



BOARD OF TRUSTEES

Regular Meeting

January 23, 2020

Minutes

10:00 am

Members Present:

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

Administration:

Ken Harman, CEO
Jon Smith, CFO
Phil Reints, CNO
Collin McDonald, Compliance and Risk Management Director
Lisa Woodcock, Human Resources Director
Dr. Johnson, Chief of Staff
Chandra Buchholz, Executive Assistant

Guests:

Woody White, QHR ARVP
Abbi Forwood, Legal Counsel (via phone)
Christina Baugh, Quality and Infection Prevention Director
Cody Lewis, Plant Maintenance and Operations Director
Stephanie Hinkle, Marketing and Communications Director
Matt Brooke, IT Manager
Jan Gulbrandson, Radiology 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 10:00am.

Approval of Agenda:

Garry Goergen made a motion, and Jerry Steele seconded the motion to approve the agenda as presented. Motion carried.

Approval of Regular Board Minutes: Board of Trustees 12.19.19.

Garry Goergen made a motion, and Jerry Steele seconded the motion to accept the minutes as presented. Motion carried.

Department Report presented by Pam Evert, Accounting Controller:

- Mrs. Evert's Accounting Department Report gave an overview of the department employees, duties and processes.

Discussion: Jon Smith, CFO commended Mrs. Evert on her checks and balances process and work on the audit. He also thanked Garry Goergen, Board Treasurer, for the time he commits to coming in weekly to review invoices.

Medical Staff Report presented by Greg Johnson, MD:

- The Emergency Medical Record program will be going live March 17-18. Dr. Johnson expressed his trust in Phil Reints, CNO in leading the program, as he has implemented the program in other facilities.
- There has been an issue with the hot water temperature and that could be a factor in the surgical infection analysis. MHCC believes the issue has been resolved, and temperatures appear to be sufficient right now.
- Pharmacy/Therapeutics is working on building orders in MedHost.
- Two protocols, Alcohol Withdrawal Order Set and Electrolyte Protocol, were revised in Surgical Committee.
- The following individuals were recommended for Credentialing/Provisional Reviews:
 - Daniel Long, MD
 - Myka Veigel, DO
 - Carey Lake, APRN
 - Layne Kamalu, MD
 - James Hejmanowski, MD

Discussion: Jerry Steele, Board Secretary, inquired about what the solution was to the hot water issue. Cody Lewis, Plant Maintenance and Operations Director, reported that they had the issue resolved, and then the City had a water main break, which resulted in the temperature issues again. The temperatures appear to be sufficient right now. Ken Harman, CEO, added that the engineering staff are doing daily temperature checks. Dr. Johnson asked if some on-demand units would be a viable option to have at the surgical sinks. Mr. Lewis said he would look into that option, but something like that would need to be approved by the State. He also added that they have rebuild kits ordered to replace all the valves to possibly help mitigate the problem. Mark Kostovny, Board Member, inquired about logs or documentation on the maintenance of equipment. Mr. Lewis explained that he has implemented a Work Order system, Dude Solutions, and every piece of equipment now has an asset tag that is set on a maintenance schedule. Unfortunately, we don't have a lot of historical information, but we have a system in place going forward.

Corporate Compliance Report presented by Mark Kostovny:

- There were two phone calls within 3 days on the Compliance Line. They were both personnel issues, which were resolved within two weeks.

Administrative Report: Consent Agenda

Discussion: Rod Waeckerlin, Board President, acknowledged and thanked the donors for the first baby of the year.

Jerry Steele made a motion, and Mark Kostovny seconded the motion to accept the items within the Consent Agenda as presented. Motion carried.

QHR Report presented by Woody White, QHR Assistant Regional Vice President:

- QHR is really promoting price transparency to meet the new regulations.
- Mr. White encouraged everyone to attend the QHR Leadership Conference in March in Phoenix.

Financial Report presented by Jon Smith, CFO:

- Mr. Smith reported that as part of closing out the December 2019 Financial Statements, we identified that one of the FY2019 audit entries made to move payable items that had been coded to July 2019 (FY2020) should have been reversed as part of the July 2019 financial closing; however, this was not noted in the audit entries. As such, it was verified that this was accurate and that adjustment has been made to the July 2019 reports in the amount of \$228,695 to the positive.

