



BOARD OF TRUSTEES

Regular Meeting

December 19, 2019

Minutes

10:00 am

Members Present:

Rod Waeckerlin, President
Jason Campbell, Vice President
Garry Goergen, Treasurer
Jerry Steele, Secretary
Mark Kostovny, Member

Administration:

Ken Harman, CEO
Bob Quist, Interim CEO
Phil Reints, CNO
Jon Smith, CFO
Collin McDonald, Compliance and Risk Management Director
Lisa Woodcock, Human Resources Director
Stephanie Hinkle, Marketing, Communications and Foundation Director
Chandra Buchholz, Executive Assistant

Guests:

Ron Vigus, QHR RVP
Abbi Forwood, Legal Counsel
Martha Tate, Legal Counsel
Travis Moore, County Commissioner
Christina Baugh, Quality and Infection Prevention Director
Bill Minion, OR Manager
Jessica Seldomridge, OB Manager
Ellie Dana, Saratoga Resident
Randy Raymer, Saratoga Resident

Rod Waeckerlin, President, called the Memorial Hospital of Carbon County Board of Trustees meeting to order at 1000 hours.

Mr. Waeckerlin welcomed MHCC's new CEO, Ken Harman and his wife Leslie and family to the community. He also thanked Stevan Squires, hospital Pharmacist, for his service to MHCC. Stevan thanked MHCC for the opportunity to be here. Mr. Waeckerlin then commended Bob Quist, outgoing Interim CEO, for his work and efforts during some tumultuous times the last 11 months. And, a welcome was also given to Travis Moore, the County Commission Liaison.

Approval of Agenda:

Addition/Amendment to Agenda:

- a. Item 15, New Business: Section d. Policies, Sub-section ii. Personal Improvement Plan was amended to Professional Improvement Plan.

Garry Goergen made a motion and Mark Kostovny seconded the motion to accept the agenda as amended. Motion carried.

Approval of Regular Board Minutes: Board of Trustees 11.19.19.

Garry Goergen made a motion and Mark Kostovny seconded the motion to accept the minutes as presented. Motion carried.

DZA Audit Report presented by Kami Matzek, CPA, CHEP:

- Ms. Matzek reviewed and summarized the Audit and Medicare Cost Reports as presented in the two documents, “Basic Financial Statement and Independent Auditors’ Reports: June 30, 2019 and 2018” and “Financial Indicators: June 30, 2019”, that were distributed to the Board Members.

Discussion: Guest Randy Raymer inquired about why contract labor was not included in the “Full-time Equivalent Employees (FTE)” report. Ms. Matzek explained that revenue from contract employees cannot be tracked because it is not broken down as such. Interim CEO Bob Quist pointed out that all audits are reported the same way so it is equally comparable to others. Board President Rod Waeckerlin asked what Ms. Matzek thought about MHCC’s financial status, and she reported that she felt it was healthy overall. MHCC has been consistently profitable and has a good plan to correct the few problem areas going forward.

President Waeckerlin made a brief introduction of MHCC’s Legal Counsel, Abbi Forwood.

Medical Staff Report presented by Greg Johnson, MD:

- Dr. Johnson reported that OB and OR are working hard on updating policies. The recent updates were approved by the Medical Executive Council on December 4th, 2019. He made staff reappointment recommendations for Dr. Sridharan, Dr. Janssen and Dr. Michael Smith, as well as the appointment of Dr. Chiu as the Medical Director. Dr. Johnson also noted that there was a typo in the MEC Minutes stating the claim that was addressed was in 2009, not 2019.

Corporate Compliance Report presented by Mark Kostovny:

- No complaints to report.
- The Compliance Meeting yesterday was cancelled.

Administrative Report: Consent Agenda

Discussion: Vice President Jason Campbell inquired about the 2 falls that were reported, stating that is not acceptable. HR Director Lisa Woodcock assured him that there are measures being taken to fix the ice problem in the parking lot.

President Waeckerlin asked Marketing and Communications Director Stephanie Hinkle how marketing was going. Mrs. Hinkle reported that it was going well, as they are using focused and strategic campaigns. She also noted that we have 25 days of reporting from Brentwood Communications on the Digital Marketing Campaign, which will be shared in a report later in the meeting. Vice President Campbell commended the increased community involvement, and expressed Mike Lujan’s, owner of Mike’s Big City Grill, gratitude for the donation of so many turkeys for his community Thanksgiving dinner. Dr. Lumb was specifically recognized for his extraordinary work on that event. Mr. Waeckerlin also noted that MHCC has taken a huge step in the right direction this past year, as things are happening that have never happened before, such as participation in the Festival of Trees and DAISY events, just to name a couple.

