



Board of Trustees Meeting

Regular Meeting

8.25.2022

Minutes

10:00 am

Members Present:

Rod Waeckerlin, *President*

Jerry Steele, *Secretary*

Gary Goergen, *Treasurer*

Mark Kostovny, *Member*

Absent Members:

Administration:

Ken Harman, *Chief Executive Officer*

Jon Smith, *Chief Financial Officer*

Guests:

Abbi Forwood, *Legal Counsel* (via phone)

Lena Moeller, *Legal Counsel* (via phone)

Woody White, *QHR, VP Finance*

John Espy, *Carbon County Commissioner*

Travis Moore, *Carbon County Commissioner*

Rod Waeckerlin, President, called the Memorial Hospital of Carbon County Board of Trustees meeting to order at 10:03am. The Pledge of Allegiance and a moment of silence in recognition of those affected by COVID-19 followed.

Amendment of Agenda:

President Waeckerlin requested the following items be added to the Open Session Agenda: Visitor Policy as item k. and Election of Officers listed as item l.

Approval of Agenda:

Mark Kostovny 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 7.12.2022:

Mark Kostovny made a motion, and Jerry Steele seconded the motion to accept the minutes from the regular meeting on 5.26.2022 as presented. Motion carried unanimously.

Employee Recognition presented by Rod Waeckerlin, Board President:

- President Waeckerlin recognized Kathi Parks, as August Employee of the Month. Kathi represents the heart of MHCC by continually going above and beyond to help others.

President Waeckerlin also recognized Janessa Mann as the Supervisor of the Quarter. Janessa represents the heart of MHCC by continually going above and beyond to help others.

Medical Staff Report presented by Ken Harman, Chief Executive Officer:

- Mr. Harman provided the Medical Staff Report to the Board of Trustees as Dr. Lumb was dealing with patient care.

Mr. Harman reported the following topics:

- Cerner is always a topic of discussion. Providers have been assigned trainings and are prepping for go live.
- Currently MEC is working on updating policies and to keep up with the quality of care we want to provide to the community.
- There is a Committee of the Whole meeting scheduled for September 7th. There will be a presentation for the local providers regarding our new Dexa/Nuclear Medicine service.
- Dr. Lumb and HIM are working together to address issues with timely documentation from the providers (hospital and clinic). So far, the ER and Hospitalists are doing well.
- Currently, Administration and Val Roberts are working on fine tuning the completion of ambulance reports. With the implementation of Cerner and removal of T-Systems, the issues should resolve themselves.
- Medical Staff, under the leadership of Dr. Lumb, has been going well so far.

No questions were presented to Mr. Harman.

Financial Report presented by Jon Smith, Chief Financial Officer:

- Two months of financials were presented to the board due to not having a meeting in July. Mr. Smith reported June's financials first, which is the final month for the 2022 FY budget. The month showed a slight gain from operations of \$100,396 with a total net income of \$100,415 compared to a budgeted income net income of \$201,214. YTD, the organization had a loss from operations of -\$1,004,055 and a total net loss of -\$802,942. Patient revenue for June was \$5.383 million, which is higher than the monthly average for all FY2022 which is \$5.017 million. For the month of June, \$493,062 was made up of other operating revenues (QRA, PPP program, and 340B), which continue to be very valuable to MHCC. Expenses have started to decrease in the reliance of travelers and at present we are sitting with 8 travelers and are happy to note that rates have decreased significantly, so we are now averaging \$120 per hour versus roughly \$200 per hour. In turn, this drops our weekly average cost from \$96,000 to \$38,000 for travelers. In addition, we are starting to see the positive financial impacts on our July financial reports from the decision to close our Obstetric and Women's Services. MHCC Leadership continues to utilize the Financial Action Plan that was presented at the April 2022 Board Meeting.

Patient Revenues for June 2022 were just under \$5.4 million with inpatient at \$878,617 compared to a budget of \$1,586,626 (this is significantly lower than the average year-to-date of \$1.14 million) and the outpatient at \$4,505,081 compared to a budget of \$4,017,299 (the YTD average for inpatient revenues is \$3.88 million). YTD, revenues are \$60 million, which is compared to a budget of over \$67 million and inpatient is now 29% below budget YTD and outpatient is 2% below budget YTD. Swing bed volumes and surgery have been a major factor in the low inpatient revenues this year. Unfortunately, surgical volumes continue to be low compared to budget and clinic volumes stayed strong (1,793 visits) throughout the fiscal year.

