



BOARD OF TRUSTEES

Regular Meeting

January 28, 2021

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, *Chief Executive Officer*
Jon Smith, *Chief Financial Officer*
Collin McDonald, *Compliance and Risk Management Director*
Lisa Woodcock, *Director of Human Resources*
Dr. Johnson, *Chief of Staff*

Guests:

Abbi Forwood, *Legal Counsel* (via phone)
Katie Vander Putten, MOA Architecture, *Principal/Director of Healthcare*
Wally Shepard, Shepard Construction, Inc., *Owner/Project Manager*
Kami Matzek, DZA, CPA, *Senior Manager* (via Zoom)
Stephanie Hinkle, *Marketing and Communications Director*
Melissa Yowell, *Director of Clinics*
Abbie Madalinski, *Family Practice Clinic Supervisor*
Ryan Shoemaker, *IT Help Desk Technician/Marketing and Communications Assistant*
Nancy Tanner, *Business Office Manager*
Victoria Gonzalez, *Business Office Manager*
Susan Porter, *Lab Quality Assurance Manager*

Rod Waeckerlin, President, called the Memorial Hospital of Carbon County Board of Trustees meeting to order at 10:02am. The Pledge of Allegiance and a moment of silence for those affected by COVID-19 followed.

Approval/Amendment 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 from Board of Trustees 12.03.2020:

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

MHCC Health Center-Platte Valley Project Update presented by Katie Vander Putten, MOA Architecture, Principal/Director of Healthcare and Wally Shepard, Shepard Construction, Owner/Project Manager:

- Ms. Vander Putten and Mr. Shepard gave an overview of the floorplan and current status of the construction progress on the MHCC Health Center-Platte Valley. They pointed out that they have incorporated social distancing protocols to the lobby and reception area, and, although there were some obstacles due to COVID, there aren't any red flags right now pertaining to the budget. However, Mr. Shepard did report that, against all efforts to get things done faster, the completion has been pushed back to the end of April, with punch-list items being done the first week of May. He presented the plan to finish in stages, working from the exams on the south side to the physical therapy area on the north side, in order to allow for temporary occupancy to start moving equipment in as the rooms are complete.

Discussion: Treasurer Goergen asked where the project got behind, to which Mr. Shepard explained that it wasn't any one area, but that it primarily comes from trying to keep things dry and heated appropriately for proper installation.

Secretary Steele voiced his concern about issues with leaks with flat roofs. Mr. Shepard explained that a flat roof is necessary because it houses the rooftop heating/cooling units. He further explained that the roof is slightly sloped on each side to allow for draining and that, with proper insulation, there shouldn't be any concern for leaking.

President Waeckerlin pointed out that there were several issues with the tile pulling up and the delay in getting the exterior generator approved by the state when the Family Practice Clinic was being built that he wants to make sure we avoid during this construction project. Mr. Shepard assured him that the appropriate dry heat is being utilized for proper installation on the interior finishes, and, although the generator for this clinic doesn't have to have state approval since it is not a hospital-based clinic, he has been getting inspections done on a regular basis throughout the process to avoid any further delays.

FY2020 Audit Report presented by Kami Matzek, DZA, CPA, Senior Manager:

- Ms. Matzek gave an overview of the FY 2020 Audit Report as presented in the *Basic Financial Statements and Independent Auditors' Reports June 30, 2020 and 2019* and *Financial Indicators June 30, 2020*. In summary, the report shows an overall operating loss of \$4,330,166 and net income is \$2,531,564; however, she noted that, after several changes were made, the federal guidelines direct facilities to report any COVID-related funding as revenue only after it has been recognized as an eligible expense or lost revenue. This leaves almost \$4 Million in CARES Act funding and \$2.2 Million in Payroll Protection Program funds left to be recognized in 2021.

Ms. Matzek also reported that there were two audit findings, which include adjusting journal entries and bank deposit collateralization. Both findings have been addressed with a plan of correction in the Management's Response Letter.

Discussion: President Waeckerlin requested that a copy of the corrective action plan be provided to the Board, which CFO Smith distributed. He assured them that they have developed a process through a finance committee to reconcile balance sheets at month-end to limit adjusting journal entries, and they will set up an auto-sweep to move funds from the US Bank account once it reaches \$100,000 to avoid having this account increase to a level that requires collateralization of funds. CEO Harman also informed the Board that he has reached out to Quorum and requested them to do a financial operations review to ensure the corrections are made accurately and to validate that they are being done.

Mr. Goergen asked Ms. Matzek how MHCC compared to other hospitals of the same size, to which she replied that MHCC is in good shape. She assured him that everyone was hit with the economic uncertainty from the pandemic, and she works with very few hospitals that operate with as little debt as MHCC does.

