

**Board of Trustees Meeting**

Regular Meeting

5.26.2022

Minutes

10:00am

**Members Present:**

Rod Waeckerlin, *President*

Jerry Steele, *Secretary*

Garry Goergen, *Treasurer*

Mark Kostovny, *Member*

**Absent Members:**

Woody White, *QHR, VP Finance*

**Administration:**

Ken Harman, Chief Executive Officer

**Guests:**

Abbi Forwood, *Legal Counsel*

Lena Moeller, *Legal Counsel Partnership*

Rod Waeckerlin, President, called the Memorial Hospital of Carbon County Board of Trustees meeting to order at 10:05 am. The Pledge of Allegiance and a moment of silence in recognition of those affected by COVID-19 followed.

**Approval/Amendment of Agenda:**

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

**Approval of Board of Trustees Open Session Minutes from 4.28.2022:**

Mark Kostovny made a motion, and Jerry Steele seconded the motion to accept the minutes from the regular meeting on April 28<sup>th</sup>, 2022 as presented. Motion carried unanimously.

**Former Board of Trustee Service Award: Jason Campbell, *Former Vice President***

- President Rod Waeckerlin presented Mr. Jason Campbell with a service award for serving on the MHCC Board of Trustees. Mr. Campbell was forced to leave the Board of Trustees due to a federal mandate. Mr. Waeckerlin also added that without the assistance and support of Jason Campbell and his family, we would **not** have a clinic in the Saratoga/Platte Valley area. Jason was presented many complaints during the building of the clinic, but always continued to support MHCC.

**Employee Recognition presented by Rod Waeckerlin, *Board President*:**

- President Waeckerlin recognized Scott Hardy, IT Technician, as April Employee of the Month. Scott represents the heart of MHCC by continually going above and beyond to help others.

**Welcome: Dr. Lance Petersen and Dr. Robert (Bob) Dowling, *ER Physicians* and Lena Moeller, *Legal Counsel Partner***

- President Waeckerlin warmly welcomed Dr. Petersen and Dr. Dowling of the Emergency Room. Both providers have recently been hired and have started working shifts in the ER already. Mr. Goergen commented, that Dr. Dowling is a fabulous provider!
- Mr. Waeckerlin presented a welcome to Ms. Lena Moeller, who joined Crank Legal Group, P.C. Ms. Moeller has extensive experience as a defense attorney in medical malpractice for hospitals. Ms. Moeller actually represented MHCC at an earlier point in her career.

**Open Discussion/Citizen Participation:**

- No one came forward to bring business to the Board of Trustees.

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

- Mr. Smith reported that revenues for the month were rough. Revenues for April were \$4.753 million, which has been one of the lower revenue months of the fiscal year. April 2022 showed a loss from operations of -\$136,871 with a total net loss of -\$124,869 compared to a budgeted net income of \$201,214. MHCC has had a loss of -\$1,153,294 and a total net loss of -\$964,202 YTD. COVID and other factors continue to negatively impact MHCC. QRA, PPP, and 340B revenues continue to support MHCC financially; April had \$740,372 in operating revenue support. Expenses continue to negatively impact MHCC; traveling staff being the largest issue at the moment. MHCC should start seeing a positive impact between mid-June and July, which come after the recent decisions to end (12) traveler contracts and with the difficult decision to close the Obstetrics unit. In addition, MHCC Leadership presented a Financial Action Improvement Plan at the April 2022 Board Meeting, which we anticipate to provide more of a positive impact starting in June and the following months as well.

Mr. Smith reported that revenues for the month of April were \$4.8 million with inpatient at \$872,999 compared to a budget of \$1,586,626 (lowest for fiscal year for inpatient services) and outpatient at \$3,879,957 compared to a budget of \$4,017,299. Year-to-date, inpatient is now 37% below budget; revenues were just over \$50 million, but are still \$6 million below the budgeted \$56 million. Outpatient is 4% below budget YTD. Volumes for surgical procedures unfortunately remain low and actually have dropped again to 59 for April (March totals were 65). Although, overall, swing bed totals have been low, they actually rose slightly to 18 days for April (March was 9 days). We anticipate to see a significant increase in swing bed days as the Aligned Providers of Wyoming physicians become more comfortable and familiar with our facility. Strong clinic volumes continue to support the overall outpatient volumes (April visits were 1,784).

