



## **BOARD OF TRUSTEES**

### **Regular Meeting**

February 25, 2021

Minutes

10:00 am

#### **Members Present:**

Rod Waeckerlin, *President*

Garry Goergen, *Treasurer*

Jerry Steele, *Secretary*

Mark Kostovny, *Member*

#### **Members Absent:**

Jason Campbell, *Vice President*

#### **Administration:**

Ken Harman, *Chief Executive Officer*

Jon Smith, *Chief Financial Officer*

Collin McDonald, *Compliance and Risk Management Director*

Dr. Johnson, *Chief of Staff*

#### **Guests:**

Abbi Forwood, *Legal Counsel* (via phone)

Kami Matzek, *DZA, CPA, Senior Manager* (via Zoom)

Melissa Yowell, *Director of Clinics* (via phone)

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:**

President Waeckerlin requested to move Old Business item "a. Approval of FY 2020 Audit Report" to item number "3. a." on the agenda.

Jerry Steele 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 01.28.2021:**

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

#### **Old Business:**

- **Approval of FY2020 Audit Report - Jon Smith, Chief Financial Officer and Kami Matzek, DZA, CPA, Senior Manager:**

*Discussion:* Treasurer Goergen inquired about the following items from the *Basic Financial Statements and Independent Auditors' Report June 30, 2020 and 2019*, which was presented at the January 28, 2021 board meeting:

1. Page 2, "Other Matters": Ms. Matzek explained that the management's discussion and analysis is 10-12 extra pages of a summary of the organization that is not recommended to be included. It does not add anything or change the opinion of the audit.
2. Page 8, "Use of estimates": CFO Smith replied that, while some expenses are direct expenses, others, such as payroll, PTO, and any known outstanding invoices, are recognized as an accrual rather than a cash accounting transaction.
3. Page 9, "Compensated absences": It was clarified that it is not current practice of MHCC to accrue sick time to be paid out upon termination, and this statement will be updated for next year's report.
4. Page 10, "Bank Deposits": Ms. Matzek expressed that MHCC is in compliance with the Wyoming state statutes, and she does not recommend any further restrictions on the deposits.
5. Page 16, "Employee Retirement Plans": Ms. Matzek clarified that the 2% contribution match was an error; it is actually 4%. She further added that the dollar amounts stated are correct, as those came from actual reports.

Mr. Goergen also thanked the auditors for bringing to the Board's attention that there was a \$1.2 Million increase in health insurance costs from the previous year. On that note, President Waeckerlin requested to have a complete employee compensation evaluation done when the budget is done for the next fiscal year.

CFO Smith also gave copies of the corrective action plan in response to the two findings to the board members.

Garry Goergen made a motion, and Mark Kostovny seconded the motion to approve the FY2020 Audit Report as presented. Motion carried.

**Department Report for Pharmacy presented by Joy Ohnstad, PharmD, Pharmacy Director:**

- Dr. Ohnstad shared a PowerPoint presentation giving an overview of the Pharmacy department, including an update on the current and ongoing projects, quality initiatives and staffing. The main areas of focus are getting the formulary set up in MedHost, Pyxis and T System; quality improvement in the areas of medication safety and management and billing; and getting the 340B program functional again. Pharmacy also been focused on getting COVID specific drugs, and now vaccines. Dr. Ohnstad also noted that turnover has been an issue for the department, but they have recently been able to hire 2 licensed Pharmacy Techs.

*Discussion:* President Waeckerlin inquired about doing home health infusions, to which Dr. Ohnstad replied that she has found that getting payment on those always seems to be an issue. He also expressed some concern with the salary that MHCC is paying for Pharmacy Techs. Mr. Waeckerlin offered to share some ideas and commended Mrs. Ohnstad on her work in the department. Likewise, Dr. Johnson and Board Member Kostovny also commended her on her efforts and ability to merge clinical needs and reimbursement needs of the hospital into a functional system.

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

- Dr. Johnson reported that the medical staff is getting back on track with their committees meeting regularly in order to be in compliance. There aren't any big changes, and they continue to do ongoing policy reviews, as the Lab is doing hundreds of new and revised policies.

The Medical Executive Committee recommended ten radiologists with Medical Imaging Associates to be reappointed for credentialing privileges, as well as Dr. Jones, a new hospitalist with RPG. Additional endoscopy privileges are also being recommended for Dr. Rice.

*Discussion:* Treasurer Goergen asked if employees who have been vaccinated still had to quarantine. CEO Harman informed him that, while the CDC said they do not have to quarantine outside of work, the State of Wyoming Health Department is requiring vaccinated healthcare workers to quarantine from work. However, if they are essential and asymptomatic, a modified quarantine can be requested. Dr. Johnson added that a fair number of employees have opted out of the vaccine at this point, but those that have been vaccinated are not being required to do the routine employee testing once they are 14 days post vaccination. President Waeckerlin noted issue with tracking the vaccine for future travel purposes, to which Mr. Harman replied that Wyoming is putting them into the WyIR, the state immunization database, which other states are not doing to assist with tracking.