YTD Highlights for December 2019 included:

- Gross Patient Revenue was \$5,022,112
 - Net Operating Revenue was \$2,839,632
 - Deductions were 50.7% of gross revenue
 - Total operating expenses were \$2,766,652
 - Salaries and Benefits were \$1,479,885 combined
 - Month-to-Date Net Gain/(Loss) was \$93,661 positive
 - Year-to-Date Net Gain/(Loss) is \$91,830 gain through the first 6-months of FY2020
 - Current Days Cash on Hand were 78.8 as of December 31, 2019
 - Current Net Days in Accounts Receivable is 99.1
- Mr. Smith also reported that they are still working on the processes to improve the financial standings. Some new things that have been implemented include phone calls to patients prior to procedures to outline the financial expectations, having CareCredit available to patients and setting guidelines for payment arrangements.
 - They are working on collecting money owed to us by Blue Cross Blue Shield (\$2 million) and the VA (\$1 million).
 - We have not been impressed by our third party vendors' performance, specifically nThrive and MedHost, so they have been put on notice that we have to see some results soon, or we will be looking at other options.

Discussion: President Waeckerlin commended Mr. Smith on his efforts in the last few months. Treasurer Goergen suggested getting Legal involved in collecting the money owed by BCBS. Mr. Kostovny agreed that we should pursue other action, as we agree to lower rates in exchange for faster payment, and BCBS is not upholding their end of the contract. Mr. Harman stated that we would take further action if needed, but we are hoping the other processes will solve the problem. BCBS has been directed to have an answer for the issue by the follow-up meeting next week.

Mr. Kostovny inquired about having a print-out of expectations for payment plans for our patients and what we can do to mitigate the loss of follow-up on projects due to turnover. Mr. Smith assured him that print-outs are already being done now, and they have started a spreadsheet to map out the direction of the institution. Mr. Harman added that this will be part of the quarterly Strategic Initiatives update, which will be for tracking and accountability purposes.

Approval of all Financials for period ending 12.31.2019 was requested.

Garry Goergen made a motion, and Mark Kostovny seconded the motion to approve the financials for the period ending 12.31.2019 as presented. Motion carried.

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

Open Session resumed at 11:20am.

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

- The new program for our policies and procedures has been implemented. Wendy Thorvaldson, Clinic Educator, has done an amazing job on this project.
- There was one call on the Compliance Line, which came the day after a reminder about the hotline was sent out.
- There were zero patient falls in December and January. We had 1 employee fall reported in December and 1 employee fall in January.

Quality Report presented by Christina Baugh, Quality Director:

- Mrs. Baugh presented a PowerPoint presentation outlining the reporting data from the new Quality data manager, JL Morgan. She highlighted that an alert is sent within 24-48 hours of a negative report. She then forwards that on to the responsible Department Manager to resolve right away. Mrs. Baugh emphasized that the information received is in real-time, rather than waiting several months for the data.

Discussion: President Waeckerlin asked if the patients are called when they have a negative response. Mrs. Baugh assured him that yes, the Manager will be responsible for handling that, and this allows us to get more personal with our patients. By the time she reports again next quarter, the issues will already have been resolved for that quarter, and she will have an answer as to whether they were taken care of satisfactorily. Stephanie Hinkle, Marketing and Communications Director, added that the JL Morgan staff are medically trained so they are able to encourage conversation and ask more direct questions. This information will also be included into the Customer Service Program that is in the process of being implemented with our employees. Mr. Harman also noted that the goal is to empower MHCC employees to take responsibility and solve issues on their own.

Old Business:

- Wagon Circle – Business Plan, Ken Harman, CEO: Mr. Harman presented a recommendation from the subcommittee to address the deficiencies that were found during the State survey in April 2019. The recommendation is to move the hospital-based and/or billed services to the 2nd floor of the hospital and for Wagon Circle to then be utilized as the MHCC Visiting Specialist Clinic. For the short-term, all the services will be moved to the visiting specialist space in the Outpatient Clinic, and the long-term plan is to have General Surgery and Gastroenterology stay in the current visiting specialist clinic space, and Orthopedics and Pain Management will eventually be located in a portion of the rehab services space. Some construction costs would still be incurred due to converting the rehab space into Orthopedics and Pain Management, but it would be an estimated savings of \$200,000, rather than doing the renovations at Wagon Circle to bring it up to code to keep it as a hospital-based clinic.

This plan would also allow us to be able to do some rebranding for our MHCC facilities. The following name changes are suggested:

- Wagon Circle to be renamed MHCC Visiting Specialist Clinic
- Women's Clinic to be renamed MHCC Women's Clinic
- General Surgery/Gastroenterology to be named MHCC Surgery Clinic

- Orthopedics/Pain Management to be named MHCC Orthopedics Clinic

Rebranding would allow us to create consistency throughout all of our facilities, giving them all the same look, same feel, same standards and same functionality. Overall, for less money, we will add more quality to our brand.

