



BOARD OF TRUSTEES

Regular Meeting

August 27, 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
Collin McDonald, Compliance and Risk Management Director
Lisa Woodcock, Human Resources Director (via phone)
Dr. Johnson, Chief of Staff
Chandra Buchholz, Executive Assistant

Guests:

Abbi Forwood, Legal Counsel (via phone)
John Turner, QHR Senior Vice President, Physician Solution (via phone)

Rod Waeckerlin, President, called the Memorial Hospital of Carbon County Board of Trustees meeting to order at 10:04am.

Approval/Amendment of Agenda:

President Waeckerlin requested to add "State Preliminary Budget Cuts – Ken Harman" to *New Business* as item "f" and to add "Board Meetings Rescheduled" to *New Business Continued* as item "c".

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

Approval of Regular Board Minutes from Board of Trustees 7.23.2020:

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

Department Report (Cardiopulmonary) presented by Kristen Dirck, Cardiopulmonary Supervisor:

- Mrs. Dirck gave a report of what a Respiratory Therapist is and how they are credentialed as such. She also detailed out the equipment that the Cardiopulmonary Department currently has, as well as, the functions and duties that they cover. She expressed the desire for more staff in order to prevent employee burn-out and the value of having a Therapist on-site 24 hours a day in the case of an emergency.

Discussion: Dr. Johnson, Chief of Staff, noted how invaluable the Cardiopulmonary Department has been throughout the COVID-19 pandemic, as well as, Mrs. Dirck's tremendous work on getting masks distributed out to all of our employees.

Garry Goergen, Treasurer, inquired about more details on the hospital's ventilators. Mrs. Dirck confirmed that the hospital currently has 2, one of which is over 12 years, and only one has transport capabilities. She added that we are asking for an additional one through the CARES Act funding, which will have the new smart mode features that will improve the quality of care for our patients.

President Waeckerlin asked Kristen to prepare a written report for the Board identifying what they can do to help improve and grow her department.

Medical Staff Report presented by Greg Johnson, MD:

- Dr. Johnson reported that Dr. Lumb has agreed to take the Vice Chief of Staff seat that will be left vacant with Dr. Cunningham's departure, and Dr. Chiu will be the secondary.
- The Medical Executive Committee also approved the following individuals for credentialing privileges:
 - Kenneth Buran, MD – Gastroenterology: Courtesy Staff Reappointment
 - Adrian Fluture, MD – Cardiology: Courtesy Staff Reappointment
 - Ryan Shedd, CRNA, NSPM-C – Pain Management: Allied Health Staff Reappointment
 - Kenneth Edgar, MD – Radiology: Telemedicine Staff Appointment
- MEC also accepted resignations from Richard Carregal, DO-Radiologist and Kevin Simonelic, MD-Internal Medicine.

Discussion: President Waeckerlin asked if there was a specific reason for ER volumes being down, to which Dr. Johnson replied that there isn't anything specific; it is just the ebb and flow of things.

Administrative Report: Consent Agenda

Discussion: Mr. Waeckerlin noted that the phone issues at the clinic have been identified, and we are moving toward a resolution. The number of calls reported really brought awareness to the volume that the clinic can do and, has, perhaps, missed. He expressed his appreciation to all involved in solving the issues.

Mr. Goergen asked if there had been any changes to the COVID-19 testing processes. CEO Harman informed him that the hospital and clinic have plenty of testing media, and it is up to the clinician to make the determination. It was also clarified that the saliva swabs that are being used by the University of Wyoming are much less accurate than the Abbott ID Now test and the State test, which is why it is not being utilized in our clinic. Mr. Goergen also noted that he received great feedback from a family member about the fabulous care that they received from the MHCC OB Department.

President Waeckerlin brought to the Board's attention that the Allergy Clinic report provided to them in their folders should have been part of the Clinic's report, but it got missed in the electronic copy that was sent out. He also commended the work that was put into the Infection Prevention Plan, as it is very extensive and well done.

