



Board of Trustees Meeting

Regular Meeting

3.3.2022

Minutes

10:00am

Members Present:

Rod Waeckerlin, *President*

Jerry Steele, *Secretary*

Gary Goergen, *Treasurer*

Mark Kostovny, *Member*

Administration:

Ken Harman, Chief Executive Officer

Guests:

Abbi Forwood, *Legal Counsel* (via phone)

Woody White, *QHR, Senior VP Finance*

Rod Waeckerlin, President, called the Memorial Hospital of Carbon County Board of Trustees meeting to order at 1006 am. The Pledge of Allegiance and a moment of silence in recognition of those affected by COVID-19 followed.

Approval/Amendment of Agenda:

Gary 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 1.27.2022:

Mark Kostovny made a motion, and Gary Goergen seconded the motion to accept the minutes from the regular meeting on 1.27.2022 as presented. Motion carried unanimously.

Employee Recognition presented by Rod Waeckerlin, Board President:

- President Waeckerlin recognized Tabi Collens, RT, as February Employee of the Month. Tabi 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:

- Nothing was presented as Dr. Lumb was absent. Tabled to next meeting.

Water Crisis Update

At this time the Board of Trustee members took a brief moment to decide to move on with the board meeting as there was a water crisis affecting the City of Rawlins and Sinclair that Administration was dealing with. It was decided to move forward with the meeting as the board was comfortable with this. Mr. Harman and Mr. Smith were excused to help deal with the issue at hand. Both Administrative team members would present their portions when available or called upon.

Audit presented by Kami Matzek, Dingus Zarecor & Associates

- Ms. Kami Matzek started her Audit presentation with a quick introduction and a thank you then proceeded to move on to the presentation. Ms. Matzek asked if the board would like an in-depth approach or overview given the water crisis. The board decided to review the audit findings as per usual as they were interested in the findings and did not want to chance overlooking any information. President Waeckerlin suggested Dingus Zarecor & Associates (DZA) mail the audit material three (3) weeks prior to the board presentation to the current board members so time would be allowed for each board member to review prior to the board meeting. Ms. Matzek agreed and stated she would have that request completed in the future.

Mr. Waeckerlin asked if during the audit process was there a meeting held with any or all of the board members as he was not recalling a meeting. Ms. Matzek stated that she met with Treasurer Goergen and discussed the details of the process at that time.

Ms. Matzek began the audit with stating the reasoning for the current holding of the single audit. This was due to some decision making that is currently being done at a higher level due to compliance questions that are being asked. If it is decided the single audit is to be reported, DZA will provide that information as it is ready, but not due until September 30th, 2022, so there is still time to file and present that information.

Ms. Matzek moved along with her presentation, she started with the first report, which was the Audit Financial Statements. This is the individual audit report and went on further to discuss the terms and how to understand the audit findings. The Financial Statement included the balance sheet which showed a decrease in cash and many of our funds were due to the CARES Act money MHCC received. The patient AR showed a significant decrease and an increase in billing and collections. The board was impressed with this and Mr. Waeckerlin noted the board has been pushing for these very things. Ms. Matzek noted a \$300,000 receivable from Medicare along with an insurance settlement (from when the new MHCC property was purchased). Ms. Matzek also touched on some remaining grant funds and the paycheck protection loan (the paycheck protection loan has been forgiven and will go away next year).

In regards to the income statement, Ms. Matzek reported there was a decline in patient revenue; more specifically in surgery and the emergency room. Non-operating revenues were addressed and it was noted that MHCC did well with applying for and receiving grants to help make up for the revenue losses. President Waeckerlin asked if Ms. Matzek saw similar trends in other facilities, or was this just specific to MHCC. Ms. Matzek confirmed that decreases in revenues were also being reported in other facilities as well and was chalked up to the severe impacts of COVID. Ms. Matzek stated that audit data is a year behind, so next year's numbers will be interesting to compare to this years and we will be able to see what adaptations were made and how they will reflect in our revenues.

Ms. Matzek moved on to expenses, which showed a large increase, again, due to COVID and the prices of supplies. There was a reported loss over all for operations; DZA recommends a break even for operations. Treasurer Goergen wanted to point out that he felt we did well as far as our revenues go, as we don't receive any financial support from the County. Ms. Matzek went on to report that 2022 will continue to prove to be a hard year as there is an increase in traveling staff, decrease in permanent staff, no cost cutting and increase in costs. Mr. Waeckerlin agreed and stated that this will not be sustainable for facilities long term; there is no increase in reimbursement, but increase in costs.