Jason Campbell made a motion and Mark Kostovny seconded the motion to accept the items within the Consent Agenda as presented. Motion carried.

QHR Report, Ron Vigus, QHR Regional Vice President:

- There is a new CMS regulatory mandate that will take effect January 1, 2021 requiring hospitals to not only post charges, but also to post payments. We must provide an expected insurance payment amount, as well the patient responsibility amount on the 300+ procedures that must be posted. QHR is trying to develop resources to use to help implement these requirements.
- QHR is working on some enhanced services for 2020, including providing the best GPO prices and analytics to be able to better manage them. Benchmarks on the Quality Scorecard will also not just include Quorum hospitals, but rather all comparable hospitals.
- The Quorum Annual Board Training will take place in Phoenix, AZ March 3-5, 2020.

Discussion: Board Member Mark Kostovny asked if the numbers that are provided are averages. CFO Jon Smith added that the prices given are indeed averages, and our Charge Master Review will set MHCC up well to provide this information. Mr. Kostovny inquired if he is able to come into the hospital and talk to a real person to get that information, or if it will just be available online. Mr. Smith assured him that yes that is absolutely possible. In addition to being able to provide the expected insurance payment amount and patient responsibility amount, all of the office staff are being provided with scripts to verify patient information and collect co-pays. MHCC's goal is to be proactive and educate our patients.

Financial Report presented by Jon Smith, CFO:

- Mr. Smith noted that there is still room for improvement where the audit is concerned, and stated that his goal is to simplify the system in order to catch some of the write-off charges that are being missed.
- November volumes were strong compared to budget across most service lines. November showed a loss from operations of \$73,546 with a total net income of \$196,319 compared to a budget net income of \$29,426.

YTD Highlights for November 2019 included:

- Gross Patient Revenue was \$4,891,656
- Net Operating Revenue was \$2,388,169
- Deductions were 52.9% of gross revenue
- Total operating expenses were \$2,461,715
- Salaries and Benefits were \$1,272,017 combined
- Month-to-Date Net Gain/(Loss) was \$196,319 positive
- Year-to-Date Net Gain/(Loss) is (\$230,964) loss through the first 5-months of FY2020
- Current Days Cash on Hand were 90 as of November 30, 2019
- Current Net Days in Accounts Receivable is 95.8

Mr. Smith added that the addition of permanent staff rather than contract employment will help with Operating Expenses and that having a Recruiter in HR has been a great addition. Some Mill Levy, Bond and Cost Report money is expected to come in soon, which will off-set some of the unexpected capital costs that were incurred this quarter.

Discussion: Board President Rod Waeckerlin commended Jon, recognizing that there is a good plan in place to move forward and increase cash. Vice President Campbell asked how the actual capital expenses compared to budget. Mr. Smith explained that the roof repairs, elevator replacement and new MRI machine are still showing outstanding, but all of the IT infrastructure has been purchased.

He said about half the purchases have been handled, which are about \$1 million outside of clinic costs. He assured the Board that MHCC is still in a good financial place.

Approval of Financials for period ending 11.30.2019 was requested.

Mark Kostovny made a motion and Jason Campbell seconded the motion to approve the financials for the period ending 11.30.2019 as presented. Motion carried.

Approval of Vouchers for period ending 11.30.2019 was requested.

Gary Goergen made a motion and Mark Kostovny seconded the motion to approve the vouchers for the period ending 11.30.2019 as presented. Motion carried.

Open Session dismissed for a 10 minute break at 11:15am.

Open Session resumed at 11:25am.

President Waeckerlin thanked everyone for participating in the “Ugly Christmas Sweater” event for the day.

Compliance Report presented by Collin McDonald, Director Compliance/Risk:

- Mr. McDonald reported that the new computer-based compliance program will be going live next month, and informed everyone that there will be training provided.
- There were 2 employee falls, which is not acceptable, but he assured the Board that the Plant Operations and Facilities Director Cody Lewis has been working diligently at correcting the problem and has a good plan in place going forward.
- CFO Jon Smith had 14 calls over the Thanksgiving holiday. Thank you to IT Manager Matt Brooke for discovering the exterior gas leak at MHCC Family Practice Clinic. Jon Smith commended Clinic Supervisor Abbie Madalinski on her action throughout the duration of that issue.
- Mr. McDonald also noted that collecting co-pays is a compliance issue, and FPC started doing that the week after Abbie took over as supervisor.
- A nurse recently reported that this is the first time in over a decade that MHCC has felt like a family.