Open Session dismissed for a 5-minute restroom break at 10:55am.

Open Session resumed at 11:00am.

### **Administrative Report - Consent Agenda:**

*Discussion:* President Waeckerlin thanked everyone for their reports and commented that he likes that they are short and to the point. Some things that were noted were Finance Manager Alyssa Hofmann's efforts of going paperless, Director of Clinics Melissa Yowell's implementation of the customer service training with her staff, and Director of Inpatient Services Becky Forney's acceptance of student nurses into her departments.

Some additional discussion regarding the increase in health insurance costs followed when Secretary Steele mentioned not being able to go to bid since MHCC is self-insured. CEO Harman clarified that we can go to bid for management services, but for actual service costs. He added that MHCC just rents Blue Cross Blue Shield of Wyoming's network, but that, perhaps, we could look at doing tiers in the future. Further, CFO Smith noted that 14 employees were responsible for 80% of the claim costs incurred in the last fiscal year. BCBS was also behind on claims, on both the patient side and the employee side, due to their computer conversion the previous year, so the rate increases are just now hitting us this year.

Mark Kostovny made a motion, and Garry Goergen 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 were two calls on the Compliance Line last month, but neither one of them were actually compliance issues. He added that one of them was an employer complaining that they kept his employee in the ER too long. After further investigation, it was confirmed that there was a legitimate reason for it, as a code was happening at the same time; however, it could not be discussed with him due to HIPAA.

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

- Mr. McDonald reported that the WyIR is all set up for our vaccine input. The hospital is set up to automatically transfer information into the system, and we are working on getting the clinics to do the same. He added that he is focusing on procedures, with two patient identifiers audits, as well as constant reminders about HIPAA and EMTALA.

*Discussion:* Board Member Kostovny commented that the drive thru testing ended and inquired about the fees associated with that now. CEO Harman explained that testing will be done at MHCC Family Practice Clinic by appointment only now, and the Curative test is still free. However, if someone wants the rapid test, there is a \$99 charge for that particular test. Testing is also available in Hanna and Saratoga as normal.

Also, President Waeckerlin suggested that MHCC rent a space for the mobile clinic until something more permanent can be done.

### **Program Return on Investment Report for VersaBadge presented by Jon Smith, Chief Financial Officer and Dan Starr, Emergency Department Manager:**

- Mr. Smith and Mr. Starr presented to the Board the status and return on investment for the VersaBadge program that was implemented about a year ago. The program tracks time that ER physicians are actively doing direct patient care by using a badge and location beacon system, and, while there was some difficulty in getting the physicians to wear their badges, it has improved. This tracking assists critical access hospitals to properly report standby time which is important for reimbursement purposes. Overall, MHCC has had an increase of 18.2% in standby time in the last two years, which is claimed for salary reimbursement, giving us a \$450,000 positive gain. After the \$36,000 cost for the system, that is a \$414,000 net benefit over the course of one year.

*Discussion:* CEO Harman noted that this program is exceeding the anticipated ROI, and Mr. Smith commended Dan Starr for his efforts for making this program work.

**Quarterly Program Report on the 2020-2021 Strategic Plan presented by Ken Harman, Chief Executive Officer:**

- CEO Harman gave a brief presentation on the current status of the 2020-2021 Strategic Plan. He reported that many of the programs and items were evaluated in 2020, and will now be operationalized in 2021. He gave an overview of the five main areas of focus, which include Improving Care and Quality of Services; Becoming the Employer of Choice in Carbon County; Developing and Growing Services to Meet Community Needs; Improving Revenue Cycle and Creating Financial Growth and Sustainability; and Community Stewardship. He then noted some points of progress in each area.

*Discussion:* President Waeckerlin commented that, while a computer system conversion is needed to improve our financial situation, all in all there are a lot of positive things going on, and MHCC is moving in the right direction. Mr. Harman also added that he would like to have more involvement from the managers and the board members with planning the strategic plan for next year. He suggested gathering the board members together for a retreat to strategize and look at the next 2-3 years.

Open Session dismissed for a 30-minute lunch break at 12:15pm.

Open Session resumed at 12:45pm.

**Financial Report presented by Jon Smith, Chief Financial Officer:**

- October 2020 through December 2020 restated financials were presented to the Board. CEO Harman reiterated that the restated financials reflect the recommendations that the auditor made to correctly recognize CARES Act funding. With that, he added that we received notice that MHCC qualified for the second SBA-PPP loan for \$2 Million, which will help cover payroll costs for March and April.