Ms. Matzek went on to further discuss the notes sections of the report, which really was the overview of the report. To name a few would be, decreased AR for payers, relief funds, controls and compliance (appropriate adjustments), etc.

Financial Indicators would be the second report that was presented to the Board of Trustees. This report reviews the trend and benchmarks for the facility.

Ms. Matzek explained that the first graph showed a 2% change in the total margin from the prior year; DZA recommends a 6% change. The operating margin raised concern for the board. Mr. Harman stated the concerns presented were not specifically happening to MHCC, but to additional facilities as well. MHCC met the 90 day minimum for operating revenue, which was largely achieved by the COVID funds received.

Ms. Matzek went on to report in less detail the liquidation details, capital equipment and the facility's debt position. Gross AR is recommended to be anywhere from 30-90 days, MHCC is in the middle with 77 days. She noted a decrease from 118 days to 77. Contractual adjustments were consistent, nothing much to report there. Bad debt adjustments were on mark as well. Historically, they were not, so Ms. Matzek was satisfied with the improvement and stated the Business Office is going well with identifying bad debt adjustments versus charity adjustments. FTE's were up due to the addition of the MHCC Health Center Platte Valley. Revenues per each employee were discussed along with salary and benefit expenses.

Ms. Matzek reported two letters to the Board of Trustees, Single Audit Findings and Management Letter, both of which entailed minor findings and little adjustments the auditors had to do.

At the end of the report, President Waeckerlin asked Ms. Matzek what her gut feeling was for the future of MHCC, she candidly answered by stating we will need to find ways to drive revenues and learn to battle the increasing expenses of supplies, employees and costs. Mr. Waeckerlin stated that we desperately need to have stability and stop having disasters. Mr. Waeckerlin strongly believes in the clinics and has ideas as to how we can grow our revenues, but will discuss with the board at a later time.

Ms. Matzek was given thanks for her time, presentation and honesty.

Gary Goergen made a motion, and Mark Kostovny seconded the motion to approve the audit as presented. Motion carried unanimously.

Water Crisis Update

At this time Mr. Ken Harman presented an update to the Board of Trustees in regards to the water crisis. Due to no communication from the City or County about the flood, MHCC was not made aware there was a water issue until several employees stated they did not have water at their homes, it wasn't until several reports were made to the City that it was found there was a catastrophic failure with the main water line at the Water Treatment Plant. The Water Treatment Plant was able to shut off the leaking pipe and initiate back up sources to flow into our reserve tanks; this would take 1-2 days for the emergency supply to arrive to our reserve tanks and Rawlins would be without water for several days. The City and County is actively working to fix the broken pipe, however, the fix will take several days to complete. C4 (Carbon County Crisis Center) and incident command has been set up. It has a call center to take reports and spread information to the public.

Port-O-Potties have been ordered and will be delivered to the hospital and clinics ASAP. A one thousand gallon tank will be delivered to the hospital and will feed the boiler system so the facility can retain heat. Bottled water is being delivered to all departments. No dishes will be used, we will be moving to paper/plastic ware as to not waste water while washing dishes. The menu will be revamped to reduce the amount of food and water used to cook. All departments are fully operational and a water brigade has

been initiated to deliver water the patient care units so toilets can still be flushed via gravity. We do not need to be on fire watch as it was confirmed that the fire suppression system has enough water if there were to be a small fire.

We will move to performing emergency surgeries only as we are unable to sterilize instruments as this time and need to reserve what we have for life or death patient cases.

The Nursing Home and Penitentiary were contacted to see if additional resources were needed. At time, both entities reported to be okay.

Bob Keel was shifted to Saratoga as the local clinics were forced to shut down. The only clinics seeing patients at this time are MHCC Hanna Clinic and MHCC Health Center Platte Valley.

Mr. Waeckerlin asked if a PSA will be going out; Mr. Harman stated that is in the works as we speak.

Financial Report presented by Ken Harman, Chief Executive Officer:

- Mr. Jon Smith was out of the office at this time, so Mr. Ken Harman presented the financials for the month of January on Mr. Smith's behalf.