We received other additional funds totaling \$752,374 for April, which helped to support the overall bottom-line. A breakdown of the funds are as follows: 340B \$150,000; Paycheck Protection Program \$2 million that was received in September; Qualified Rate Adjustment \$142,000 (MHCC received \$1.1 million in November for this program); HCAHPS \$12,000 (grants); cost report settlement funds \$248,000 (June 30<sup>th</sup>, 2021).

Revenue deductions (allowances + bad debt) totaled 35.4% as compared to a total budget of 44%. Overall, the account receivable held steady at roughly \$14.5 million at the end of April. The outstanding AR has been impacted by the State Medicaid program not paying claims for nearly two months due to computer issues, Medicare failing to pay claims with CRNA charges tied to them (this was a national issue), prison contractor for Wyoming, Corizon, withholding over \$500,000 in claim payments owed to MHCC over the last six months (Secretary Steele's involvement allowed us to receive \$50,000 and additionally a \$50,000 that will be paid to MHCC). Bad Debt was 2.7% and Contractual Allowances were 32.7% of total revenue for April.

Mr. Smith reviewed the operating expenses were 26% above budget during April and are 10% over budget YTD. Professional fees, physician fees, purchased services and contract labor are the main areas of concern for the facility. Our Cerner conversion has inquired some known start-up costs, however, the (now 12) traveling staff have had a major impact on the financial standing of the hospital. Other skyrocketing costs, such as locum tenens physicians in OB and increased rates in our hospitalist program has also played a role in the financial issues. Mr. Smith reported that for April employees and benefits were 40% of total operating expenses; supplies were 7% for the month; purchased services and other professional fees were 40.1% for the month; and all other expenses were 12.9% for the month.

Day's cash on hand was reported to be 41.2 as of April 30<sup>th</sup> compared to 49.8 on March 31<sup>st</sup>. There was a significant drop in cash due to increased expenses for traveling staff. As far as positive news, the CMS fund take back was at \$360,000 on April 30<sup>th</sup>, however, as of May 18<sup>th</sup> it's been paid in full. This payback being completed means that 25% of the monies in Medicare payments will be once again collected by MHCC; this is an additional \$238,000 each month. The total reported cash as of April 30<sup>th</sup> was \$4.4 million, down from \$5.3 million on March 31<sup>st</sup>. \$3.1 million of these funds are investments and \$1.3 million are included in operating cash. RNB is holding about \$2.3 million, and Bank of Commerce is holding about \$2.1 million. AR was reported to be at 89.7 days as of April 30<sup>th</sup> and net days in AR were 40.7 days. Overall, balances for the hospital and clinic are nearly \$14.5 million consistent with the end of March totals and credit balances are at \$471,000. Due to our COVID supplies and increased inventory, days in AP were 35.9 and inventory on hand is at 58.6 days. The DNFB was reported to have been averaging 5.4 days. Cash collections as a percentage of net patient revenue was 82% overall (\$2.5 million). Adjustments have been made to the self-pay AR staffing, which will allow additional focus on this area with more staff, after hours calling, and evaluating a variety of different options, including text message to pay for those patients who become self-pay. Mr. Smith noted that Business Office employee, Madison Acton, collected a \$38,000 check from a patient.

Mr. Smith stated the clinic have generated nearly \$830,000 inpatient revenues from visits. This total is very strong and we are hopeful to continue to grow in this area as the clinics are the front door to this hospital. April was a profitable month for the clinics, totaling \$437,000 and YTD is a profit of over \$2.2 million (combination of visit and professional fee revenues).

Mr. Smith briefly discussed the budget. A draft of the budget is currently being finalized. The Board stated they would like to be involved with the budget this year. Weekly meetings will be set up between the Board and Administration. President Waeckerlin wanted to remind everyone that we will get through this tough time; everyone is working very hard and will continue to work very hard to make sure we get out of this.

Mr. Waeckerlin also mentioned his concern with the dip in clinic visits and reported revenue for the MHCC Health Center Platte Valley clinic. There was a discussion involving the timing of the reporting versus the charts being closed on time, but that was being handled and the numbers will be reported next month. Board member, Mark Kostovny also requested a revenue report broken out by provider so we could see how each provider is doing. Mr. Smith later provided this report to the board during the afternoon open session.