Other revenues received were additional funds from 340B Pharmacy program (\$200,000); Paycheck Protection Program (\$200,000); Qualified Rate Adjustment (\$142,000); and grant funding that supports the Wyoming Home Services Program which totaled to \$493,062 for the month of June.

Revenue deductions totaled 41.2% as compared to a budget of 44%. Accounts receivable held steady at about \$14.5 million at the end of June overall. Outstanding AR has been impacted by several factors during the fiscal year, but currently, only claims from Corizon/YesCare (Prison Contractor) and self-pay are major issues. Self-pay is currently 40% of the total outstanding AR and we are having staff stay late to make collection calls, implementing an Early Out program, and providing a discount for just enrolling into one of our free loan programs available through BHG lending. We are continuously hearing that patients are claiming they don't have the funds to pay their bills. Bad Debt was 6% and Contractual Allowances are 35% of total revenue for June.

Operating Expenses for June were 12% above budget and 10% over budget YTD. Professional fees, physician fees, purchased services and contract labor have been and continue to be the overall main areas of concern for MHCC. The reliance of traveling staff continues to be the major item. As stated in the summary, the closure of OB services has been financially beneficial overall. For June, Mr. Smith reported that employee and benefits were 44% of total operating expenses (48% YTD); supplies were 11% (10% YTD); purchased services and other professional fees were 35% (28% YTD); and all other expenses were 10% (14% YTD).

Day's cash on hand were 28.4 as of June 30th, compared to 29.8 on May 31st. There was a significant cash drop due to the increased expenses for traveler staff during the month. Total cash as of June 30th was \$3.0 million, which is up from \$2.9 million on May 31st. Of these funds, \$2.1 million in investments and \$900,000 in operating cash. RNB is holding about \$900,000 and Bank of Commerce is holding about \$2.1 million. As of June 30th, gross days in AR were 87.3 and net days were 40.4. Overall, the balances in AR for the hospital and clinics are nearly \$14.5 million, which is consistent with the end of May totals and credit balances at \$490,000. Days in AP were 16.2 so we slowed our processes to 45 days versus 30 days, which is closer to the industry standard for hospitals. Inventory on-hand is at 52 days due to our COVID supplies and increased inventory. The DNFB is at 7.3 days and is largely made up of our 3-day bill hold.

MHCC clinics generated about \$1.0 million in patient revenues from visits (1,793 visits). This is a strong total, and we hopefully can continue to grow this area. Overall, for the month of June, the clinics generated a profit of \$559,000 and YTD show a profit of over \$3.1 million due to the combination of visit and professional fee revenues.

A July financial report was also presented. Mr. Smith reported that gross patient revenues for the first month of the fiscal year were \$4,280,565 compared to a budget of \$5,275,000. Inpatient revenues were \$663,193 compared to a budget of \$1,255,000 (46% below budget) and outpatient was \$3,617,372 compared to a budget of \$4,050,000 (11% below). Overall, patient volumes for the month were below budget, with the exception of swing bed, which hit 69 days compared to a budget of 30. In total, everything was down about 25% from projections, including clinics visits which were only 1,488. There was a brief discussion about provider PTO times and perhaps encouraging providers to take time off in other months of the year.

For July, MHCC received additional funds from the 340B pharmacy program (\$73,000) and the Qualified Rate Adjustment (\$60,000) which totaled \$133,983.

Revenue deductions totaled 40.4% compared to a total budget of 40%. Accounts receivable decreased to \$14.2 million from \$14.5 million overall. Several factors play a role for the outstanding AR, but at present, the major item we are dealing with is collecting for services from Corizon/YesCare (Wyoming State Penn. Contractor) and the overall amount still owed to MHCC is \$150,000. MHCC is working with YesCare to collect for the services in full. Self-pay is also a huge issue for the organization. Patients are not able to afford their bills, even with the offering of a discount for signing

up for our free loan programs. MHCC and Resolution have employees working after hours to make cold calls to patients who owe balances. MHCC will also be rolling out the new Early Out program, which will allow for patients to receive various forms of communications about their bills and balances. Bad Debt was 6% and Contractual Allowances were 34% of total revenue for July.

Mr. Smith was happy to report that operating expenses were slightly below budget for the month. Volumes were down, which did contribute to this, but areas of staffing and contract labor were both down and those areas are largely fixed due to the size of our organization. MHCC has been successful in renegotiating traveler agreements to lower costs and are looking at ways to decrease those costs even more. For the month of July employee and benefits were 47% of total operating expenses; supplies were 11%; purchased services and other professional fees were 30%; and all other expenses were 12%.

