



## **Board of Trustees Meeting**

Regular Meeting

March 2, 2023

Minutes

10:00 am

### **Members Present:**

Rod Waeckerlin, *President*  
Mark Kostovny, *Vice President*  
Jerry Steele, *Secretary*  
Garry Goergen, *Treasurer*  
Lisa Engstrom, *Member* (via Zoom)

### **Absent Members:**

### **Administration:**

Ken Harman, *Chief Executive Officer*

### **Guests:**

Abbi Forwood, *Legal Counsel* (via Zoom)  
Lena Moeller, *Legal Counsel* (via Zoom)  
Woody White, *QHR, VP Finance* (via Zoom)

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

### **Amendment of Agenda:**

President Waeckerlin stated that with the arrival of the interim Chief Financial Officer, there needs to be an official amendment made to the QHR contract. QHR Contract Amendment was added under item 18. A. 1.

Mark Kostovny made a motion, and Gary Goergen seconded the motion to approve the agenda as or amended. Motion carried unanimously.

### **Approval of Board of Trustees Open Session Minutes from January 26<sup>th</sup>, 2023:**

Jerry Steele made a motion, and Mark Kostovny seconded the motion to accept the minutes from the regular meeting on January 26<sup>th</sup>, 2023 as presented. Motion carried unanimously.

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

- President Waeckerlin recognized Linnette Steele, as February Employee of the Month. Linnette represents the heart of MHCC by continually going above and beyond to help others.

Ms. Steele was absent for her recognition, but many thanks were expressed for her service to MHCC.

Prior to the Medical Staff Report, the Board decided to move into the Financials Report. A short break from Financials will be had once Dr. Lumb is ready to report the Medical Staff Report.

**Financial Report presented by Ken Harman, *Chief Executive Officer*:**

- Prior to the start of the financial presentation President Waeckerlin took some time to openly thank Senator Barrasso and Mr. Steele for their combined efforts to escalate FEMA monies owed to MHCC. These funds are those that have already been spent, so this is considered a reimbursement. Mr. Waeckerlin also extended a special thanks to Mr. Harman and the Wyoming Hospital Association (WHA) for convincing the Public Health/Medicaid claim division to process any owed and/or open claims to MHCC. Mr. Harman and WHA are also working to receive additional funds, but this is still a work in progress.

Mr. Harman presented the Financial Report for the month due to the departure of Mr. Smith and waiting period for the Interim CFO to join us. Mr. Harman extended a thanks to Alyssa Hofmann; she has been learning how to run reports and gather the information needed to report financials. Mr. Harman is impressed with Ms. Hofmann's growth since Mr. Smith's departure.

Mr. Harman wanted to point out some highlights from the income statement and balance sheet. Total patient revenues were \$5.1 million, compared to a budget of \$5.3 million. Mr. Harman reported our contractual adjustment totals, however, he is not convinced the calculations are accurate and would like for Mr. Colson (Interim CFO) to validate them. MHCC's net income was reported to be \$2.4 million, which was a quarter million short of budget.

Expenses are constantly being monitored. Mr. Harman stated he asked for the Materials Management department to question every order that is placed, meaning are items "wants versus needs". In the short time this has been going on, MHCC has saved roughly \$20,000. Overall expenses for the month were reported to be \$2,987,757. Mr. Harman reported AR to be roughly \$22 million and stated he will make this a primary focus for Mr. Colson when he is onsite as Mr. Harman is unsure if we are overstated in this area.

Cash collected during the month of January are lower than expected. Some of our minimal cash reserves were depleted and some AP accounts were pulsed out in order to make things balance. Cash on hand is currently sitting at 9-10 days. After payroll is processed, we will reach 5 days cash on hand. Even though the Board and Administrative team is making adjustments in this area, more work must be done. Services may begin to be impacted in MHCC does not see an influx of cash and will have trouble keeping AP at its current days and will have to continue to push out vendor invoices. Other efforts are being made at the State and local level to help bring in short term cash. This is an unfortunate situation and a challenge that requires immediate action to ensure our success.

Mr. Harman reported on MedHost claims and the fact that we recently moved \$1 million of older claims to bad debt and as a result we have little over \$4 million in MedHost AR. There are additional accounts within the MedHost AR that are currently set up on in-house payment plans; these accounts will eventually be absorbed into the new HELP Financial programs. This program allows for MHCC staff to set up in-house payment plan and to receive 70-80% of the total cost of each payment plan upfront. This is a 0% interest loan and up to 5 year term per payment plan. If MHCC were to move the \$1 million in payment plans to HELP Financial, the facility would receive about \$700,000.

Mr. Harman spoke to Cerner's AR status as well. He stated that Resolution (billing) has been doing well over the past few months and the active AR has been lowered significantly. \$4.5 million has been collected, while \$2.7 million over the past four months has been written off.