There was a discussion around Corizon and their violation of their contract by not paying on open claims. Mr. Steele has been working diligently to assist with getting those owed monies to MHCC. Mr. Waeckerlin stated his appreciation to Mr. Steele in regards to his assistance.

Mr. Goergen inquired about the billions of dollars in ARPA funds. Mr. Harman stated rules for allocation and use of the funds are still being discussed and we are anticipating answers soon. Out of the billions of dollars, only \$155 million have been set aside for hospitals, out of the \$155 million, hospitals can only ask for \$10 million. There was additional discussion involving additional grants and Mr. Harman and Mr. Waeckerlin asking for funds from the Carbon County Commissioners to assist in capital repairs for MHCC. Mr. Smith and Mr. Waeckerlin encourages everyone to reach out to the commissioners to ask for their support in the funds request. Mrs. Abbi Forwood asked how our request was received, it was reported that it was not taken well.

Mr. Steele asked if the billing setbacks from the ransomware attack has been rectified, to that Mr. Smith answered yes.

Garry Goergen made a motion, and Mark Kostovny seconded the motion to approve the financials for period ending April 30<sup>th</sup>, 2022 as presented. Motion carried unanimously.

Garry Goergen made a motion, and Mark Kostovny seconded the motion to approve the vouchers for period ending April 30<sup>th</sup>, 2022 as presented. Motion carried unanimously.

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

- Dr. John Lumb reported the Medical Executive Committee's decisions to approve the presented credentialing reappointments. There is two recommendations of appointment to active staff; one recommendation of appointment to locum tenens staff; four recommendations to reappointment to courtesy staff; one reappointment recommendation to active staff; three reappointment recommendations to telemedicine staff.

*Discussion:* There was a discussion around the OB services closure and the disappointment of losing a reportedly loved provider, such as Dr. Motley, but an understanding from a financial standpoint from Dr. Lumb. President Waeckerlin asked Dr. Lumb to help staff understand the reasoning and assist in keeping positive attitudes around the facility. Dr. Lumb stated that communication is key and he does admit to moral being low, to that Mr. Waeckerlin agreed and made clear that the Board is always open to suggestions and always has an open ear. Mr. Harman added that MEC has done a wonderful job in supporting the decisions that came from the last Board Meeting.

There was additional discussion around how the termination of Dr. Jonassen was handled from the perception from MEC. Dr. Lumb thought it was handled appropriately based on the information he knows of.

The next discussion was around the reporting of open charts to Dr. Lumb. He stated that he historically has not been made aware of any open charts, but is willing to do what he can to assist in getting those closed in a timelier manner. He know the significance of the importance to close charts, and too has run into those difficulties, but they still need to be completed.

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

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

**Recess Board of Trustees Public Meeting for Executive Session:**

Jerry Steele made a motion, and Mark Kostovny seconded the motion to recess the Board of Trustees Public Meeting for Executive Session at 10:59 am. Motion carried unanimously.

The Board convened to Executive Session at 10:59 am 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 2:39 pm. Motion carried unanimously.

**Administrative Report - Consent Agenda:**

*Discussion:* President Waeckerlin expressed his thanks to those who compile the consent agenda reports. He appreciates the time and hard work put in to them. Additionally, Mr. Ken Harman thanked Abbie Webster for standardizing the consent agenda reports. This allows for a more uniform and easy to read report for the Board.

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

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

- Due to travel, Mr. Woody White was unable to present at this month's board meeting.

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

- Mr. Kostovny reported, there were no calls to the Compliance Line for the month of April.

Collin McDonald is going to host another meeting to review the purpose of the Compliance Committee and their meetings.

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

- Mr. Collin McDonald presented his Compliance Report to the Board of Trustees. The following was reported:
  - 2 HIPAA investigations are being conducted.
  - 9 incident reports have been filed to Mr. McDonald. He made note that managers are doing better at resolving incidents themselves.
  - 2 grievances were filed.
  - No patient or employee falls.

*Discussion:* Mr. McDonald and the Board discussed the back parking lot during the winter and the hardships we face trying to keep it clear.

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

- The Quality Report was presented during Executive Session.