Day's cash on hand were 20.4 as of July 31st compared to 28.4 on June 30th. Cash dropped because our expenses we write checks for during the month were \$3.2 million (operating expenses less depreciation) and our total cash collections were \$2.9 million for a difference of \$300,000. As of June 30th, gross days in AR were 50.4 and net days were 40.3 both of which are improvements from June 2022. Overall AR balances for the hospital and clinic are nearly \$14.2 million down from the end of June and credit balances are \$561,000. Days in AP were 31.1 due to the slowing of our processing of payables to net 45 days versus net 30. Inventory on hand is 47 days, which is a decrease from June. The DNFB is at 7 days and is largely made up of our 3 day bill hold.

Clinics generated about \$890,000 in patient revenues from visits (1,488 visits) this is the lowest total of visits we have seen in a few year and was due to providers being on vacation and/or quarantine each week of the month.

Discussion: There was a brief discussion around the geo-fence program and what the impact has been for us. Ms. Hinkle reported that right now the focus is on Orthopedics, the advertising for this started on July 13th and we have received a total of 24 patients so far.

There was also a discussion about the decreased clinic visits for July. Commissioner Espy asked if there was a way to track the amount of calls coming into the clinic that did not result in a visit due to providers not being available. It was determined that there may not be with our electronic systems, but a manual process could be created. Mr. Kostovny also inquired about following the CDC guidelines for sick employees, to which Mr. Harman stated we were and he provided a verbal break down of those guidelines.

Mark Kostovny made a motion, and Gary Goergen seconded the motion to approve the financials for period ending June 30th, 2022 and July 31st, 2022 as presented. Motion carried unanimously.

Gary Goergen made a motion, and Mark Kostovny seconded the motion to approve the vouchers for period ending June 30th, 2022 and July 31st, 2022 as presented. Motion carried unanimously.

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

Jerry Steel 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 Steel seconded the motion to recess the Board of Trustees Public Meeting for Executive Session at 11:11 am. Motion carried unanimously.

The Board convened to Executive Session at 11:11 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 Gary Georgen seconded the motion to resume the Board of Trustees Public Meeting at 1:19 pm. Motion carried unanimously.

Administrative Report - Consent Agenda:

President Waeckerlin thanked those involved for their efforts in putting together candid reports.

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

QHR Community Needs Assessment Report, Kylie Lattimore, QHR, Associate Consultant, Strategy

- A presentation was presented to the Board of Trustees about the findings in the recent community needs assessment survey. She reported on six findings and gaps in care that were identified in our community and what we can do to bridge those gaps.

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

- Mr. Kostovny presented a brief report. Only one phone call was received and it was about a subpoena for Medical Records.

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

- Mr. McDonald presented his Compliance Report. He also provided an update about AlertSense and the Trauma Survey. There were some patient falls that were reported that he is investigating along with Janessa Mann.

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

- Ms. Baugh reviewed the CMS Clinical and Patient Safety Surveys. There was only two findings for the clinical survey, to which both plan of corrections were already submitted and accepted. The plan of correction was already submitted to the State for the findings of the Patient Safety survey as well. Mr. Harman stated this is the best clinical survey we have had in years. Mr. Waeckerlin inquired about how Ms. Baugh felt about the change in quality of care of the hospital, to which she replied with there are changes that have been made for us to provide better care.

Return on Investment Report: Health and Wellness Blood Draw Review, Stephanie Hinkle, Health and Wellness Co-Chair & Abbie Webster, Health and Wellness Co-Chair

- Ms. Hinkle and Ms. Webster provided a financial review of the Health and Wellness Blood Draws. There was a comparison of revenues versus expenses for years 2020 – 2022. There was a discussion about changes for the 2023 year (moving it to the family practice clinics for better care and better locations for services).

New Business:

- **Ratify ARPA Grant, Ken Harman *Chief Executive Officer***

Mark Kostovny made a motion and Jerry Steele made a motion to approve the ARPA Grant as presented during the August 9th, 2022 Special Board Meeting. Motion carried unanimously.

- **Annual Business Plan, Ken Harman *Chief Executive Officer***

Mr. Harman reviewed the areas of operational focus for the year of 2023. There were not many additions for the year as we need to improve on the items already on this list.

- **Referral Review, Ken Harman *Chief Executive Officer***

Mr. Harman reviewed the areas of referrals. Many referrals are going out of town, which is affecting our growth in services. Mr. Harman is working with internal providers to keep services local and other hospitals to see what partnerships can be formed to encourage growth.