January showed a loss from operations of -\$570,270 with a total net loss of -\$565,429 compared to a budgeted net income of \$201,214. Revenues for January were under \$4.5 million which is one of the lowest revenue months MHCC has had over the 2 years of the pandemic. Flooding in the operating room significantly impacted revenues, which cut overall surgeries down to 46 for the entire month. There were over \$942,000 in other operating revenues that continued to financially support MHCC in January. Expenses for contract staff continue to increase, however, overall staff wages were on target due to the discontinuing of the Pandemic Pay Bonus. It was noted that benefits were high due the three pay periods for the month. New staffing models and means of limiting expenses are being evaluated continuously.

Patient revenues for the month of January are barely under \$4.5 million with inpatient at \$1,069,844 compared to a budget of \$1,586,626 and outpatient at \$3,393,779 compared to a budget of \$4,017,299. YTD, revenues are \$35.3 million compared to a budget of \$39.2 million and inpatient is now 90% of the overall revenue budget YTD with inpatient 27% below budget and outpatient 13% below budget YTD. Flood issues were the result of low surgical volumes for the month; the OR was closed for nearly half of the month. The clinic volumes supported the overall outpatient volumes (2,054 visits).

Receiving additional funds comprised of the 340B pharmacy program, Paycheck Protection Program and the Qualified Rate Adjustment and high insurance claim volumes significantly helped the bottom line for a total of \$942,061.

A combination of allowances and bad debt revenue deductions totaled 53.2% as compared to the total budget of 44%. There is a continuing decrease in AR, which is allowing our cash to hold steady even as we add on expenses experienced with staffing shortages nationally in health care and supply issues.

Expenses were reported to be at 15.1% above budget during January and are 7.1% over budget YTD. The following areas are where MHCC is currently experiencing higher than budgeted expenses: professional fees, physician fees, and purchased services. This is due to the traveler costs and locum tenen physicians in the ER and OB. Recently, a new ER physician signed and will start practicing in May. We are hopeful to add Dr. Dowling in the ER as well, which in turn, will assist in cutting down on professional fees in the ER. Searching for an OB partner for Dr. Motley has proven to be

challenging as OB coverage is hard to fill at the moment. This is an unfortunate problem nationally. Employee benefits were reported to be 53.7% of total operating expenses, purchased services and other professional fees were 25.2% and all other expenses were 13% for the month.

Day's cash on hand were 63.6 as of January 31st compared to 72 on December 31st. This dip in cash is due to the expenses related to traveler staff during the month. Days in AR increased marginally net to 55.3 and 85.8 gross at the end of January. Days in AP were 35.9 and Inventory on hand is at 63.6 days due to our COVID-19 supplies and increased inventory. Our DNFB dropped again, ans was sitting at 4.2 days at the end of the month; as of today it is current at 4.5 days. The DNFB continues to remain low, which is a great trend. Cash collections as a percentage of net patient revenue were 145% overall (\$3.0 million).

Patient revenues generated from the clinics were \$681,000 from visits and \$186,000 in surgery professional fees for a total of \$868,000 which is very strong and leads to other revenues in ancillary services, including inpatient stays. The month of January showed a loss of -\$169,000, however, YTD show a profit of nearly \$2.5 million due to the combination of visit and professional fee revenues.

Mr. Harman reported floods are extremely impacting the bottom line for the hospital. To date, we have not gone a week without a flood or broken pipe. Mr. Harman and Mr. Lewis (Facilities Director) had conversation about fixing the pipes within the hospital. Due the millions of dollars in repairs, Mr. Harman decided to apply for ARPA funds and due to the quality of the pipes and constant issues with flooding and/or broken pipes, MHCC will be moved to a high priority for the grant. Areas of importance are Radiology (CT room) and patient rooms (3rd floor). We will also try to aim for other problematic areas as well. Mr. Harman stated that 50-60% of Maintenance's time is spent on emergency work.

There was discussion with board member, Mark Kostovny and Secretary Jerry Steele took place about the causes of the leaks in the operating room and it was determined that it was in relation to Johnson Controls incorrectly installing the control panel for water shut off and humidity control.

Gary Goergen made a motion, and Mark Kostovny seconded the motion to approve the financials for period ending 1.31.2022 as presented. Motion carried unanimously.

Gary Goergen made a motion, and Mark Kostovny seconded the motion to approve the vouchers for period ending 1.31.2022 as presented. Motion carried unanimously.

