



Board of Trustees Meeting

Regular Meeting

3.24.2022

Minutes

10:00am

Members Present:

Rod Waeckerlin, *President*

Jerry Steele, *Secretary*

Garry Goergen, *Treasurer*

Mark Kostovny, *Member*

Absent Members:

Administration:

Ken Harman, Chief Executive Officer

Guests:

Abbi Forwood, *Legal Counsel* (via phone)

Woody White, *QHR, VP Finance* (via phone)

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

Approval/Amendment of Agenda:

- Remove 18b as there are no candidates to discuss at this time.

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

Approval of Board of Trustees Open Session Minutes from 3.3.2022:

Mark Kostovny made a motion, and Jerry Steele seconded the motion to accept the minutes from the regular meeting on 3.3.2022 as presented. Motion carried unanimously.

Employee Recognition presented by Rod Waeckerlin, Board President:

- President Waeckerlin recognized Mahaley Birchett FPC Medical Assistant, as March Employee of the Month. Mahaley represents the heart of MHCC by continually going above and beyond to help others.

Medical Staff Report presented by John Lumb, MD, Chief of Staff:

- No report

Financial Report presented by Jon Smith, Chief Financial Officer:

- Mr. Smith reported a \$435,000 operating loss and a net loss of \$347,858. Outpatient revenues are performing well; MHCC is still trying to grow surgical revenue.



Mr. Smith reported the YTD is under budget for revenue by 10%. We are working to increase Marketing and outreach programs, along with expanding Dr. Lumb and Dr. Jonassen to other areas of Carbon County, such as Saratoga and Hanna.

Other operating revenue was reported as under the 340B and COVID funds, which have helped the bottom line as a whole.

Expenses for the month of February were 0.2% above budget and are 6.3% over budget year-to-date. Professional fees, physician fees and purchased services continue to be well above budget due to traveler costs and locum tenen physicians in the ER and OB. Chere Bohr, APRN (clinics), Dr. Petersen and Dr. Dowling (Emergency Room) will all be joining us over the next few months which will help lower our travel provider costs. We are continuing the search for a permanent partner for Dr. Motely in OB which was proven to be a very difficult recruit for MHCC (and nationally).

Day's cash on hand were 74.7 as of February 28th compared to 63.6 on January 31st. Cash increased slightly due to expenses related to traveler staff during the month. The CMS fund take back is at \$999,000; as of today the remaining balance is at \$899,000. Total cash for the month was \$7.8 million with \$6 million in investments and \$1.8 million in operating cash. Days in AR decreased net to 39.3 and 78.7 gross at the end of February. Overall AR balances for the hospital and clinic are \$12.9 million credit balances are at \$410,000. Days in AP were 38.4 and inventory on-hand is at 64.9 days due to our COVID-19 supplies and increased inventory. The DNFB is sitting at 5.5 days at the end of February and as of today are roughly 4.7 days and continues to stay low, which is a great trend. Cash collections as a percentage of net patient revenues were 112% overall (\$2.7 million).

The clinic revenue was reported to be \$556,000 in patient revenues from visits, which were at 1,719 and an additional \$229,000 in surgery professional fees, which totaled \$785,000 in charges. Overall, the clinics showed a loss of \$248,000, year-to-date they show a profit of \$2.5 million from the combination of visits and professional fees.

Mr. Smith also reported our EBITDA (Earned Before Interest, Taxes, Depreciation, and Amortization). MHCC is showing a positive EBITDA, just over 1%, however, we will need to be over 3% for any financial assistance qualification for a new hospital. The FEMA application is worth over \$1 million for reimbursement, which we are working on filing at this time.

Treasurer Goergen asked if the CMS funds balance was the true number, or if there was anything missing. Mr. Smith assured Mr. Goergen that the funds provided were the true totals.

Mr. Goergen asked if the monthly stats can be included and Mr. Smith stated they were already included.

Mr. Smith advised the Board that we increased our rates by 5% as of May 1st, which is still within scope of other facilities.

President Waeckerlin expressed his concerns about the finances and stated we may have to make some difficult decisions in the future in order to keep our finances in good standing. Mr. Waeckerlin also stated the Board would like the financials provided to them the Friday prior to the meeting to allow enough time for review. Mr. Waeckerlin would also like the Board to be provided a trend of expenses as part of the report.