CFO Smith reported that January 2021 showed a loss from operations of -\$307,344 and a total net income of \$90,426 as compared to a budget of \$201,812. Volumes were largely down in many key service areas during the month due to continuing effects of COVID-19, as well as operational changes in the areas of obstetrics and orthopedics. Gross patient revenues were nearly 26% below budget and operating expenses were 8% below budget.

Mr. Smith also noted that our DNFB has dropped to 7.4 days from over 10.0 due to timely documentation of providers and nurses, and the number of days' cash on hand were 100.8 on January 31<sup>st</sup> compared to 114.2 on December 31<sup>st</sup>. Overall, we are still able to maintain total cash at \$10 Million, even with \$1.5 Million being spent on the clinic in Saratoga.

*Discussion:* There was discussion regarding the repercussions of losing two providers in the Family Practice Clinic and Dr. Cunningham in OB, as well as making the transition in Ortho. Mr. Smith explained that Dr. Allred will start doing surgeries in March and Dr. Herzog in April, but it is going to take 60-90 days before we start seeing cash from that. Mr. Smith added that we hope to see revenues increase with the addition of nuclear medicine, dexta scanning, and in-house sleep studies, as well as new opportunities for hormone therapy and patient monitoring on the horizon.

It was noted that September 2020 financial were not restated or presented.

Mark Kostovny made a motion, and Jerry Steele seconded the motion to approve the restated financials for period ending 10.31.2020 through period ending 12.31.2020 as presented. Motion carried.

Garry Goergen made a motion, and Mark Kostovny seconded the motion to approve the financials for period ending 01.31.2021 as presented. Motion carried.

Garry Goergen made a motion, and Mark Kostovny seconded the motion to approve the vouchers for period ending 01.31.2021 as presented. Motion carried.

**Old Business:**

- **Absence of the CEO Policy (New/Revised) - Ken Harman, Chief Executive Officer:** Mr. Harman informed the Board that the changes they requested had been added to the policy.

Mark Kostovny made a motion, and Garry Goergen seconded the motion to approve the *Absence of the CEO* policy as presented. Motion carried.

**New Business:**

- **Board Member Reimbursement Policy (New) - Ken Harman, Chief Executive Officer:** Mr. Harman presented the formal policy for reimbursing MHCC board members. While it has always been the practice, this policy formalizes the process for submitting requests.

Jerry Steele made a motion, and Garry Goergen seconded the motion to approve the *Board Member Reimbursement* policy as presented. Motion carried.

**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.

Mark Kostovny made a motion, and Garry Goergen seconded the motion to recess the Board of Trustees Public Meeting for Executive Session at 1:25pm. Motion carried.

The Board convened to Executive Session at 1:25pm 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 Jerry Steele seconded the motion to resume the Board of Trustees public meeting at 3:50pm. Motion carried.

**New Business Continued:**

- **Credentialing:**
  - Dirk Bigler, DO (MIA) - Radiology: Courtesy Staff Reappointment
  - Christopher Harker, MD (MIA) - Radiology: Courtesy Staff Reappointment
  - James Harris, MD (MIA) - Radiology: Courtesy Staff Reappointment
  - Justin Lamb, DO (MIA) - Radiology: Courtesy Staff Reappointment
  - James Schmutz, MD (MIA) - Radiology: Courtesy Staff Reappointment
  - Steven Smith, MD (MIA) - Radiology: Courtesy Staff Reappointment
  - John Strobel, MD (MIA) - Radiology: Courtesy Staff Reappointment
  - James Taylor, DO (MIA) - Radiology: Courtesy Staff Reappointment
  - Peter Vance, MD (MIA) - Radiology: Courtesy Staff Reappointment
  - David Warden, III, MD (MIA) - Radiology: Courtesy Staff Reappointment
  - Anna Jones, MD (RPG) - Family Medicine: Active Staff Appointment

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

- **Additional Privileges:**

- Matthew Rice, MD - Family Medicine with Endoscopy: Active Staff

Mark Kostovny made a motion, and Garry Goergen seconded the motion to approve additional endoscopy privileges for Dr. Rice as presented. Motion carried.

- **Employment Contracts:**

John Lumb, MD - Physician Employment Contract Renewal

Mark Kostovny made a motion, and Garry Goergen seconded the motion to approve the Physician Employment Contract for Dr. Lumb as presented. Motion carried.

- **CEO Review:**

Jerry Steele made a motion, and Mark Kostovny seconded the motion to approve a 5% salary pay increase on the current salary for CEO Ken Harman to be effective January 1, 2021. Motion carried.

**Adjournment:**

Jerry Steele made a motion, and Garry Goergen seconded the motion to adjourn the Board of Trustees public meeting at 3:55pm with no further business coming before the Board.

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

Respectfully Submitted.

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

crb