



Board of Trustees Meeting
Regular Meeting
May 1st, 2024
Minutes
10:00 am

Members Present:

Rod Waeckerlin, *President*
Mark Kostovny, *Vice President*
Jerry Steele, *Secretary*
Gary Goergen, *Treasurer*
Lisa Engstrom, *Member*
Dr. Duane Abels, *Chief Medical Officer*

Administration:

Rex Walk, *Interim Chief Executive Officer*
Margaret Fontana, *Chief Financial Officer*
Stephanie Hinkle, *Director of Strategic Operations*
Lisa Boston, *Director of Compliance (via zoom)*
Alexis Martinez, *Executive Assistant*
Chip Holmes, *Ovation Healthcare (via zoom)*
Woody White, *Ovation Healthcare (via zoom)*

Guests:

Abbi Forwood, *Legal Counsel (via zoom)*
Emily Weber, *Director of Revenue Cycle*
Veronica Lynch, *Director of Revenue Cycle (Amplify)*
Lindsay Gabbert, *Revenue Cycle Manager (Amplify)*

Rod Waeckerlin, President, called the Memorial Hospital of Carbon County Board of Trustees meeting to order at 10:02 AM. The Pledge of Allegiance and a moment of silence followed.

Approval of Agenda:

Mr. Kostovny made an addition to the agenda, placing the hospital district under old business.

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

Approval of Consent Agenda:

Mr. Kostovny stated that he is disappointed that the same departments fail to provide board reports for months on end. He would like to see this improve. President Waeckerlin stated that he is very impressed with the clinic number and statistics. The board members would like a spreadsheet created of what department is not providing reports to track compliance of the board's request.

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 April 4th, 2024:

President Waeckerlin thanked Ms. Martinez, Executive Assistant, for a job well done on the minutes.

Mark Kostovny made a motion, and Jerry Steele seconded the motion to accept the minutes from the regular meeting on April 4th, 2024, as presented. Motion carried unanimously.

Employee Recognition Presented by Rod Waeckerlin, Board of Trustees President:

The MHCC Employee of the Month was presented to Tiffany Gruetzmacher. The Board of Trustees was incredibly grateful to present this award to Ms. Gruetzmacher, as she has shown true dedication to her position and MHCC.

Stockman SKR-RO: Courtney Vance, Manager and Steve Hochstetter, Concurrent Partner

President Waeckerlin started the conversation by stating that Memorial Hospital promises to do better in the future. He thanked SKR-RO for being so patient with MHCC. Mr. Hochstetter is the concurring partner for SKR-RO. He provided a brief background. Mr. Michael Rowe was unable to attend the Board of Trustees Meeting, but he is the leading partner of the firm. Mr. Hochstetter and Ms. Vance reviewed the letter report from the audit, starting with the introductory paragraph. The team also reviewed the signature audit findings, FY23, going over the subscription-based information technology. They reviewed the revenue management estimates, as it stated, “Memorial Hospital of Carbon County is a going concern.” Auditors are required to disclose this information. Mr. Hochstetter and Ms. Vance stated there were difficulties performing the audit. The turnover at MHCC of (3) Chief Financial Officer’s made it very difficult during the audit. However, Chelle Keplinger (MHCC’s Former CFO and recent interim CFO) expedited the process and became instrumental in the audit completion. SKR-RO questioned if the Board of Trustees had any questions. President Waeckerlin requested (10) hardbound copies of the audit. Hard copies will be shipped to MHCC.

Ms. Vance reviewed the independent audit report. The financial statements present fairly. There is doubt that the hospital is an “on-going concern.” Ms. Vance management is responsible for the financial statements. The team reviewed the management discussion and analysis over the years. Discussion furthered with advice on the opportunity for management to add “color” to complete the financial statement. Mr. Goergen questioned if Ms. Vance could provide examples to Mr. Walk. Mr. Goergen reviewed the reconciliation of loss. 8-18 notes covered the financial statements. The team continues to discuss the “going concern” statement. MHCC incurred losses. There was a decline in cash and working revenue. They reviewed the federal expenditures, COVID grants, and provider relief funds. There were material findings in the financial statement endings. The balances were not reconciled. President Waeckerlin stated that he would like this cleaned up and fixed. This will not be an issue going forward. He stated that the Board of Trustees were not receiving accurate and timely reports. The hospital reported wrong items under expenses. The curtain costs were not reported to reduce Medicare (FEMA). 23/40 samples of lack of evidence for payments. The accounting software conversation affected financials, as well as the long-term storage for previous software. There were incorrect balances applied to the new accounting software. Mr. Goergen questioned how other critical access hospitals survive finances. Ms. Vance and Mr. Hochstetter stated that typically, other critical access hospitals receive public monies. There is the option of property taxes, foundation contributions, and other 3rd party support. Mr. Walk questioned if SKRO knew of any entities. Mr. Hochstetter stated that he did not know of any. Mr. Kostovny asked if MHCC were to receive outside monies, how would the hospital receive reimbursement? Mr. Hochstetter stated that most of the reimbursements are based upon the hospital’s costs. Mr. Goergen added that these would be operational costs, not just non-operational. Mr. White