Discussion: Mr. Kostovny asked if plans had to be submitted to the State for approval. Mr. Harman informed him that plans do not have to be submitted to move services, but they will have to be submitted in order to do construction to convert a portion of the rehab space. Mr. Goergen inquired whether the \$200,000 savings was worth it, or if we could just bill at a higher reimbursable rate and do the renovations at Wagon Circle. It was clarified that specialty services are not eligible for reimbursement at a higher rate, and we would have to get a separate tax ID number to bill separately. Mr. Harman assured everyone that all details have been taken into consideration, including x-ray availability and addendums to all of the visiting specialists' Lease Agreements.

Mark Kostovny made a motion, and Garry Goergen seconded the motion to authorize CEO Ken Harman to proceed with the Wagon Circle recommendation as presented. Motion carried.

- MHCC Health Center-Platte Valley – Business Plan, Ken Harman, CEO: Mr. Harman prefaced his PowerPoint presentation of the Business Plan with the remark that it is our responsibility to take care of Carbon County. The Business Plan that was presented gave an overview of the Financial Pro-Forma, including expectations for patient volumes, revenue and expenses for the first three years. He explained that the numbers were very conservative, estimating very low on revenue and very high on expenses. The first year volumes and revenue include a “ramp-up” growth rate and has start-up costs that will not be incurred in years two and three. The return on investment does not include the costs for architect and development fees, which are expected to be about \$300,000. Mr. Harman reiterated that our goal is not to make a large profit, but, rather, to take care of people.

The demographic and community needs that were reported were based on Saratoga and Encampment/Riverside only; it did not include Hanna or Baggs, as they are not part of the Platte Valley. The report concluded that while total population in Carbon County is estimated to decrease, the population over 65 is expected to grow. Inpatient services are also projected to decline with a shift to outpatient settings.

Mr. Harman acknowledged that, as part of the Scope of Services, the people of the Platte Valley want a physician in the community. He assured everyone that MHCC will provide that, as well as a rotation of other providers and specialists. 24/7 call service will only be provided if North Platte Medical Center does not open; there is no need to duplicate those services. He expressed that it is his hope is to be able to explore whether we can work closely with the other group in Saratoga to partner and collaborate. The community already has a clinic, but MHCC wants to meet the needs of the community by providing a variety of specialty services, which will be done through a “Health Center.”

Mr. Harman asked for approval from the Board to move forward with the plan by appointing a subcommittee to finalize the program design and move along with the architectural plans.

Discussion: President Waeckerlin made a recognition of the amount of hours that went into the Business Plan. Mr. Kostovny added that although this is the most complete Business Plan he has ever seen, he inquired whether the statement in the Executive Summary, “Currently, MHCC provides care to over 2,100 patients annually from the Platte Valley” was an accurate statement, or if it should be changed to “patient contacts”. Mr. Harman clarified that it should be “patient

contacts.” Secretary Steele asked if Mental Health or TeleHealth would be part of the Scope of Services. Mr. Harman offered that CNO Phil Reints is very involved in mental health, and it is definitely something they are looking into.

Guest and Saratoga resident Randy Raymer expressed his concern that he didn’t believe the numbers provided in the report to be accurate based on other information, such as the numbers reported by the previous doctor and the fact that the new Critical Access Hospital will provide the same services. Mr. Raymer and his wife Ellie Dana also expressed that the people of Platte Valley want a doctor of their own, not someone who rotates through. There was some discussion with Dr. Johnson about how medical training has evolved, and, perhaps, the expectation of having a doctor available 24/7 doesn’t exist anymore. Mr. Harman assured them that the numbers that were provided are accurate, as reported by RHC. He added that the Family Practice Clinic numbers have also doubled since opening, and we see 10 patients/day from the Platte Valley. The 21 patients reported in the Business Plan is an incremental growth rate, even if the hospital is there. Mr. Raymer was also concerned with the misinformation that is being shared, and urged MHCC to keep the information honest and clear. It was agreed that there is misinformation from both sides, and everyone should make an effort to clear up any confusion.

Open Session dismissed for a 10-minute restroom break at 1:00pm.

Open Session resumed at 1:10pm.

Mr. Harman took time to introduce Melissa Yowell, the new Clinic Director. He highlighted her ability to provide good leadership, implement good processes and to lead the RHC qualification.

New Business:

- Business Plan Initiatives Quarterly Update, Ken Harman, CEO: Mr. Harman went through a brief update on the progress on the Business Plan Initiatives, which he will be providing every quarter for the purpose of tracking and accountability.

