



Board of Trustees Meeting
Regular Meeting
April 27th, 2023
Minutes
10:00 am

Members Present:

Rod Waeckerlin, *President*
Mark Kostovny, *Vice President*
Jerry Steele, *Secretary*
Gary Goergen, *Treasurer*
Lisa Engstrom, *Member*

Absent Members:

Administration:

Ken Harman, *Chief Executive Officer*
Wayne Colson, *Chief Financial Officer*

Guests:

Abbi Forwood, *Legal Counsel (via Zoom)*
Woody White, *Ovation Healthcare Senior VP Finance*
Kami Matzek, *Dingus Zarecor & Associates*

Rod Waeckerlin, President, called the Memorial Hospital of Carbon County Board of Trustees meeting to order at 9:59 am. The Pledge of Allegiance and a moment of silence in recognition of those affected by COVID-19 followed.

Approval of Agenda:

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

Approval of Board of Trustees Open Session Minutes from March 23rd, 2023 and April 6th, 2023

Gary Goergen made a motion, and Lisa Engstrom seconded the motion to accept the minutes from the regular meeting on March 23rd, 2023 and April 6th, 2023 as presented. Motion carried unanimously.

Employee Recognition presented by Rod Waeckerlin, Board President:

- President Waeckerlin recognized Courtney Ewing as April's Employee of the Month and Dan Starr as the Supervisor of the Quarter. Both Dan and Courtney represent the heart of MHCC by continually going above and beyond to help others.

The Board of Trustees took a brief break from 10:07 to 10:10 am.

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

- Dr. Lumb reviewed recommendations for new and reappointments that will be discussed in Executive Session. One ER provider and a Cardiologist were tabled at the last Credentialing meeting due to

missing documentation. Once documentation has been provided, then those individuals will be presented to the Credentialing Committee again.

Dr. Lumb stated Dr. Abels requested a change in status to Active Administrative staff. In this role, he would no longer practice medicine, but he would assist with other administrative duties to assist various committees with projects. Dr. Lumb added that our By-Laws would need to be changed to accommodate this request. Mr. Harman stated that MHCC's Legal Counsel is already working on these changes.

During the Medical Executive Committee meeting, Dr. Lumb advised the Board that several nursing policies and procedures were updated. Additionally, Dr. Lumb is assisting with the provider deficiency process to ensure charting is completed in a timely manner. Historically he has not been involved in the process, but is happy to assist and bridge the gap between open charts in Medical Records and providers.

Discussion: Mr. Harman went into detail about the deficiency process and explained how the communication worked for providers when they have delinquent charts. A question was asked regarding the scribe service that was purchased for the providers. Mr. Harman clarified by explaining that service is for clinic providers only. The reason for this is because they see patients based on a schedule; unlike the ER, where it would be too difficult for the scribe to keep entering and exiting patient's charts as the ER provider see's patients on a more inconsistent basis. The Board was happy to hear that we are working on this issue and appreciates the hard work. Another question was asked to Dr. Lumb about the relationship of the Medical Executive Committee and the rest of the providers, specifically the Mid-Levels. Dr. Lumb expressed he believed the relationship was good. There was further discussion about what committees Mid-Levels served on.

Audit Report presented by Kami Matzek, *Dingus Zarecor & Associates*

- Ms. Matzek had the opportunity to present the 2022 Financial Audit to the Board of Trustees. She reviewed the audit process to the board and communicated for the Board to keep in mind that this data is from 2022 and 10 months old.

Mr. Goergen asked about the timeline from close of 2022 books to the presentation of the audit. Ms. Matzek stated it was because Dingus Zarecor & Associates (DZA) did not receive the reconciled data in a timely manner.

Ms. Matzek reviewed the letter titled: Report on the Audit of the Financial Statements with the Board. She pointed out that one change in standard accounting procedures regarding equipment leases and how to account for their liabilities on them.