Mark Kostovny made a motion, and Jerry Steele seconded the motion to table the approval of the FY2020 Audit Report until the February 25, 2021 meeting. Motion carried.

Medical Staff Report presented by Greg Johnson, MD, Chief of Staff:

- Dr. Johnson reported that, although there is still some confusion with the clinic providers not being aware that they are welcome to participate, there was good representation at the last Committee of the Whole meeting. He noted that Dan Starr has been promoted to the Emergency Department Manager, and Becky Forney, Director of Inpatient Services, will help oversee nursing. He also mentioned that the partnership with qler psychiatric telehealth is going well.

In addition, Dr. Johnson informed the board that the Medical Executive Committee approved the credentialing of several providers, but noted that Dr. Alqaqa'A with Cheyenne Cardiology Associates has not been timely with our EKG reads, so we are looking at other options. The committee also recommends that Mayra Mendoza remain on provisional status, rather than unrestricted, due to her lack of presence here at the hospital.

Open Session dismissed for a 10-minute restroom break at 11:40am.

Open Session resumed at 11:50am.

Department Report for Information Technology presented by Ryan Shoemaker, IT Help Desk Technician:

- Mr. Shoemaker informed the Board of the progress that has been made on the Mitel phone system, after numerous complaints had been reported since the opening of the new Family Practice Clinic. He explained that, after working with HiTek Communications, it was discovered that the issues were stemming from having some of our settings programmed incorrectly. After making some adjustments, the system now seems to be handling the work groups and queue properly. Mr. Shoemaker noted that the clinic staff now have applications on their desktops, which gives them notifications on their computers. This feature allows everyone to see the call queue and chat with each other about the status of specific calls, as well as gives the clinic supervisor oversight of the call queue from her office. Other minor changes that have been made are decreasing the number of rings and revising the routing system. Although this is an ongoing project, the changes that have been made have allowed the clinic staff to be more efficient and provide better care and satisfaction to our patients.

Discussion: The Board thanked Mr. Shoemaker and Clinic Supervisor Abbie Madalinski for all of their work on this project.

Administrative Report - Consent Agenda:

Discussion: Board Member Kostovny voiced his confusion about the inclusion of several policies in the Consent Agenda, noting that he didn't feel as if the "Ambulance Scheduling" policy was consistent with the hospital-wide PTO policy. CEO Harman explained that he felt that it is more appropriate to include policies that have been revised without a material change in the Consent Agenda, as to not take up the board's time with individual agenda items. He also noted that the change to the "Ambulance Scheduling" policy is not a change to PTO, but rather how time off is requested and granted according to scheduling needs in that department. Mr. Kostovny expressed that he has concerns about not being fair and consistent across the hospital if each department is going to have a different policy. Director of Human Resources Lisa Woodcock assured him that employees are treated fairly as far as PTO is concerned, but, since each department has different scheduling needs, they can determine how they handle time off requests. Additionally, Mr. Kostovny and Mr. Campbell requested to have the policies redlined so they are able to see what changes were made moving forward.

Mr. Harman presented an additional "Administration of Blood Products" policy to the board, stating it had just been created on Monday in response to the CLIA survey in the Lab. Susan Porter, Lab Quality Assurance Manager, stated that she needs the board's approval today in order to be able to implement it with the staff immediately, after a significant mistake was made with banding a patient.

Mark Kostovny made a motion, and Jerry Steele seconded the motion to approve the Administration of Blood Products policy as presented. Motion carried.

Additional discussion included the use and storage of the new mobile clinic. Mr. Harman said he thought it would be ready for use within 10 days, once the AED is placed next week and the policies and procedures are finalized, but there is an issue with storing the mobile unit, as it needs to be in a heated facility. President Waeckerlin informed the board that they are exploring some options for a joint venture with the county, but he didn't have any information beyond that to report at this time.

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

QHR Report presented by Woody White, QHR, Vice President, Finance:

- There was no report presented, as Mr. White was not able to attend the meeting.

Corporate Compliance Report presented by Mark Kostovny, Board of Trustees, Member:

- Mr. Kostovny reported that there was not a Compliance meeting yesterday due to Mr. McDonald's reaction to the COVID vaccine, but there two calls on the ComplianceLine this month. One involved a discrimination issue from a Haitian man that was very confusing and hard to understand. CEO Harman added that it stemmed from a wreck on I80, in which the gentleman was arrested for DUI. The conclusion was that he was not DUI, and that it was a speech impediment that was causing his slurred speech. It was reported that the gentleman returned for a visit two days later with no complaints, so it appears to be an issue with the police, rather than with MHCC. Mr. McDonald is still investigating this issue.