As for the DNFB, Mr. Harman reported that great progress is being made. The Revenue Cycle department and Resolution are working well together. Improvements with the clean claim rates and overall lowered DNFB are being noted. As of November, over \$3 million was made up of the DNFB,

now it is around \$1.6 million. The Revenue Cycle committee meetings have been restructured and are more focused toward denials and documentation improvement efforts.

The Accounts Payable team is doing an exceptional job of managing a difficult situation, according to Mr. Harman. He stated he has had the opportunity to really sit down for the first time to review invoices and determine what will be paid versus what will not be paid. Historically, Mr. Smith was able to accomplish the best practice standard of 45 days for AP, however, the reason we have been able to keep this standard, was by not making payment to QHR, Cerner and MedHost. At present we have significant obligations to the three mentioned vendors and currently owe \$800,000 to them. Mr. Harman told the Board he is going to work out a plan of action with these vendors to get caught up on the bills. We will be heavily relying on not only bringing in the cash to pay these bills, but to also pay enough to start climbing out of the hole which we are in. Part of the financial improvement plan is to end the contract with MedHost, which will be discussed at the Board meeting and will save monthly costs. In addition to this, the Administration team has put together a list of additional expense cuts; those details will be shared during Executive Session.

Mr. Harman moved to the next topic of conversation – Revenue Cycle Improvements. Mr. Harman touched base about HELP Financial, a new loan company that is taking place of BHG Lending. The Business Office team will be contacting patients to work on transferring current, in-house payment plans, to HELP Financial. With this change occurring, this will allow for money to flow in more quickly as we will receive 80-70% of the funds up front for each payment plan set up through HELP Financial. Mr. Harman also touched on the services now offered through Frost Arnett. Frost Arnett is now collecting on Cerner self-pay accounts (including self-pay after insurance). Text messages, emails and statements are being sent to patients and will allow for patients to pay for services quicker than they have before, in addition to that, it will bring cash in quicker too. Mr. Harman noted that one of the reasons cash hasn't been coming in as quickly as we hoped was because Medicare is upgrading their system and not able to process claims as quickly as they historically have. Mr. Harman stated that we cannot wait until cash catches up, we have to make changes as quickly as we can to keep our facility going. Mr. Kostovny asked for clarification of what a “good financial month” has been; to that, Mr. Harman stated, it's like we are paying bills on a credit card and spending money we don't currently have; it's money we are being promised.

There was further discussion about the lack of Cerner training in the clinics that has led to slow cash and financial struggle. During the conversation Mr. White suggested that Mr. Colson go through the AP to come up with a plan of action as to how to handle it going forward. Mr. Harman stated the priorities he has planned for Mr. Colson to focus on is the Financial Income Statement and Balance Sheet; the AP process and Revenue Cycle collection process. Mr. Harman reiterated to the Board that he is very concerned about our cash position and he can no longer wait for the cash to come in. Serious financial changes need to be made in order for the organization to come out of this successful.

The Board paused the financial presentation at 10:53am to listen to the Medical Staff Report presented by Dr. Lumb.

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

- Dr. Lumb presented a quick Medical Staff report. The Credentialing Committee and Medical Executive Committee recommended five providers to be re-credentialed. There were no new providers to approve for credentialing at this time. During MEC, there was a lengthy discussion about Pharmacy policies that will need board approval.

President Waeckerlin asked Dr. Lumb about surgical volumes. Dr. Lumb stated that he has been busier, especially with the General Surgery Clinic placing cold calls to patients who qualify for screening colonoscopies. Mr. Goergen asked what the timeframe was for getting patients scheduled for surgery. Dr. Lumb stated less than a month.

President Waeckerlin also inquired about room for surgical growth pertaining to Dr. Allred, who will be coming in weekly to perform surgeries. Dr. Lumb stated there is no issue with OR space, there is plenty time available for Dr. Allred to increase his surgical volumes in addition to the current amount of cases across happening for all providers at present.

The Board resumed the financial presentation at 10:58am.

### **Financial Report Resumed:**

- Mr. Harman stated that Ms. Maisano and Mrs. Weber work very well together. Their combined efforts have brought the DNFB down to pre-Cerner numbers. Mr. Harman expressed how pleased he is with their hard work.

President Waeckerlin invited Mrs. Weber to the Open Session meeting. She entered the Board Room at 11:00am.

Mrs. Weber was invited to Open Session so she could explain, in further detail, what challenges the Revenue Cycle team is currently facing. Her biggest area of concern was the MedHost self-pay AR. She stated we need a much larger focus on this area, because the organization is writing off large balances to bad debt (Collection Center Inc. or Frost Arnett Company). For example, \$847,000 was sent to collections for December alone. A total of \$1.6 million was sent to bad debt in two months.

Mrs. Weber believes that by adding more resources and focus to said self-pay accounts will lead to better cash collections. Currently, due to changes in the structuring of Resolution, many self-pay accounts are being neglected. The resources assigned to these accounts are few and it's resulting in large balances of bad debt being sent to collections. Since this is responsibility of the Resolution team, Mrs. Weber does not have anyone from her team assigned to work these accounts. The Board asked Mrs. Weber how collectable are the accounts? Mrs. Weber stated, that it depends on how often they are worked.