Ms. Matzek went on to review the Financial Statement. She stated there was a \$6 million loss reported and 1 CD that MHCC liquidated. Expenses were also up for the year of 2022. Mr. Waeckerlin asked if the operating expenses were tied to the Saratoga clinic, to which Ms. Matzek stated some funds were.

Ms. Matzek reviewed the Audit findings with the Board of Trustees. Incorrect financial information was the largest issue to work through for DZA. There were significant material impacts that led to the findings, such as large journal entries.

The first finding, as previously stated was large journal entries. Areas affected were patient account receivable, the allowance for contractual adjustments and bad debts, capital assets, net position, accounts payable, accrued payroll and related liabilities, net patient service revenue, and salaries and

wages. The audit reported that accounting records were materially misstated at year end. There was a discussion about real dollars this misstatement turned into and was clarified to the Board. There was also a discussion about what accounts were being balanced monthly; this was also a recommendation from DZA.

The second finding was linked to the accounting software conversion. During the importation process, there was an error in data. The beginning entries did not balance and as a result of the financial staff trying to correct these errors were the many journal entries. The audit reported that accounting records were materially misstated at year end.

The third finding was regarding MHCC's internal control environment. Although the hospital's procedures by the appropriate authority for transaction cycles were being performed, they still failed to prevent, detect, and correct material misstatements in the financial statements. As a result material misstatements in the financial statements were undetected by management. The Board of Trustees and management were not receiving accurate and timely financial reporting to perform their functions.

The Board was appreciative of the candid report and had discussions about involvement in financial reporting going forward.

Ms. Matzek concluded the Audit Report by reviewing the Management Letter that stated the significant item matters along with communicating the risks to the Board of Trustees; which are all standard verbiage that need to be communicated during the audit review.

Jerry Steele made a motion, and Gary Goergen seconded the motion to acknowledge and accept the June 30th, 2022 and 2021 Financial Audit.

The Board of Trustees took a break from 11:00 – 11:05 am.

Financial Summary presented by Wayne Colson, *Interim Chief Executive Officer*:

- Mr. Colson presented the financial summary for January – April 24th, 2023. He focused mostly on the Key Performance Indicators Scorecard.

Mr. Colson did clarify that this was not a formal financial report as he was still working on reviewing previous month's financials.

Volumes for the month of April were up.

AR is still an area of major concern as it continues to grow. Mr. Colson would like to address the old AR and get it off our books, however, at this time, the billing teams are still collecting some funds from claims as old as 2020. Mr. Kostovny asked if this AR represents "real money", to which Mr. Colson stated it represents billed charges, which is gross money. The Revenue Cycle team believes the organization can collect a percentage of that many. Mr. Colson stated he would like to work towards report AR based on net estimates as this is how he used to running his books. He used the YesCare charges as an example. The Board agreed that this is how they would like this done as well.

There was discussion around late charges being added to accounts 78 days after the accounts are billed to insurance. Ms. Maisano is going to look into this and provide feedback; investigation needs to be done prior to any action that can be taken about said late charges.

Overall the major issues impacting billing and revenues are delays with coding; registration errors; insurance verifications; and the clean claim rate (tied to registration errors). The Board asked Mr. Colson how long it would take to see changes. Mr. Colson stated it would take 4 – 6 months.

Mr. Colson briefly reviewed the April and May goals for the Revenue Cycle team.

Ms. Weber was asked how the transition was going for registration. She stated it has been difficult as her team is covering shifts at the clinic due to staff calling off. She states when this happens her team is unable to train existing staff. There is also a lack of accountability with registration staff, hence the registration errors and clean claim rate. Ms. Weber shared her training plans for new hires going forward.

Mr. Waeckerlin suggested the Board participate in a workshop with the Revenue Cycle team to review processes, accounts, etc.

Mark Kostovny made a motion, and Lisa Engstrom seconded the motion to approve the financial summary. Motion carried unanimously.

Prior to approving the vouchers, Mr. Kostovny stated there were discrepancies that were found within the payroll report. Finance is currently looking into the issue.