Mr. Goergen asked about the \$828,000 loss on the income statement; Mr. Smith stated that was purely from operations. Mr. Goergen also asked how we are standing with health insurance premiums

compared to last year. Mr. Harman reported that we are slightly better as our utilization is below budget. Mr. Goergen also inquired about MHCC applying for COVID funds to assist with 401K increase. Mr. Smith stated that those funds were not permitted for use of benefits.

As a follow up to a previous board meeting, Secretary Steele asked if the productivity study had been scheduled. Mr. Harman stated that it had been, however, due to recent events, our server went down, so we are waiting for that to come back up and we will be able to pull the requested data and continue with the project. Mr. Harman anticipates the report will show we are unproductive as that is typically the case for critical access hospitals.

Mr. Harman advised the Board that budget planning had started this week. Mr. Steele stated he would like to have the opportunity to review this information at the scheduled retreat; Ken agreed with this. Mr. Waeckerlin suggested starting a monthly workshop that will allow for the Board to review the budget numbers for each department. Mr. Harman stated he will set up a workshop for the Board at the end of April.

Mr. Steele inquired about the pro-forma for MHCC Health Center Platte Valley. Mr. Harman stated the pro-forma only showed numbers for clinic and ancillary services only. Mr. Smith was asked to report a clear picture of the clinic “only” versus “ancillary” numbers. Mr. Goergen asked to review what was initially presented.

Board Member, Mark Kostovny requested EBIDTA numbers for further clarification along with the totals for funds used to keep MHCC running. Mr. Goergen also suggested emphasizing the financials to the County Commissioners so we can be included in their budget, being we are a county hospital, we should be receiving more financial support from the County. Mr. Kostovny also suggested changing the public’s perception of being a county hospital and what it takes to keep up with repair costs, utilities, etc. Mr. Kostovny also suggested MHCC request impact funds with new wind farm coming in; Mr. Harman stated he would follow up with Mrs. Gwynn Bartlett.

Mr. Woody White stated the Medicare Cost Report cost settlement will no longer be withheld going forward. As of midnight on 3/23/2022, the billing program for COVID expired. Further clarification to come. We are still able to bill for self-pay patients.

There was a discussion about the need for updated equipment in the Board Room, such as: better quality of speakers and microphones. It is becoming hard to hear for attendees on the Zoom link and in the Board Room itself.

Garry Goergen made a motion, and Mark Kostovny seconded the motion to approve the financials for period ending 2.28.2022 as presented. Motion carried unanimously.

Garry made a motion, and Mark Kostovny seconded the motion to approve the vouchers for period ending 2.28.2022 as presented. Motion carried unanimously.

Motion to Recess Board of Trustees Public Meeting to go to Executive Session:

Mark Kostovny made a motion, and Garry Goergen seconded the motion to move the Board of Trustees to Executive Session. Motion carried unanimously.

Recess Board of Trustees Public Meeting for Executive Session:

Mark Kostovny made a motion, and Garry Goergen seconded the motion to recess the Board of Trustees Public Meeting for Executive Session at 11:15 am. Motion carried unanimously.

The Board convened to Executive Session at 11:15 am to discuss personnel issues and to consider or receive any information classified as confidential by law.

Resume Board of Trustees Public Meeting:

Jerry Steele made a motion, and Mark Kostovny seconded the motion to resume the Board of Trustees Public Meeting at 1:10 pm. Motion carried unanimously.

Administrative Report - Consent Agenda:

Discussion: Mr. Waeckerlin thanked Mr. Harman for a candid report. Mr. Goergen also thanked all the staff for their hard work in putting their reports together.

Mark Kostovny made a motion, and Garry Goergen seconded the motion to approve the Consent Agenda as presented. Motion carried unanimously.

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

- Mr. White touched on the projects planned for MHCC.
 - Supply Chain University Meeting is scheduled for April, scholarships are available.
 - Quality of Care Bootcamp Meeting scheduled for April 6-8th
 - Regional Meetings are in the planning phases, more information to come soon.
 - Productivity Reports are being developed and will be able to be shared soon.
 - Compliance review is being scheduled.
 - Mid-year financial report to be scheduled, but QHR is still waiting for some information before they can continue.