Water Crisis Update

Due to the water crisis, the board decided to move to the following reports prior to moving to Executive Session.

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

- Mr. White reported there will be regional conferences scheduled for the East and West regions. Dates and locations are still being determined as to those events will take place.

Mr. White reported that QHR will be starting new projects this year, to name a few: Financials, Compliance Review and Productivity Refresher.

President Waeckerlin asked when the refresher will take place. Mr. White stated that is to be determined.

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

Jerry Steele made a motion, and Gary 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 Jerry Steele seconded the motion to recess the Board of Trustees Public Meeting for Executive Session at 11:55 am. Motion carried unanimously.

The Board convened to Executive Session at 11:55 am to discuss personnel issues and to consider or receive any information classified as confidential by law.

Resume Board of Trustees Public Meeting:

Gary Goergen made a motion, and Mark Kostovny seconded the motion to resume the Board of Trustees Public Meeting at 2:58 pm. Motion carried unanimously.

Water Crisis Update

Due to the water crisis, the board decided to move to the following reports up.

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

- There was not a Compliance Meeting due to a misunderstanding between Collin McDonald, Director of Compliance and Risk Management and Abbie Webster, Executive Assistant/EHR Administrator. Nothing to report.

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

- Mr. Collin McDonald reported on the increase of incident reports. He stated there is not an increase of incidents, rather an increase in awareness of reporting. Mr. McDonald also reported that with Mr. Reints departure, he is now over the Emergency Room and Trauma Services.

Mr. McDonald reported there has been a rise in HIPAA reporting and incidences. Human Resources handled the employee relations aspect of the HIPAA issues when it was necessary for them to step in. There were 7 complaints reported, 3 of which ended up being HIPAA violations.

Mr. McDonald was provided another complaint during the board meeting and stated he would handle the issue accordingly.

Mr. Gary Goergen asked for follow up from the State visit a few month prior and Mrs. Christina Baugh with Employee Health/Infection Prevention and the Director of Quality provided an update for the group. There were two issues that were found, the first being our LUCAS (CPR device) was not compliant with its scheduled quality checks and preventative maintenance timeline. The second being nursing staff was not appropriately donning and doffing their PPE (personal protection equipment). Training and documentation was completed for both of the said deficiencies and submitted back to the State. The State accepted our corrections and documentation and put us back into compliance.

There was a discussion in regards to re-working how some of the complaints handled with the committees. Board member, Mark Kostovny expressed concern that too many committees handle one

complaint and follow up is hardly completed, which makes it hard to determine if the complaint was resolved. Mrs. Baugh stated she recognized that and as a result, her and Ken are working together to address re-working meetings and committees to make the process much more effective. Mr. Woody White suggested having QHR assess the quality and compliance processes to offer feedback and suggest any changes that could be made; the group was in agreeance.

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

- Mrs. Baugh reported on five different items for her report. The first one being Department Report Cards. Here departments would report and track their quality indicators, an example of Med/Surg and ICU was provided to the group. The quality being patient fall risks; the amount of falls over a three month timeframe would be reported, a percentage would be recorded which would put the quality indicator into a green, yellow or red status. This status would indicate if improvement would be needed (yellow/red status) and an explanation would be provided as to what is being done to correct this quality measure. Quality measures that no longer require reported (have been corrected and doing well) will be found on the historical quality measure box (at the bottom of the report card).

The next item Mrs. Baugh discussed was the Incident Reports (Clinical). Mrs. Baugh explained to the board members that she tracks when complaints are received, when she contacts the person making the complaint, her investigation, findings, follow up and documentation (Documentation is found on SharePoint and only Christina Baugh, Ken Harman and Collin McDonald have access to this folder).

The third item that was discussed is the COVID Illness Tracker. This will help Christina identify employees who are ill and will help her track their illness dates. This will help Christina determine when employees are supposed to be on quarantine, testing and when they can come back to work.

The fourth item is the Employee Verification Tracker. This form will provide vaccine and/or exemption information. This will assist Christina in record keeping and documentation.

For the fifth item is the Vendor Verification Status. The form allows Christina, as Infection Prevention, to track what vendors have their vaccinations or an approved exemption to allow them to enter our facility. This has been implemented due to the CMS vaccination/exemption law that was passed a few months prior.