- **Review of Contracts, Ken Harman *Chief Executive Officer***

There was a review of services for the following contracts:

- Echocardiogram
- Aligned Providers of Wyoming
- Fremont Therapy Group
- Dietician
- Medical Imaging Associates
- Cardinal Health
- Summit
- Holistic Pain Management
- Rural Partners of Wyoming (Dr. Allred)
- Qler

- **Majoris Health Contract, Ken Harman *Chief Executive Officer***

Mr. Harman reviewed the contract and stated this is for the Walmart employees Worker's Compensation/drug screen services. MHCC is taking over this contract due to Cedars Health Clinic closing. This contract will reimburse MHCC at Worker's Compensation rates.

Mark Kostovny made a motion and Gary Goergen seconded the motion to approve the Majoris Health Contract as presented. Motion carried unanimously.

- **Resolution Authorizing Line-of-Credit through Bank of Commerce, Jon Smith, *Chief Financial Officer***

Discussion: Mr. Smith reviewed the contract with the Board of Trustees. After lengthy conversation, it was decided that Mr. Smith would need to find out more details about the contract as far as who can take out monies for the line of credit; collateral details; borrowing money without commissioner authorization (as long as it does not go past FY 6/30/2023).

- **MedHost Contract Amendment Approval – Software and Application Services Agreement, Jon Smith, *Chief Financial Officer***

Discussion: Fees would drop from \$40,000 to \$14,000 due to the Cerner conversion. We will still need to keep MedHost for 1 year post go live with Cerner due to AR payment posting.

- **MedHost Contract Amendment Approval – Hosting and Managed Services Agreement, Jon Smith, Chief Financial Officer**

Discussion: Fees would drop from \$40,000 to \$14,000 due to the Cerner conversion. We will still need to keep MedHost for 1 year post go live with Cerner due to AR payment posting.

Open Discussion/Citizen Participation:

- No one came forward to the Board of Trustees.

New Business Continued:

- **Credentialing:**
 1. Deborah Brackett, MD – Hospitalist (Aligned Providers) – Recommend appointment to Courtesy Staff
 2. John Brooks, MD – Emergency Medicine – Recommend reappointment to Courtesy Staff
 3. Mary Phillips, FNP-C – Nurse Practitioner Holistic Pain Management; Recommend full, unrestricted Allied Health Staff Membership
 4. Abdur Khan, MD – Cheyenne Cardiology (EKG reads); Recommend full, unrestricted Courtesy Staff Membership
 5. Christopher Johnson, MD – Direct Radiology; Recommend Telemedicine Staff Appointment
 6. Harold Pierce, MD – Urology; Recommend Courtesy Staff Reappointment
 7. Artur Narkiewicz-Jodko, MD – MIA Radiologist; Recommend Courtesy Staff Reappointment
 8. Napoleon Cieza Rubio, MD – General Surgeon; Recommend Appointment to Locum Tenens Staff

Mark Kostvony made a motion, and Jerry Steel 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.

- **Dr. Pull Contract Amendment**

Mark Kostvony made a motion, and Jerry Steel seconded the motion to accept the above contract as presented. Motion carried unanimously.

- **Visitor Policy, Ken Harman, Chief Executive Officer**

Discussion: Mr. Harman presented an updated Visitor Policy that would take place of the green, yellow and red visitor status. The only changes requested were to change two visitors to three for Med/Surg, but to leave two visitors for ICU.

- **Election of Officers, Rod Waeckerlin, Board of Trustees President**

Discussion: Mr. Waeckerlin opened any thoughts up to the Board members. It was decided that the following members would keep or step into the roles until a new board member is appointed.

- Mr. Rod Waeckerlin – President
- Mr. Mark Kostovny – Vice President
- Mr. Jerry Steel – Secretary

- Mr. Gary Goergen – Treasurer

It was noted that Mr. Goergen would be taking a leave of absence. Mr. Kostovny and Mr. Steele would assist with Treasurer Duties until Mr. Goergen can return.

Adjournment:

Mark Kostovny made a motion, and Jerry Steele seconded the motion to adjourn Board of Trustees public meeting at 3:57 pm with no further business coming before the Board. Motion carried unanimously.

The next Board of Trustees meeting will be September 22nd, 2022.

Respectfully submitted.

Abbie Webster, *Executive Assistant*

Jerry Steele, Board of Trustees, *Secretary*

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