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

- Mr. McDonald reported that there have been some good changes made in the Lab with the direction of the Lab Quality Assurance Manager Susan Porter and Lab Medical Director Dr. Long. He also informed the board that there was a report from the landfill that they found biohazardous waste in our trash. After further investigation, it was discovered that it was iodine, which is not biohazardous waste. However, the trash was in a clear bag, and medical waste is required to be in a dark bag. Mr. McDonald added that he will send the landfill information on what is and is not biohazardous waste in order to clear up any confusion.

Discussion: President Waeckerlin commented that, perhaps, the clinic should look at having COVID vaccine information available in the patient portal, as it will likely become a requirement for international travel. CEO Harman assured him that we are looking into options to provide that information to patients.

Program Return on Investment Report for ChartSpan presented by Stephanie Hinkle, Marketing and Communications Director and Abbie Madalinski, Family Practice Clinic:

- Mrs. Hinkle and Ms. Madalinski gave an update on the status of the Chronic Care Management program through ChartSpan, which helps to close the gap in the care of our seniors with chronic conditions. The program offers a 24/7 nurse line, as well as assistance with scheduling appointments, transportation and prescription refills, amongst many other benefits. In summary, there are 222 patients enrolled in the program right now, which is 60% of qualified individuals, and the program will add \$36,000 per year in revenue to the bottom line for MHCC.

Discussion: CEO Harman noted that the program is doing better than anticipated financially, but, more importantly, it is improving the lives of our patients.

Mr. Waeckerlin requested to have the MHCC mission statement and logo added to the materials, to which Mrs. Hinkle informed that that is already in the process.

Accounts Receivable Report presented by Nancy Tanner, Business Office Manager and Victoria Gonzalez, Business Office Manager:

- Mrs. Tanner and Ms. Gonzalez gave a report on the progress that has been made with Accounts Receivable since partnering with re|solution. In summary, AR has decreased by 43% since the implementation of the new processes in April 2020, dropping by \$9,976,422 overall. The main areas of improvement that were noted were Medicare, Veterans Affairs, Workers Comp, Blue Cross, Self-Pay and Medicaid. Although great strides have been made, there is still a lot of opportunity to improve, and, with the action plans and goals put in place, the goal is to increase monthly cash collections to \$2.9 Million and reduce overall AR from to \$13,193,020 to \$10 Million by March 31, 2021.

Discussion: When President Waeckerlin asked how the board could help, Mrs. Tanner replied that physician documentation is one of the most crucial pieces. CEO Harman added that having two different systems for the hospital and clinics is troublesome, as everyone is well aware, so we are still exploring other options of going to one system. That decision will need to be made within a year, as the MedHost contract expires August 2022.

Board Member Kostovny asked if we were compensating our Business Office employees competitively, since many of them move internally to other positions. Mr. Waeckerlin suggested Director of Human Resources Lisa Woodcock do a comparison to bring back to the board for review.

Open Session dismissed for a 20-minute lunch break at 2:00pm.

Open Session resumed at 2:20pm.

Financial Report presented by Jon Smith, Chief Financial Officer:

- November 2020 showed a loss from operations of -\$655,144 and a total net income loss of -\$411,521 compared to a budgeted net income of \$79,660. Volumes have continued to be up in inpatient and down in many outpatient service areas, specifically emergency room and surgery. Gross patient revenues were 16% below budget, while operating expenses were over budget by 2%.

Likewise, December 2020 showed a loss from operations of -\$377,153 and a total net loss of -\$377,114 compared to a budgeted net income of \$191,812, as we see the same trends as November 2020. Gross patient revenues were 16% below budget, and operating expenses were 7% below budget.

Mr. Smith also noted that the number of days' cash on hand was 133.7 at the end of November and 114.2 at December month end. Overall, we are still able to maintain total cash at \$10.1 Million, \$600,000 of which is operating cash and \$9.5 Million in investments.

Discussion: CEO Harman reiterated that, due to the audit and advice from DZA, the financial statements for September through December will be redone in order to reclassify the CARES Act funding appropriately, according to the federal guidelines. Again, for this reason 2020 will appear lower and 2021 will appear inflated. He also informed the board that he and Mr. Smith are looking at the qualification requirements for the second SBA-PPP loan, which could potentially be another \$2 Million, and we are also still waiting on \$700,000 in reimbursement money from the SLIB grants.

President Waeckerlin asked for an answer and solution to the lower volumes. Mr. Harman contributed it to the loss of two primary care providers in the Family Practice Clinic, as well as some of our staff being out due to COVID quarantines. He also noted the loss of confidence in the orthopedic doctor. He continued with assuring him that, with the addition of Dr. Westfall at FPC and another mid-level provider soon, those numbers should start increasing, and two new orthopedic physicians have been requested and assigned through Rural Partners in Medicine, which will grow the ortho program.

Jerry Steele made a motion, and Mark Kostovny seconded the motion to table the approval of the financials for the period ending 11.30.2020 and for the period ending 12.31.2020 until the February 25, 2021 meeting. Motion carried.