Discussion: Interim Bob Quist inquired about the status of the provisional license. Mr. McDonald assured him that we would have it very soon.

Quality Report presented by Christina Baugh, Quality Director:

- Christina did not have a formal presentation to report this month. She explained that she is in the process of trying to get the things discussed at last month’s meeting implemented and will keep the Board updated on the progress.

Old Business:

- Wagon Circle Clinic Discussion, Bob Quist, Interim CEO: When the clinics were surveyed, it was reported that Wagon Circle Clinic had several deficiencies. We have been granted a provisional license until the updates can be made. There are a number of moving parts for options. The first option is to convert the building to just use as medical offices, but then we would need to relocate the surgical services.

The Hanna clinic is also operating on a provisional license due to the outdated HVAC system. The architects are hoping the state will give a variance, but know it is not likely.

- Saratoga Clinic Discussion, All: Vice President Jason Campbell reported that the committee had come to a consensus on which property they think should be purchased. That decision will be presented in Executive Session. He also stated that he believes there is a silent majority in the Platte Valley regarding the discussion of building a critical access hospital in Saratoga and suggested that the Board write a letter to the USDA expressing their views. Guest and Saratoga Resident Randy Raymer stated that he disagrees with Mr. Campbell. He insisted that the Platte Valley Health Clinic is moving right along. He reiterated his comments from last month's meeting saying Mr. Quist had made false remarks at a Saratoga Town Council meeting regarding the number of people that MHCC serves from the Platte Valley and the assumption that having the MHCC clinic across from SCWEMS would be beneficial to both parties. He requested that the MHCC Board of Trustees retract those statements in writing. After some ongoing dialogue between the parties, it was agreed that everyone should leave the past in the past and work on moving forward.
- City of Rawlins MOU, Phil Reints, CNO: Mr. Reints asked to have this item tabled until January to allow for more discussion and clarification on the relationship with the City. Legal Counsel Abbi Forwood stated that there a lot of moving pieces that she still needs to put together in order to present an MOU that benefits both parties.

New Business:

- Periodic Space Lease Agreement – Dr. Ashton Crain: Mrs. Forwood stated that Dr. Crain is an audiologist wanting to use our outpatient clinic for services. She suggested it be brought to the Board because it was a new service and new agreement.

Mark Kostovny made a motion and Jason Campbell seconded the motion to accept the Periodic Lease Agreement for Dr. Ashton Crain as presented. Motion carried.

- Cardinal Health 340B Amendment: CFO Jon Smith explained that Cardinal Health already provides our pharmacist services, but this amendment would add an additional service of oversight for the entire pharmacy program, which would allow MHCC to take advantage of all of the available opportunities, and, in turn, lower costs for our patients. CEO Ken Harman added that it is Best Practice to have a third party involved. He also noted that this addition would help us utilize other pharmacies, such as mail-order pharmacies, rather than just the two local pharmacies.

Jason Campbell made a motion and Mark Kostovny seconded the motion to accept the Cardinal Health 340B Amendment as presented. Motion carried.

- Rocky Mountain Air Agreement: CFO Jon Smith explained that MHCC has had a long-standing relationship with Rocky Mountain Air for our oxygen tanks. We decided to switch services to another company, but discovered very quickly that they weren't providing the services required. It was agreed that we need to go back to Rocky Mountain Air, so this is essentially a renewal in a messy way. Legal Counsel Forwood added that this agreement has a 5-year term and termination without cause is not allowed.

Mark Kostovny made a motion and Jason Campbell seconded the motion to accept the Rocky Mountain Air Agreement as presented. Motion carried.

- Policies:
 - Conflict of Interest presented by Collin McDonald, Risk Management Director: This policy has been updated because it was not in compliance. Transparency is the key point to this policy.

Discussion: Board Treasurer Gary Goergen asked to have Administrators added to the policy. It was clarified that they are already included as “employees.” Board Member Mark Kostovny asked whether the Compliance Officer should be taking it to the CEO. CEO Ken Harman explained that this formalizes the discussion because Collin already has a direct line to the Board. He stated that it is important for the CEO to know, and this is a Best Practice document.

Gary Goegen made a motion and Jason Campbell seconded the motion to accept the amended Conflict of Interest policy as presented. Motion carried.

- Personal Improvement Plan presented by Lisa Woodcock, HR Director: This new policy addresses employee performance issues and the plan of action for correcting those issues.

Discussion: Board Member Mark Kostovny asked if there was a time limit that this would stay in the personnel files. Ms. Woodcock stated that there is not a specified time limit in the policy because each case is different, as it would depend on the extent of the issue. Legal Counsel Abbi Forwood added that the employee has a right to respond in writing to keep in their personnel file.

