HEN projects goal is to reduce hospital acquired harm by 40% and reduce admissions by 20%. Currently 30 ND hospitals are participating in the program. The ND hospital participating in the HEN have achieved either the interim reduction goals for harm and readmissions or met national benchmarks in six of the ten topics. Barb mentioned that she received word that CMS is going to fund a third year.

**New business** – Darrold Bertsch asked if there was any new business to be brought forth from the floor. With no new business the meeting was adjourned.

Lori Schmautz

Recording Secretary