**Return on Investment Report: BioTE – Jon Smith, Chief Financial Officer and Melissa Yowell, Director of Clinics**

- Mr. Smith reported the financial standing of BioTE to the Board of Trustees. BioTE has been a slow and steady start and had generated a total profit of \$825. The expenses to train the providers have

already been deducted, so this is true profit. This upfront cash collection service also allows us to sell and collect on the BioTE supplements for patient use.

Three providers have been trained on the programs procedures (Dr. Gary Mikesell, Mrs. Peggy Lake, APRN, and Dr. Williams) and three more providers are set to be trained in the near future (Mrs. Chere Bohr, APRN, Robert Keel, PA-C and Dr. John Lumb). Services will soon be provided to MHCC Family Practice Clinic – Hanna and MHCC Health Center Platte Valley. There are some mandatory punch list items that will be required to be completed prior to bringing those services in to those clinics. Mr. Smith noted that the MHCC clinics are the only places this service is no offered. The competing clinic in town is no longer able to offer the services. Mrs. Yowell touched on a patient testimonial that was sent in by a patient in Rock Springs, Wyoming. They spoke highly of the care they received and expressed their appreciation for our providers and our BioTE services.

The Board of Trustees requested the next ROI report to be an update on the Cerner project.

#### **Old Business:**

- There was no old business to address during this month's meeting.

#### **New Business:**

- Obstetrical Referrals and Emergency Process Update – Jessica Seldomridge, *Labor and Deliver Manager*

Mrs. Jessica Seldomridge stated to the Board that Nursing Leadership is currently in the process of creating policies and procedures for the ER. Starting June 1<sup>st</sup>, 2022, Jessica is going to set up NRP, Fetal Monitoring, Vaginal birth practice, and training to stabilize sick infants for transfer to another facility. This will also include skills check off and what to do in a good, bad and ugly situation. The Labor and Delivery unit has also been encouraged to call the ER when an OB patient checks in to allow for additional training and preparedness for after June 15<sup>th</sup>.

Mrs. Seldomridge touched on the first day of Iverson Memorial Hospital being on site in the soon to be former MHCC Women's Clinic. Jessica stated she worked alongside Dr. Westbrook and had good discussions as to what was to be expected during their time here. IMH will be onsite every other Wednesday; down the road, telehealth services will be provided to patients. There was a total of 5 patients seen; 4 were Dr. Motley transfer patients and 1 was a Laramie patient (who resides in Rawlins).

*Discussion:* President Waeckerlin addressed additional schooling opportunities with Mrs. Seldomridge, to that she was still deciding what to do. There are some logistical issues that will need to be figured out down the road. There was additional discussion about Classic Air and a search to find ways to have a fixed wing stationed in Rawlins, which would allow for transport of pregnant patients to other facilities. At this time, we are unable to transfer pregnant patients in the helicopter due to limited space if there were to be a delivery. There was some talk of hope to bring IMH OB services to the MHCC Health Center Platte Valley. Mrs. Seldomridge also touched on plans that are being addressed as to where to store delivery equipment, supplies and what the standing orders would be for the ER teams. Currently, Jessica is putting in long hours due to limited staffing. Training for providers was also discussed and it was noted that IMH is happy to provide additional training to our staff. The Board of Trustees thanked Jessica and the Nursing Leadership team for their hard work and planning.

- Financial Improvement Plan – Ken Harman, *Chief Executive Officer*  
Mr. Harman presented a brief report to the Board of Trustees in regards to continuing efforts to lower the expenses and increase revenues. Leadership is working hard to eliminate traveling staff (6 should expire their contracts in June/July). HR has been able to lower some traveler costs, but has not been

successful will all the travelers assigned to MHCC, however, we will not see the benefits of these actions until July at the earliest. Leadership is working hard with the OR team to increase surgical and pain procedures. The risk we are provided with increased pain procedures is the use of additional contrast used for said procedures that are currently in high demand, but low in stock (nationally). The biggest risk for the organization overall is still the nurse travelers and the expenses that come with their contracts.