Board Member Kostovny expressed his frustration with the lack of growth at the clinic in Hanna. He pointed out that the provider that was hired to go out there is now being utilized in another area, and none of the construction or repair work has been done. CEO Harman commented that we are waiting for the State to approve the work requests, but he assured Mr. Kostovny that he would bring a plan for Hanna back to the Board next month.

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 John Turner, QHR Senior Vice President, Physician Solution:

- Mr. Turner reported that the Supply Chain that QHR created for sourcing PPE in response to COVID-19 will continue through the 1st quarter of 2021. The purchasing agreement with Health Trust Purchasing Group has also been renewed for another 7 years, which helps drive costs down.
- QHR continues to expand their services to include an Ambulatory Surgery Strategy, Behavioral Health Services, Revenue Cycle Services and a Centralized Case Management Program.

Discussion: There was some concern from the Board about the impact on the current agreement that MHCC has with resolution since QHR is now purchasing resolution, and whether it would include additional services for MHCC. Mr. Harman assured them that this partnership will not change our current agreement, and we do not need any additional services at this point. Mr. Turner added that they will only look at enhancing the services through a Shared Services Model so that everyone has ownership.

Corporate Compliance Report presented by Mark Kostovny:

- Mr. Kostovny reported that there were 4 call on the line this month. Two of the calls were from us testing it, and the other two calls were referred to Human Resources.

Compliance and Risk Report presented by Collin McDonald:

- Mr. McDonald reported that after some exchanges with the insurance company this week, he demanded that they come to a resolution within 30 days, or we will be getting an attorney, as this has gone on for 6 months. They have paid out \$250,000 so far on a \$1.75 Million claim.
- Mr. McDonald also noted that the dorm property continues to be a non-performing asset, and inquired about what the Board would like to do with it. An asbestos report was done, and we expect the final report in 3-4 weeks; however, it looks better than expected.

Discussion: President Waeckerlin asked for confirmation that we still plan to shop for brokers, to which Mr. McDonald clarified that we will be shopping for a new broker, not a carrier. Mr. Kostovny added that we should not only shop for a broker for the lowest price, but also the services as well. Treasurer Goergen expressed his frustration stating that this has been extremely long in his experience, and, if they do not settle within the next 30 days, then we need to get our Legal Counsel involved.

Mr. Waeckerlin requested to add the dorm property to the agenda for next month's Board meeting, so a decision can be made. Mr. Goergen added that he would like to have an appraisal done on the property.

Financial Report presented by Jon Smith, CFO:

Mr. Smith presented the final report for June/FYE2020 financials to follow-up on the preliminary numbers that were presented last month, as well as the financial report for July 2020.

- June/FYE2020 Summary: June 2020 showed a gain from operations of \$1,074,255, which was directly related to \$1,200,000 of February 2020 Disaster. Year-to-date gain from operations is \$3,367,118 with a total net profit of \$2,795,967. Gross patient revenues were 10% below budget and net patient revenues was 47% above budget for June. Year-to-date gross patient revenues were 12% below budget and net patient revenue was 11% below budget. Mr. Smith noted that patient revenues were down due to COVID-19 and limitations on access in certain areas. Additionally, allowances and bad debt totaled 39%, as compared to a total budget of 52%, and year-to-date revenue deductions were 50%. Operating expenses were 22% above budget during June, and 10% over budget year-to-date. Days cash on hand increased to 179.3, compared to 168.5 in May 2020, and days in AR decreased to 93.3 from 100.4 in May.

Discussion: There was some discussion regarding the repayment options for the Accelerated Payments money. Although there is still a possibility that it may still be forgive all together, the payment plan option seems to be the best option. It was pointed out that if it is repaid in full, and they decide to go ahead and

forgive it, the money will not be reimbursed, as well as the fact that it will be interest free for the first year, which will allow MHCC to earn some interest on the money.

Treasurer Goergen also asked for clarification on what 10% equaled to in dollars in regards to the overage on operating expenses and what 11% below budget was on net patient revenues. CFO Smith replied that the 10% equaled \$3 Million and the 11% equaled \$507,000. Mr. Harman added that we would not have had \$3 Million in expenses had it not been for COVID-19, and the pandemic dramatically cut patient revenues as well. However, with all things considered in 2020, he expressed that he thought we have done well on the expense side.