Mr. Steele inquired about other known facilities that were affected by a ransomware attack; Mr. White stated no.

Mr. Waeckerlin suggested Mr. White attend the scheduled Board Retreat.

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

- Mr. Kostovny stated there is nothing to report on the phone lines. There was not a meeting this month due to the IT crisis.

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

- Mr. McDonald reported there were 6 incident reports, 3 of which were employee falls. There was a delay in lab testing for tests ordered by the ER. Mr. McDonald noted that Cerner will help prevent these instances from happening.

Mr. McDonald asked the Board if anyone attended the QHR Compliance Training to which the Board answered no.

Mr. McDonald complimented the IT department stating they responded very well to the ransomware attack and have handled the situation well and in an efficient manner. Mr. Waeckerlin asked Mr. McDonald if we would see any reimbursement from our Cyber Insurance, to which Mr. McDonald did not know. Mr. Goergen inquired about filing a claim to our insurance for the time employee lost

due to the interruption of this ransomware attack. Mr. Harman stated we would be filing a claim either way.

Mr. McDonald stated the deadline for COVID exemptions was in March (March 15th, 2022).

Quality Report presented by Christina Baugh, Director of Quality and Infection Prevention

- Mrs. Baugh reviewed the responsibilities of each department manager to report their quality improvements to the Quality Committee. She reviewed the Quality Committee review process and the Department Report Card Process. The board asked to receive all department report cards with her report so they could review; this will be done going forward.

Mr. Goergen inquired about the number of departments listed on the new organizational chart, to which his question was answered.

Return on Investment Report: Fremont Therapy Group (Carbon County Therapy), Jon Smith, Chief Executive Officer

- Mr. Smith provided the board with brief ROI report. He review that 19% of the ownership is with MHCC and the remaining 81% is with FTG. Mr. Smith reported the first calendar year for service has been completed. The total profit reported was \$331,698 (net). Swing bed and inpatient services are still being billed internally and MHCC keeps those funds. Volumes are continuing to rise as the Saratoga market is growing. Mr. Smith stated we would lose about a \$250,000 when we had PT in house. Mr. Smith also reported that our Wound Care Program will enhance the bottom line for MHCC; August is the tentative timeline for that service line. Mr. Kostovny asked if we pay for a FTG Therapist when we provide a hospital therapy service, to that, Mr. Smith answered yes and that has been accounted for in the financials. Mr. Waeckerlin would like to see the area supervisor present when report is given to provide an additional insight.

New Business:

- **Labor and Delivery Policy, Ken Harman, Chief Executive Officer**

Mr. Harman reviewed the policy: Indications for Drug Screening for Pregnant Patient with the Board. This policy covers substance abuse during pregnancy. It helps identify these patients and will assist in the treatment and development of the plan of care. Mr. Harman informed the Board that the policy did pass Medical Staff's approval, there was just a slight change in process regarding procedure.

Mr. Goergen asked when this takes effect and to that Mr. Harman responded stating, women are informed in advance and a release is signed (unless they never came in for pre-natal care). Testing occurs when they come in to deliver. Mr. Steele asked if there was a HIPAA issue if there was a need to report. Mr. Harman stated no, not when we are mandated to report.

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

- **Additional Privileges Request**

1. Charles Grant, CRNA

Mark Kostovny made a motion, and Garry Goergen seconded the motion to accept the Medical Executive Committee's recommendation to approve permanent privileges for the individuals listed above and as presented. Motion carried unanimously.

- **Employee Contracts**

1. Joel Pull, MD – Emergency Room
2. Vincent Hinshaw, DO – Emergency Room, PRN

Mark Kostovny made a motion, and Jerry Steele seconded the motion to accept the resignation of privileges for the individuals listed above and as presented. Motion carried unanimously.

Open Discussion:

Mr. Steele thanked Ken Harman for all efforts in Nursing Leadership and thanked all staff for all they do.

Adjournment:

Mark Kostovny made a motion, and Garry Goergen seconded the motion to adjourn Board of Trustees public meeting at 2:07 pm with no further business coming before the Board. Motion carried unanimously.

The next Board of Trustees meeting will be April 28th, 2022.

Respectfully submitted.

Abbie Webster, *Executive Assistant*
Jerry Steele, Board of Trustees, *Secretary*

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