Mark Kostovny made a motion and Jason Campbell seconded the motion to accept the Personal Improvement Plan policy as presented. Motion carried.

- EMTALA OB Patients Presenting to Emergency Department or OB Department for Evaluation of Active Labor or Pregnancy Complications presented by Jessica Seldomridge, OB Manager: This policy presents a guideline for handling patients that are presenting to the ER or Front Desk. There was no prior policy in place.

Mark Kostovny made a motion and Jerry Steele seconded the motion to accept the EMTALA OB Patients Presenting to Emergency Department or OB Department for Evaluation of Active Labor or Pregnancy Complications policy as presented. Motion carried.

- Death in the Operating Room presented by Bill Minion, OR Manager: This policy establishes procedures regarding the care and disposition of a patient who dies in the operating room.
- Universal Protocol presented by Bill Minion, OR Manager: This policy outlines step-by-step procedures to prevent wrong patient, wrong procedure or wrong site surgeries in the operating room. It was noted that section 3 of the policy was misnumbered.

Jerry Steele made a motion and Jason Campbell seconded the motion to accept the Death in the Operating Room and Universal Protocol policies as presented. Motion carried.

Open Discussion/Citizen Participation: Guest Randy Raymer thanked the MHCC Board for their time. He stated that although he still stands firm on his position regarding his earlier comments, he is encouraged by the things said in the meeting today. He also acknowledged Mrs. Hinkle’s marketing efforts and the strides that MHCC has made in the last year. President Waeckerlin expressed that he appreciated his comments and concern about the healthcare of the Platte Valley residents, and added that

MHCC's only focus is to provide quality service to the residents of Carbon County. The Board also thanked Interim Bob Quist, once again, for his service over the last 11 months.

Open Session dismissed for a 10 minute break at 12:35am.

Open Session resumed at 12:45am.

Digital Marketing Analysis Presentation: Lindsay Crampton and Drew Hoffman from Brentwood Communications gave a report via GoToMeeting on the real-time analytics of the Digital Marketing Campaign. They explained what each facet of the reporting means, including how impressions, clicks and click-through rates are used. The Board was very impressed with the information presented. Marketing Director Stephanie Hinkle will continue to report on the campaign in her monthly Board Report.

Recess Board of Trustees Public Meeting to Executive Session.

Jerry Steele made a motion and Mark Kostovny seconded the motion to go into Executive Session. Motion carried.

Board convened to Executive Session at 1346 hours.

Resume Board of Trustees Public Meeting.

Gary Goergen made a motion and Jerry Steele seconded the motion to resume the Board of Trustees public meeting at 1504 hours. Motion carried.

New Business Continued:

- Credentialing:
 - Palur Sridharan, MD – General Surgery: Courtesy Staff Reappointment
 - Michael Janssen, DO – Orthopedic Surgery: Courtesy Staff Reappointment
 - Michael Smith, MD – Pathology: Courtesy Staff Reappointment

Mark Kostovny made a motion and Jason Campbell seconded the motion to approve Credentialing Privileges for the individuals listed above and as presented. Motion carried.

- Medical Director Appointment:
 - Stephanie Chiu, MD – Family Practice Clinics

Mark Kostovny made a motion and Jason Campbell seconded the motion to approve the Medical Director Appointment of Dr. Chiu as presented. Motion carried.

- Personnel:
 - Dr. Cunningham, Employment Agreement
 - Adam Crawford, Employment Agreement
 - William Carey Lake, APRN Agreement
 - Dr. Saydjari, PRN Agreement

Mark Kostovny made a motion and Jason Campbell seconded the motion to approve the Employment Agreements of Dr. Cunningham, Adam Crawford, William Carey Lake, and Dr. Saydjari as presented. Motion carried.

Jason Campbell made a motion and Mark Kostovny seconded the motion to purchase Lots 8, 9, 10 and 11 of Block 37, Highlands Addition, Saratoga, Carbon County, Wyoming 82331 from the John P. and Pamela S. Hornbeck Trust pursuant to the terms and conditions as set forth in the Offer to Purchase. Motion carried.

Adjournment:

Mark Kostovny made a motion and Jason Campbell seconded the motion to adjourn the Board of Trustees public meeting at 1500 hours with no further business coming before the Board.

The next Board of Trustees meeting will be January 23, 2020.

Respectfully Submitted.

Chandra Buchholz, Executive Assistant
Jerry Steele, Secretary, Board of Trustees

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