- July 2020 Summary: We had a great start to the new fiscal year. July 2020 showed a gain from operations of \$101,124 with a total net profit of \$112,032. Allowances and bad debt totaled 44%, as compared to 52% for July. Mr. Smith noted that the overall annual budget for deductions is 50%; however, we have deferred revenue for new clinic services in Saratoga until the second quarter of FY21, which creates a higher allowance in the first three months. Additionally, operating expenses were 8% below budget in July, due to lower insurance costs and maintenance agreements, which we expect to increase during the year with equipment we purchased last year coming off of warranty. Days cash on hand decreased to 170.7, as compared to 179.3 in June, due to the purchase of some capital items, and cash collections are still holding at 85% of net patient revenues, or \$2.3 Million. Days in AR decreased to 91.6, as compared to 93.3 in June, and days in AP were 39 as of July 31, 2020. CFO Smith added that inventory on hand is 50 days, equal to \$3 Million. This is \$500,000-\$700,000 higher than normal and is directly related to the stockpiling of PPE for COVID-19.

Some other highlights that Mr. Smith noted were the increase in Swing-Bed days, which is at 36 already this year, clinic visits at 1,664, an increase of 300 from June, and a record high of 96 surgeries.

Discussion: Mr. Goergen inquired about the benchmark change from 220 days to 183 days for cash on hand. CFO Smith confirmed that 220 days is too high, as 183 days equals six months, which is sufficient. Treasurer Goergen also asked for a breakdown of how much money is in each banking institution, to which it was explained that a total of \$9 Million was in the Rawlins National Bank accounts and \$1 Million in the Bank of Commerce accounts. Mr. Smith said he would add an account breakdown to his monthly report.

Jerry Steele made a motion, and Garry Goergen seconded the motion to approve the financials for the period ending 6.30.2020 and financials for the period ending 7.31.2020 as presented. Motion carried.

Garry Goergen made a motion, and Mark Kostovny seconded the motion to approve the updated vouchers for the period ending 6.30.2020 and vouchers for the period ending 7.31.2020.

Open Session dismissed for a 10-minute restroom break at 12:05pm.

Open Session resumed at 12:15pm.

Old Business:

- Departmental Credit Cards-Limit Change – Ken Harman, CEO: Mr. Harman explained to the Board that the type of corporate credit card that we are applying for requires a \$100,000 minimum limit. Since the Board only approved a \$75,000 total limit prior, they were asked to approve the increased amount of \$100,000.

Garry Goergen made a motion, and Jerry Steele seconded the motion to increase the approved credit limit for the departmental credit cards up to the amount of \$100,000.00 total as presented. Motion carried.

- Approval of 2020/2021 Strategic Plan – Ken Harman, CEO: Mr. Harman informed the Board that after presenting the draft of the 2020/2021 Strategic Plan last month, no additional items were added; only the

Description of Measure and Status were updated on some of them. He added that monthly updates will be provided to the Board in the Consent Agenda, and he will give a verbal report quarterly.

Discussion: President Waeckerlin questioned whether 25% complete is accurate on the Rural Health Clinic statuses. Mr. Harman explained that that is all that we can quantify, but is likely to get done earlier than planned. Our goal is have all three clinics RHC certified by the end of June 2021.

Treasurer Goergen noted how much work it will be to do monthly updates, to which CEO Harman expressed the need to be able to provide reports, rather than letting it sit on a shelf. He clarified that a detailed report will not be able to be given monthly, but they will still get a pulse of the plan.

Board Member Kostovny conveyed his satisfaction with seeing the Employee Engagement Survey on the plan, and he was assured that it will be completed early next year. He also commended Stephanie Hinkle, Marketing and Communications Director, on her tremendous work on the information being provided to the community about MHCC and the positive image that is being put in front of Carbon County.

Mark Kostovny made a motion, and Jerry Steele seconded the motion to approve the 2020/2021 Strategic Plan as presented. Motion carried.

New Business:

President Waeckerlin noted Matt Brooke's, IT Systems Administrator, thank you to the Board for their support, as well as the thank you received from Kaylee Johnson for purchasing her pig at the Livestock Auction.