Garry Goergen made a motion, and Mark Kostovny seconded the motion to approve the vouchers for the period ending 11.30.2020 as presented. Motion carried.

Garry Goergen made a motion, and Mark Kostovny seconded the motion to approve the vouchers for the period ending 12.31.2020 as presented. Motion carried.

Old Business:

- Dorm Property Appraisal - Ken Harman, *Chief Executive Officer*: Mr. Harman informed the board that, in summary, the appraisal for the vacant dorm property came back at \$90,000. Now that the property has been vacant for a period of time, it would have to meet code to put it back into operation, which would take \$800,000-\$900,000. He made a recommendation to the board to move the non-performing asset to resources that can be utilized by the selling the property.

Discussion: Treasurer Goergen inquired about the cost to demo, to which Mr. Harman replied that it would probably be \$40,000-\$60,000 just to do the asbestos abatement. It was agreed that more information should be gathered regarding any necessary approval from the County Commissioners and another opinion from a commercial real estate agent before making a final decision.

New Business:

- Absence of the CEO Policy (New) - Ken Harman, *Chief Executive Officer*: Mr. Harman presented the “Absence of the CEO” policy to the board, after a request from a couple of board members to address who is in charge when the CEO is out on PTO or leave.

Discussion: Secretary Steele suggested adding a statement in regards to the appointment of an interim CEO in the case of an extended period of leave, so it was agreed that this policy should be revised and brought back next month.

Open Discussion/Citizen Participation: No comments were made.

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

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

Garry Goergen made a motion, and Mark Kostovny seconded the motion to recess the Board of Trustees Public Meeting for Executive Session at 2:53pm. Motion carried.

Board convened to Executive Session at 3:20pm 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 4:45pm. Motion carried.

New Business Continued:

- Credentialing:
 - William Elzi, MD (RPG) – Internal Medicine: Active Staff Reappointment
 - Eric Martin, MD (RPG) – Internal Medicine: Courtesy Staff Reappointment
 - Frederick Workman, DO (RPG) – Internal Medicine: Courtesy Staff Reappointment
 - Phillip Haberman, MD – Pathology: Courtesy Staff Reappointment
 - Jakub Stefka, MD – Pathology: Courtesy Staff Reappointment
 - Roderick Willmore, MD (MIA) – Radiology: Courtesy Staff Reappointment

- Frederick Freeman, MD – Otolaryngology: Courtesy Staff Reappointment
- Joel Pull, MD – Emergency Medicine: Courtesy Staff Reappointment
- Ahmad Alqaqa’A, MD – Cardiology: Courtesy Staff Reappointment
- Charles Grant, APRN – CRNA: Allied Health Reappointment
- Patti Shue, APRN – Pediatric Nurse Practitioner: Allied Health Reappointment
- Patrick Burke, MD (DR) – Radiology: Telemedicine Staff Appointment
- Dishant Shah, MD (DR) – Radiology: Telemedicine Staff Appointment
- Lincoln Westfall, DO – Family Medicine: Active Staff Appointment
- Elijah Grillo, MD – Internal Medicine: Active Staff Appointment

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

- Provisional Reviews:
 - Oliver Jeffrey, MD – Neurology: Telemedicine Staff (full, unrestricted)
 - Rene Mosada, MD – Neurology: Telemedicine Staff (full, unrestricted)
 - David Wheeler, MD – Neurology: Telemedicine Staff (full, unrestricted)
 - Jen Wagy, FNP-C – Nurse Practitioner: Allied Health Staff (full, unrestricted)
 - Edwin Butler, MD (MIA) – Radiology: Courtesy Staff (full, unrestricted)
 - Muhammad Khan, MD – Cardiology: Courtesy Staff (full, unrestricted)

Garry Goergen made a motion, and Jerry Steele seconded the motion to approve provisional status from restricted to unrestricted for the individuals listed above and as presented. Motion carried.

Garry Goergen made a motion, and Mark Kostovny seconded the motion to approve the continuation of provisional status for Mayra Mendoza, LPC, Mental Health Allied Staff as presented. Motion carried.

- Resignation of Privileges

Mark Kostovny made a motion, and Garry Goergen seconded the motion to accept the resignation of George Stephens, MD, Radiology Courtesy Staff as presented. Motion carried.

- Employment Contracts

Mark Kostovny made a motion, and Jerry Steele seconded the motion to approve the Physican Employment Contract for Dr. Gregory Johnson as presented. Motion carried.

Adjournment:

Garry Goergen made a motion, and Mark Kostovny seconded the motion to adjourn the Board of Trustees public meeting at 4:50pm with no further business coming before the Board.

The next Board of Trustees meeting will be February 25, 2021.

Respectfully Submitted.

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

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