Additionally, Mr. Harman reported that we are currently cleaning up our contracts. Each contract is being evaluated to see if there are even more saving to be found. An example to this is Cardinal Health was not honoring our QHR pricing and after negotiation, we were able to amend that contract and if it passes legal review we will be able to save more money going forward. The organization is also re-evaluating par levels in the Materials/Stores department. A surplus of OR/surgical supplies was found and those supplies are currently being sold off to other facilities. MHCC is selling old equipment that is no longer in use (C-Arm for \$20,000 and a piece of surgical equipment for \$4,000). Departments are also changing many supplies that are cheaper in price, but still compatible with our current daily equipment in an effort to save on costs.

Mr. Waeckerlin asked Mr. Smith when we will be back in the black. To that, Mr. Smith stated that if we don't significantly increase our clinic and surgical volumes, we may not reach that point. What we can do, for clarification, is to grow our cash reserves and increase our cash on hand days. Swing bed admissions also need to increase to bring in more revenue as well. Mr. Waeckerlin stated that we need to set more realistic budgets and stop working backwards. He reiterated the importance of the Board's involvement with the budget this year. It was determined that working meetings would be set up for June 9<sup>th</sup> and 16<sup>th</sup> at 10:00 am for budget discussion and review.

There was some discussion around the cash on hand and how much it would support the Cerner conversion. Mr. Smith stated there would be some loss (\$100,000 - \$200,000), but we are currently in the testing phase of the project, which will allow us to test our billing processes and ensure we don't have many errors with our clearing house (which is not changing) to ensure we keep money coming in the door. Mr. Smith did advise the Board that we will have two AR's to work; one legacy (MedHost/Athena) and Cerner's. Two teams will be assigned to each AR and will work diligently to keep reimbursements flowing. Mr. Kostovny stated he would like to send his thanks to those working hard on the Cerner project while dealing with full plates.

Treasurer Goergen expressed his thanks for the efforts to save money.

#### **New Business Continued:**

- **Credentialing:**

1. Lance Petersen, MD, MHCC ER – Recommend Appointment to Active Staff
2. William Moore, MD, OB/GYN – Recommend Appointment to Locum Tenens Staff
3. Tyler Maxy, DO – Hospitalist (Internal Medicine) – Recommend Appointment to Active Staff
4. David Behrmann, MD, Radiology (Medical Imaging Associates) – Recommend Reappointment to Courtesy Staff
5. John Lumb, MD, General Surgery – Recommend Reappointment to Active Staff
6. Michael France, MD, Recommend Reappointment to Courtesy Staff
7. John Brooks, MD, MHCC ER – Recommend Reappointment to Courtesy Staff (pending Dr. Brooks furnishes case logs to Credentials Committee)
8. Jourdan Aromin, MD, Psychiatry (QLER) – Recommend Reappointment to Telemedicine Staff
9. Dwayne Narayan, MD, Psychiatry (QLER) – Recommend Reappointment to Telemedicine Staff

10. Stephen Preece, MD, Radiology (Medical Imaging Associates) – Recommend Reappointment to Courtesy Staff
11. Gregory Renck, MD, Psychiatry (QLER) – Recommend Reappointment to Telemedicine Staff (pending Dr. Renck furnishes logs to Credentials Committee)

Mark Kostovny made a motion, and Jerry Steele 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.

- **Employment Contracts:**

1. Duane Abels, DO – Contract Renewal

Mark Kostovny made a motion, and Jerry Steele seconded the motion to accept the Medical Executive Committee’s recommendation to approve the employment contract for the individual listed above and as presented. Motion carried unanimously.

- **Lease Agreement:**

1. Ivinson Memorial Hospital OB/GYN Services Partnership Lease Agreement

Mark Kostovny made a motion, and Garry Goergen seconded the motion to accept the lease agreement listed above as presented. Motion carried unanimously.

- **Pharmacy Services Agreement:**

1. Cardinal Health Pharmacy Services Agreement, Amendment

Mark Kostovny made a motion, and Jerry Steele seconded the motion to accept the amended terms for the agreement listed above, pending legal review. Motion carried unanimously.

**Adjournment:**

Mark Kostovny made a motion, and Garry Goergen seconded the motion to adjourn Board of Trustees public meeting at 3:52 pm with no further business coming before the Board. Motion carried unanimously.

The next Board of Trustees meeting will be June 23<sup>rd</sup>, 2022.

Respectfully submitted.

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

crb