stated that there is no effect. Non-operational revenue helps the hospital operate. Dr. Abels touched on the transition in accounting systems. He stated that the billing has failed him. Mr. Kostovny agreed. Mr. Goergen asked Ms. Fontana if MHCC had reconciled. Ms. Fontana stated that nothing has been reconciled. Ms. Evert, Interim Controller, has not been reconciling. She stated that there are so many items. Mr. Walk asked Ms. Fontana when she anticipates starting the reconciling process. Ms. Fontana stated that it is “on her list.” President Waeckerlin stated that he would like something in writing to correct the issue. Ms. Fontana spoke about HERSA and stated they requested a response as well.

Mark Kostovny made a motion, and Garry Goergen seconded the motion to approve the audit completed by SKRO-RO as presented. Motion carried unanimously.

Medical Staff Report Presented by Dr. Mikesell, *Chief of Staff*:

Dr. Mikesell reviewed the issues with Amplify and the roles and responsibilities of both Amplify and MHCC. Mandy Cooper is the new case manager for MHCC. The phone systems currently have (7) employees taking calls for payments. Questions arose during the Clinic Operations meeting pertaining to ABN’s (Medicare patients.) The clinics have implemented a process to ensure that they are captured. President Waeckerlin recognized Dr. Mikesell for being a top performing provider at Memorial Hospital of Carbon County. Dr. Mikesell thanked President Waeckerlin and stated that he is just doing his job. President Waeckerlin stated that the Board of Trustees will be at the Rawlins Family Practice Clinic for an all-provider meeting later this month. He recognizes that everyone has stepped up to the plate. Dr. Mikesell reviewed the new hospitalist group. Patient care is going up, census is going up, and revenue is going up. Mr. Walk stated that Dr. Rice was helping the Emergency Department and other areas as needed. Dr. Mikesell stated that MHCC is still working on recruiting a general surgeon. President Waeckerlin added that he is attending the next county commissioners meeting next Tuesday and plans to request help for services. During Dr. Mikesell’s report, he was paged to the ER.

Quality Program Presented by Rex Walk, *Chief Executive Officer*:

Mr. Walk stated that the 1st Quality report will go to the Board of Trustees at the June meeting. (3) reports will be provided every year, quarterly. He reviewed the formatted that will be utilized and there will be (2) committees. Risk management, credentialing, grievances, etc. Will flow through the Quality program. Also, there is new Risk Management software that will trend reported information. He intends to plan all-day, same day meetings. Mr. Walk spoke with Michele Back, Ovation Quality, about structuring Quality. Mr. Kostovny added that clinical expertise will need to be added to the program.

Motion to Break Board of Trustees Public Meeting at 11:05 AM

Motion to Resume Board of Trustees Public Meeting at 11:17 AM

Compliance Report Presented by Lisa Boston, *Interim Director of Compliance*:

Ms. Boston stated that she would like to defer to Executive Session for the Compliance report. She does not intend to make this a habit. Going forward, there will be plenty to present in Open Session. The Board agreed to move Compliance report to Executive Session.

Amplify Board Report Presented by Veronica Lynch and Lindsay Gabbert:

Ms. Lynch shared her recent onsite visit at Memorial Hospital of Carbon County in February. She indicated that she had a pleasant visit. Amplify and MHCC put together touch points and filled gaps. The clean claim rates are up to 70% in March, compared to the prior month at 53%. This has been a collective