Mr. Harman stated to the board members that we are now in a green status, so they will no longer be receiving weekly updates from Christina Baugh. There was also an additional discussion in regards to how long healthcare workers will be forced to wear masks. It was predicted that it would be for the very least, three to six months. The discussion covered there is more and more push back from other states and how our mandates are affecting patient volumes.

Administrative Report - Consent Agenda:

Discussion: Mr. Georgen asked for clarification behind the meaning of “If there would not have been a hospitalist on staff to provide care, then the hospital would not have been open.” Mr. Harman stated he meant, we would not have been able to provide care for on the 3rd floor (Med/Surg and ICU) unit for patients and would have been forced to go on divert. We were fortunate enough to have Dr. Mikesell and Dr. Westfall agree to cover and provide their services. It was Mr. Harman’s intent to suggest the hospital would be closed. Gary wanted to express his thanks to Dr. Mikesell and Dr. Westfall for their help.

President Waeckerlin suggested having the clinic form verbiage changed from 10 days notification of controlled substance refills to 24-48 hours as we should be able to provide refills in that timeframe. Mr.

Waeckerlin also expressed his thanks to the hospital staff for the hard work they put into their board reports.

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

Return on Investment Report: Freemont Physical Therapy

- Since Mr. Jon Smith being out of the office at this point in the meeting and unable to present, it was decided to table this report to the next Board of Trustees meeting.

Old Business:

- Nothing to report.

New Business:

- Abbie Webster presented a Cerner project update (Breaking Barriers). Here she went over a brief explanation of the overall timeline, provided an update as to where the project is currently at and that she was confident we could perform this build.
- Mr. Harman presented moving the MHCC Family Practice Clinic x-ray machine from FPC to the MHCC Surgical Clinic. This is due to the inability to keep Radiology staff on site at FPC and not having enough volume. There were costs discussed for moving the machine to the new site. The board was okay with the plan and approved for this to happen. The money is already in the budget to make this move as well.
- MHCC Family Practice Clinic provided two policies for the board to approve. One being the Provider PTO Request and the Clinic Code Blue Policy. The only change the board requested be made was to add “expected” under the explanation section of the policy. Both policies were approved.
- The new MHCC Organizational Chart was presented to the board as a notification, not an item that needed approval.

Mark Kostovny made a motion and Jerry Steele seconded the motion to approve the MHCC FPC PTO Request policy and the MHCC Clinic Code Blue Policy. Motion carried unanimously.

Open Discussion/Citizen Participation:

New Business Continued:

- **Credentialing:**
 1. Amy Apodaca, DO – Recommended Temporary Hospitalist Privileges
 2. Daniel Wandsneider, DO – Recommended Temporary Hospitalist Privileges
 3. Mary MacGuire, MD – Recommend Temporary General Surgery Privileges
 4. Roy Bryan, MD – Recommend Courtesy Staff Emergency Medicine
 5. Gary Hembd, CRNA – Recommend Temporary CRNA Privileges

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

- **Resignation of Privileges**

1. William Elzi, MD – RPG Physician
2. Paul Fonken, MD – RPG Physician
3. Michael Goralka, MD – RPG Physician
4. Elijah Grillo, MD – RPG Physician

5. Eric Martin, MD – RPG Physician
6. Hamza Mancy, MD – RPG physician
7. Amanda Mika, MD – RPG Physician
8. Ruth Pitts, MD – RPG Physician
9. Joseph Ramharack, MD – RPG Physician
10. Tanner Tollett, MD – RPG Physician
11. Frederick Workman, DO – RPG Physician

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.

- **Employment Contract**

1. Lance Petersen, MD
2. Robert Dowling, MD
3. Matthew Rice, MD
4. Mary MacGuire, MD

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 pending legal review and approval. Motion carried unanimously.

- **Ligation Settlement**

Mark Kostovny made a motion and Gary Goergen seconded the motion to approve Abbi Forward and Ken Harman to finalize the litigation settlement per the terms discussed in Executive Session.

President Waeckerlin requested for Marketing to send out a thank you those MHCC employees mentioned in the Thank You letter received from the Chief of Police.

Adjournment:

Mark Kostovny made a motion, and Gary Goergen seconded the motion to adjourn Board of Trustees public meeting at 4:05 pm with no further business coming before the Board. Motion carried unanimously.

The next Board of Trustees meeting will be 3.24.2022.

Respectfully submitted.

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

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