- The Urology Clinic (Dr. Pierce) Periodic Lease Agreement – Ken Harman, CEO: Mr. Harman informed the Board that Dr. Pierce will be replacing Dr. Flock, who retired, at our Visiting Specialist Clinic. CEO Harman noted that this Periodic Lease Agreement is our standard agreement, and added that Dr. Pierce will also be doing some procedures here at MHCC, which are not related to the Lease Agreement.

Mark Kostovny made a motion, and Jerry Steele seconded the motion to approve the Urology Clinic Periodic Lease Agreement as presented. Motion carried.

- Medical Executive Committee By-laws revision to Article XII, 12.6, 12.6.2 (b) medical care review duties – Ken Harman, CEO: Mr. Harman reported to the Board that the Medical Executive Committee made some minor changes to their By-laws, which only involved adding where some of the departments report to, as that was not specified before.

Mark Kostovny made a motion, and Jerry Steele seconded the motion to approve the revision to the Medical Executive Committee By-laws Article XII, 12.6, 12.6.2 (b) medical care review duties as presented. Motion carried.

- Investments Policy Review – Ken Harman, CEO: Mr. Harman explained that there were no changes made to the policy, but this is a policy that should be brought to the Board for review annually. It was brought to the Board by Interim CEO Bob Quist last April, and no action is needed.

Discussion: Mr. Kostovny recalled a lengthy discussion last year that involved the Board's fiduciary duty to keep money in secure investments, and asked if point *III. A. 1.* of the policy answered that discussion. Treasurer Goergen confirmed that it does indeed meet the requirement.

- Quality and Patient Safety Plan – Ken Harman, CEO: Mr. Harman presented the newly developed Quality and Patient Safety Plan to the Board. He highlighted the State of Purpose on page 2 of the plan, stating that this plan is to improve and validate assurance and performance by adding a layer of accountability. It starts with Department Indicators, which are reported to a committee. The Quality Committee reports the Medical Staff, who then reports to the Board. A quarterly report will be provided,

indicating whether we are achieving the measure, within striking distance or not reaching the measure. The plan will be reviewed annually and changed based on the review. CEO Harman noted Christina Baugh's, Quality and Infection Prevention Director, time and efforts on this plan, and the difficult part now is implementing it.

Discussion: Board Member Kostovny asked if these updates will be similar to the Strategic Plan, to which Ken Harman explained that it would be similar, as the last page of the plan is what they'll see for the update.

Mark Kostovny made a motion, and Jerry Steele seconded the motion to approve the Quality and Safety Patient Plan as presented. Motion carried.

- COVID-19 SLIB Grant Resolutions – Ken Harman, CEO: Mr. Harman asked the Board to approve the following Resolutions to authorize MHCC to submit grant requests to SLIB for additional funding to help with some of the costs associated with COVID-19.
 - Resolution 2020-04: Request of \$128,261 for the MHCC COVID-19 Laundry Compliance Project to purchase 2 washing machines, 2 dryers, and 750 sets of surgical scrubs for our employees.
 - Resolution 2020-05: Request of \$212,456.01 for the MHCC COVID-19 Cardiac Monitoring System Upgrade to purchase an updated cardiac monitoring system.
 - Resolution 2020-06: Request of \$14,373 for the MHCC COVID-19 Vaccine Storage Project to purchase 3 medical freezers and 2 medical refrigerators to use for storage of the COVID-19 vaccinations.
 - Resolution 2020-07: Request of \$32,935.57 for the MHCC COVID-19 Ventilator Enhancement Project to purchase an additional ventilator.
 - Resolution 2020-08: Request of \$41,682 for MHCC COVID-19 Employee Protection Equipment to purchase 2 mobile construction containment carts.

CEO Harman noted that the State is re-evaluating their process for granting funds, and we do not know exactly what those guidelines are going to look like now. We just want to have all of these requests ready to submit as they take time to complete.

Discussion: Mr. Waeckerlin commented that they turned down our request for assistance with the clinic in Saratoga. He expressed that that was a very valid request, and we were, unfortunately, outpoliticked.