Gary Goergen made a motion, and Mark Kostovny seconded the motion to approve the vouchers for period ending March 31st, 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 Lisa Engstrom 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 Lisa Engstrom seconded the motion to recess the Board of Trustees Public Meeting for Executive Session at 11:37 am. Motion carried unanimously.

The Board convened to Executive Session at 11:37 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 Lisa Engstrom seconded the motion to resume the Board of Trustees Public Meeting at 2:58 pm. Motion carried unanimously.

Administrative Report - Consent Agenda:

- Ms. Engstrom commented on the amount of missing board reports from the Revenue Cycle departments. Mr. Waeckerlin stated to Mr. Colson the importance of these reports; Mr. Colson will follow up with his direct managers to ensure reports are turned in.

Mr. Waeckerlin called out Mr. Hardy's report. He was very impressed with the reports that were submitted and asked for Mr. Hardy to add his suggestions for improvements going forward.

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

Department Head Report presented by Derek Elliott

- Mr. Elliott presented his report to the Board of Trustees. He explained the happenings in his department.

Mr. Colson would like to follow up with Mr. Elliott about compiling a committee to review and approve requests for new supplies.

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

- Mr. White stated the report is in the Board Packet.

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

- Mr. Kostovny stated there was one phone call on the Compliance Line. The call was reported to be more of a statement and was heard.

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

- Mr. McDonald presented his compliance report. He is actively investigating several HIPAA violations; auditing Relias Trainings for staff; completed MHCC insurance renewal (which is \$50,000 cheaper due to removing PRN providers from the insurance).

Mr. McDonald spoke about the claim for the new ambulance. He's asked for our insurance advocate to assist us in completing the claim.

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

- Mrs. Baugh reviewed her RCA's with the Board and provided them with an update.

Mr. Harman commented that Quality has been an ever growing and day to day function of MHCC.

New Business:

- Business Associate Agreement Policy, Ken Harman, *Chief Executive Officer*
Mr. Harman stated Lisa Boston (Ovation) recommended MHCC have a policy about the use and management of Business Associate Agreements for the organization.

Lisa Engstrom made a motion, and Gary Goergen seconded the motion to accept the Business Associate Agreement Policy as presented. Motion carried unanimously.

- Continuum Master Service Agreement & Business Associate Agreement, Wayne Colson, *Interim Chief Financial Officer*
Mr. Colson stated the contract would replace the contract with Hospital Solutions Inc. (HSI). This company would work accounts specific to motor vehicle claims. Currently, HSI is only collecting 25% of funds associated to MVA claims; Continuum would be able to collect 75% of the claims.

Gary Goergen made a motion, and Lisa Engstrom seconded the motion to accept the Continuum Master Service Agreement and Continuum Business Associate Agreement pending legal review. Motion carried unanimously.

• Credentialing:

1. Brett Talbot, DO (Radiology) – Recommend reappointment to Courtesy Staff
2. James Taylor, DO (Radiology) – Recommend reappointment to Courtesy Staff
3. Edward Zimmerman, MD (ER) – Recommend reappointment to Active Staff
4. Jeremiah Andersen, MD (Pathology) – Recommend reappointment to Active Staff

5. Mary Phillips, APRN (Pain Management) – Recommend reappointment to Allied Health Staff
6. Matthew Rice, MD (Family Medicine/Hospitalist) – Recommend reappointment to Active Staff
7. Thomas Lavie, MD (QLER) – Recommend appointment to Telemedicine Staff

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.

Open Discussion/Citizen Participation:

- Mr. Kostovny would like to see the organization move forward in a more positive aspect.

Adjournment:

Gary Goergen made a motion, and Lisa Engstrom seconded the motion to adjourn Board of Trustees public meeting at 3:35 pm with no further business coming before the Board. Motion carried unanimously.

The next Board of Trustees meeting will be May 25th, 2023.

Respectfully submitted.

Abbie Webster, *Executive Assistant*

Jerry Steele, Board of Trustees, *Secretary*