There was discussion with Mr. White and the Board regarding concern about Resolution not properly working the MedHost self-pay accounts. Mr. White stated he will follow up with the Resolution team and report back to the Board and Mr. Harman. There may need to be a call scheduled with Resolution, Mrs. Weber and QHR to gain more information about this matter.

Another issue Mrs. Weber brought to the Board's attention was clinic provider documentation and the hold up of charts and billing. She identified some opportunities for education and workflow changes. These have been known issues since go live. Unfortunately, the resources sent for go live did not spend as much time as we would have liked with the staff, because they were trying to fix other high priority problems. Many issues with the clinics and other departments are stemming from go live.

A lengthy discussion regarding frustrations surrounding phones being answered arose. Mrs. Weber stated her team is very busy answering the phones trying to take payments, assist customers with their bills and help answer other questions. She stated the Resolution does have a phone number listed and they can also take payments (they should be the primary payment collection route), but very recently

we learned their phone line wasn't working and also learned about the restructuring of their team. This issue has now been corrected and Resolution is now able to take payments over the phone again.

Mr. Goergen asked for clarification about who is responsible for working MedHost and Cerner accounts. Mrs. Weber stated Resolution is responsible for collecting the MedHost self-pay AR and Frost Arnett is working our Cerner self-pay AR. She stated that Frost Arnett is sending text messages and other forms of communications to patients as soon as their accounts turn to a self-pay status. This will allow for patients to pay their bills in a timelier manner and bring cash in the door sooner. Mr. Goergen also inquired why we decided to with Frost Arnett rather than Resolution to work the Cerner self-pay accounts. Mrs. Weber answered by stating her understanding of the matter that Frost Arnett could turn the accounts quicker and their cost to work the accounts was cheaper compared to Resolution.

Mr. Kostovny asked if MedHost should be done being worked as we are with Cerner now. Mr. Harman stated that there are still accounts being billed to insurances, meaning, once those accounts turn to self-pay after insurance, then the "120 to collections" countdown begins. Some payers take a long time to pay, hence the wait.

Several members of the Board commented that they learned more from Mrs. Weber being present than what was listed in the Consent Agenda. Mr. Waeckerlin agreed and stated he would like Mrs. Weber and Ms. Maisano to attend the Open Session meetings going forward. This way they can keep the Board updated about revenue cycle challenges until such a time the Board is comfortable with the financial standing of the organization.

Mrs. Weber exited the board room at 11:26am.

President Waeckerlin thanked Mr. Harman for pulling this information together. The Board and Mr. Harman reiterated the top three priorities for Mr. Colson to focus on when he arrives. Mr. Harman also stated that he and Mr. White are on the same page for their goals going forward. Mr. White also suggested to have Mr. Colson follow up with Board after two weeks of him being onsite to report his findings. The Board agreed.

Mark Kostovny made a motion, and Jerry Steele seconded the motion to approve the Financial Summary for period ending January 31<sup>st</sup>, 2023 as presented. Motion carried unanimously.

Gary Goergen made a motion, and Mark Kostovny seconded the motion to approve the financials for period ending January 31<sup>st</sup>, 2023 as presented. Motion carried unanimously.

Jerry Steele made a motion, and Mark Kostovny seconded the motion to approve the vouchers for period ending January 31<sup>st</sup>, 2023 as presented. Motion carried unanimously.

**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:**

Mark Kostovny made a motion, and Jerry Steele seconded the motion to recess the Board of Trustees Public Meeting for Executive Session at 11:39 am. Motion carried unanimously.

The Board convened to Executive Session at 11:39 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 3:50 pm. Motion carried unanimously.

At this time, President Waeckerlin stated items 10. - 18. d., vi. would be covered at another Board meeting the following week due to the length of the meeting today. Items 18. e. – 20. will be addressed at today's Board meeting.

**New Business Continued:****• Credentialing:**

1. Patricia Shue, PNP – Recommend reappointment to Allied Health Staff
2. Charles Grant, CRNA – Recommend reappointment to Allied Health Staff
3. *Intentionally omitted.*
4. Ajibola Babatunde, MD – APW Hospitalist: Recommend change in Medical Staff Membership from Courtesy Staff to Active Staff
5. Edward Zimmerman, MD – Recommend change in Medical Staff Membership from Courtesy Staff to Active Staff

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. Edward Zimmerman, Emergency Medicine, New

Mark Kostovny made a motion, and Jerry Steele seconded the motion to accept the above employment contract and as presented. Motion carried unanimously.

**Open Discussion/Citizen Participation:**

- Nothing was presented to the Board.

**Adjournment:**

Mark Kostovny made a motion, and Jerry Steele seconded the motion to adjourn and reconvene the 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 March 23<sup>rd</sup>, 2023.

Respectfully submitted.



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