Mark Kostovny made a motion, and Jerry Steele seconded the motion to approve SLIB Grant Resolution No. 2020-04, 2020-05, 2020-06, 2020-07 and 2020-08 as presented. Motion carried.

- State Preliminary Budget Cuts – Ken Harman, CEO: Mr. Harman informed the Board that the State did a 9% budget cut across every division in the state. The one that affects us specifically is the cut to the Department of Health. These cuts means that state funding for our Wyoming Home Services program will be eliminated, as well as the funding for the Wyoming VIP program, which provides vaccines to children who are not VFC-eligible. He added that we are looking at options to see if there are any other ways for us to fund our WyHS program.

Discussion: Mr. Waeckerlin asked how much the cut is and when it would take place. CEO Harman replied that it is \$250,000 and would take place June 2021. He noted that MHCC is already taking a \$130,000 loss on the program, so that would be a total loss of \$300,000-\$400,000 without the state funding. Mr. Waeckerlin expressed his disappointment in seeing the program go, as it helps so many people in Carbon County, but assured everyone that MHCC would take care of our employees

Open Discussion/Citizen Participation:

President Waeckerlin noted that even though the Golf Tournament had to be canceled, the Foundation received \$17,000 from donors and sponsors who told us to keep their money. He expressed MHCC's gratitude for their

generosity. He also reminded everyone that the Online Auction is still going on and encouraged everyone to participate.

Board Member Kostovny inquired about the status of the adolescent Emergency Detention situation with the County. Mr. Harman and Legal Counsel Forwood informed him that we are still working on the issues with no resolution at this point. Mrs. Forwood explained that this is not an isolated incident, as placement of adolescents in behavioral health institutions is a problem across the state. She stated that a change in hospital policies is a short-term solution, and she will continue to work on a long-term solution with her colleagues.

Mr. Waeckerlin asked about the status of the SLIB grant request for a new ambulance, to which CEO Harman informed him that the County is not able to submit any requests to the State due to an incomplete 2019 Audit. They are hoping to have the issue resolved by mid-September and will then be able to go out to bid. Mr. Harman added that he has informed them that the bid will most likely be higher now due to an increase in cost of the chassis.

Mr. Kostovny asked about a Profit and Loss Statement on the investment in the clinics. CEO Harman assured him that he would be happy to provide a quarterly P&L report to the Board going forward.

Motion Recess Board of Trustees Public Meeting to go into Executive Session.

Jerry Steele made a motion, and Garry Goergen seconded the motion to Recess the Board of Trustees Public Meeting to go into Executive Session. Motion carried.

Board convened to Executive Session at 1:18pm to discuss personnel issues 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:
 - Kenneth Buran, MD – Gastroenterology: Courtesy Staff Reappointment
 - Adrian Fluture, MD – Cardiology: Courtesy Staff Reappointment
 - Ryan Shedd, CRNA, NSPM-C – Pain Management: Allied Health Staff Reappointment
 - Kenneth Edgar, MD – Radiology: Telemedicine Staff Appointment

Mark Kostovny made a motion, and Jerry Goergen seconded the motion to approve credentialing privileges for the individuals listed above and as presented. Motion carried.

- Resignations:
 - Richard Carregal, DO – Radiology: Telemedicine Staff
 - Kevin Simonelic, MD – Internal Medicine: Active Staff

Mark Kostovny made a motion, and Garry Goergen seconded the motion to accept the resignations of the individuals listed above and as presented. Motion carried.

- Board Meetings Rescheduled – Rod Waeckerlin, President:

The Board made the decision to move the October Board meeting from the 22nd to the 29th, in order to allow time for the Audit to be completed, and the November and December Board meetings will be combined into one meeting to take place on December 3rd.

- Consideration and/or approval of contracts and additional Board business: No other business was considered or approved.

Adjournment:

Mark Kostovny made a motion, and Jason Campbell seconded the motion to adjourn the Board of Trustees public meeting at 4:25pm with no further business coming before the Board.

The next Board of Trustees meeting will be September 24, 2020.

Respectfully Submitted.

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

crb