Discussion: Secretary Steele inquired about the turnover rate increasing at 1.79 years and what was being done about it. There were no real answers so Mr. Harman offered for Lisa Woodcock, HR Director, to give a report at next month’s meeting. He also asked the Board if they wanted to see the detailed spreadsheet that documents specifics about the progress in each area, but the Board agreed that this update is sufficient.

- Design IT Solutions Contract, Jon Smith, CFO: Due to the MBT contract ending in February, we need to ensure that we have other systems in place for IT support services. A number of contracts have been reviewed, and it was decided that Design IT Solutions could provide all the support that we need, including some software programs. This contract saves us \$220,000/year and provides us with better service, including Anti-Virus, Remote Access, Remote Management Access with 24/7 monitoring and 20 hours of Network Engineering that we don’t have in-house.

Discussion: Treasurer Goergen asked if all our back-ups were okay. Matt Brooke, IT Manager, assured him that yes, MBT will keep them until we have our own storage in place.

- MCN Policy Management System Overview, Wendy Thorvaldson, Clinic Educator: Mrs. Thorvaldson reported that all of the data and user information has been imported into the new policy management system. It will be the same approval system, just in an electronic format. Mr. Harman explained that our policies are currently supposed to be reviewed annually, which regulations have now changed to every two years, and this program will help that process. We will do quick approvals for small changes such as typos, but the Board will still approve new

policies or any changes that are substantive. When policies are brought to the Board for review, a Table of Contents will be provided for each Manual highlighting the material changes. Chandra Buchholz, Executive Assistant, is the Proxy and will do the electronic approval, on behalf of the Board, once they've been approved. Mrs. Thorvaldson added that employees only have access to the final draft

Open Discussion/Citizen Participation:

Jan Gulbrandson, Radiology Manager, expressed her satisfaction with the Charge Master Review and MCN Policy Management system. She likes that it gives Managers the resources they need to use to implement processes. This is the most engaged she has ever seen the Managers, and they all appreciate the empowerment given to them.

Recess Board of Trustees Public Meeting to Executive Session.

Mark Kostovny made a motion, and Garry Goergen seconded the motion to go into Executive Session. Motion carried.

Board convened to Executive Session at 2:15pm to discuss personnel issues, to consider the selection of a site or the purchase of real estate when the publicity regarding the consideration would cause a likelihood of an increase in price, and to consider or receive any information classified as confidential by law.

Resume Board of Trustees Public Meeting.

Mark Kostovny made a motion, and Garry Goergen seconded the motion to resume the Board of Trustees public meeting at 4:40pm. Motion carried.

New Business Continued:

- Credentialing:
 - Daniel Long, MD – Pathology: Courtesy Staff Reappointment
 - Myka Veigel, DO – Radiology: Courtesy Staff Reappointment
 - William “Carey” Lake, APRN – Family Nurse Practitioner: Allied Health Staff Appointment
 - Layne Kamalu, MD – Emergency Medicine: Locum Tenens Staff Reappointment

Jerry Steele made a motion, and Garry Goergen seconded the motion to approve Credentialing Privileges for the individuals listed above and as presented. Motion carried.

- Provisional Reviews:
 - James Hejmanowski, MD – Family Medicine: Courtesy Staff (recommend full, unrestricted Courtesy Staff)

Mark Kostovny made a motion, and Garry Goergen seconded the motion to approve the Provisional Reviews for the individuals listed above and as presented. Motion carried.

- Personnel:
 - Dr. Ellis, Employment Contract

Mark Kostovny made a motion, and Garry Goergen seconded the motion to approve the Employment Contract listed above and as presented. Motion carried.

Mark Kostovny made a motion, and Jerry Steele seconded the motion to authorize Abbi Forwood, Legal Counsel, to draft and present a Memorandum of Understanding to John and Pam Hornbeck addressing the payment arrangement for the Hornbeck's last two payments pursuant the Offer to Purchase should such MOU become necessary. Motion carried.

Jerry Steele made a motion, and Mark Kostovny seconded the motion to authorize CEO Ken Harman to organize a subcommittee to finalize the program design and move forward with the architectural plans for the development of MHCC Health Center-Platte Valley in Saratoga, WY.

Mark Kostovny made a motion, and Garry Goergen seconded the motion to approve the Design IT Solutions Contract for \$3,100/month as presented. Motion carried.

Mark Kostovny made a motion, and Garry Goergen seconded the motion to approve the Surgical Site Infection Control Improvement Plan as presented. Motion carried.

President Waeckerlin thanked everyone for their due diligence.

Adjournment:

Mark Kostovny made a motion, and Garry Goergen seconded the motion to adjourn the Board of Trustees public meeting at 5:00pm with no further business coming before the Board.

The next Board of Trustees meeting will be February 27, 2020.

Respectfully Submitted.

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

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