effort. They are working on the A/R insurance account receivables. Their goal is to reduce insurance over 90 days, and the balance reduced by 153K. There was a breakout of 2.3M. Self-pay is 11.1M. This is a large roll out going into the 90 days. Bad Debt is 11.1M. There are zero placements to collection agencies. MHCC needs an early out. Revenue Enterprises will be there for the early out. However, there has been a delay in the go-live with Revenue Enterprises. Most of the accounts qualify for bad debt. There was growth of 500K. HSI and Continuum at 515K. Amplify is at 1.7M large roll for UHC. They would like to grow insurance revenue and decrease the self-pay. They have a 90-day action plan in place. Mr. Steele requested clarification on the clean claim rate. Ideally, it is 90%? Ms. Lynch stated that is correct. 90-95% is a good standard to have. They are up to 70% if they continue to review and primarily focus on process improvements. Mr. Steele questioned if that is one area that is in the control of MHCC. Ms. Lynch agreed. Every bill that goes out the door is a payer. President Waeckerlin requested a breakdown of what areas are strong and what areas are weak when reviewing the processes. Mr. Kostovny added that there are (10) people in the board room. A few of the people have had procedures. There has not been a bill sent to Mr. Kostovny or other board members. He said Medicare indicated they received the bill. Ms. Lynch explained that they want to send bills electronically for 14 days. Paper bills at 40 days. Ms. Lynch has not received paperwork, but they are seeing payments in. Mr. Kostovny asked if his deductible falls into the self-pay bucket. Ms. Lynch explained the statement processes. Ms. Weber indicated that staff members had not approved and processed everything. President Waeckerlin had not received a bill for his procedure. He said private pay is rising and he is curious to find out what is happening. Ms. Engstrom explained that Carbon IT shut down communications. There were claims that were held up in \$125,000 of gross charges. Ms. Gabbert expanded on previous issues that they were having as well. Ms. Hinkle reviewed the workflow, roles and responsibilities, and discussed the ending impact. Ms. Lynch reviewed the flow chart with the Board of Trustees. Pre-Registering patients is a gap between the hospitals and clinics. President Waeckerlin questioned if we are providing estimates to the patients. Ms. Weber stated that they are not fully doing so, but they are working on it. Ms. Lynch stated that processes need to be hardwired. Ms. Hinkle stated that there are several areas that could be improved on. We need to start working through the bulk, reviewing details, BCBS-WYO getting to pay faster, looking at the communication and working through the denial trends. Continue to reduce credit balances and reviewing, "is it a true credit balance?" Ms. Lynch added coding to the list. Mr. Walk questioned how MHCC can fix the pre-registration issues. Ms. Lynch outlined that in a 90-day plan. Is MHCC monitoring suspended accounts? Ms. Weber indicated that they were monitoring the suspended accounts.

Mr. Goergen believes we may be gaining. Mr. Kostovny and President Waeckerlin advised that MHCC is losing \$1M per month. Mr. Goergen asked if that was true. Ms. Weber provided reports to the Board of Trustees, and they are currently working on workarounds. Mr. Goergen questioned Ms. Weber about her staffing, as he thought her staff had increased. Ms. Weber stated that she recently lost (2) employees in her department. President Waeckerlin stated the problem needs to be solved immediately, as it is the board member's fiduciary responsibility to solve the problems. Ms. Weber indicated that the business office is receiving push back. Ms. Boston stated that processes, policies, and education will be discussed later.

Financial Report Presented by Margaret Fontana, Chief Financial Officer:

Ms. Fontana hopes her report is informative. She reviewed stats with the Board of Trustees. She reviewed patient days and zero direct correspondence. She indicated that she needs a further deep dive. President Waeckerlin stated that the providers were recently on Spring Break. Ms. Fontana reviewed gross patient revenue is over \$5M per month with a net operating loss of \$2M. She believes that this will be less than the prior year. President Waeckerlin is disappointed to see the net loss. \$20,000 per day, kudos to Ms. Hinkle for getting MHCC up to \$54,000.00. Ms. Hinkle stated that it was a group effort. Mr. Walk stated that if MHCC can maintain census, the bottom line will improve. Contractual adjustments over aging accounts and bad debt. Val Roberts recently took over the charge master and is completing this week. Ms.

Gulbrandson and Ms. Hinkle have helped complete the charge master. Mr. Kostovny questioned some of the check numbers on the check register that had been provided by Ms. Fontana. Ms. Fontana stated that they were voided checks. Ms. Fontana explained that expenses were higher this month. Mr. Walk stated that revenue cycle, clean claim rate is bothersome. There were errors with the Summit Hospitalist Group when Ms. Keplinger set up the ACH.

Mr. Kostovny requested that the AP/Vouchers are accumulative in the future. Ms. Fontana understood and agreed.

Garry Goergen made a motion, and Mark Kostovny seconded the motion to accept the summary report as presented. Motion carried unanimously.

Garry Goergen made a motion, and Mark Kostovny seconded the motion to accept the Amplify board report as presented. Motion carried unanimously.

Garry Goergen made a motion, and Mark Kostovny seconded the motion to accept the AP vouchers as presented. Motion carried unanimously.

Motion to Recess Board of Trustees Public Meeting to go to Executive Session/Lunch at 12:10 PM

Motion to Recess Board of Trustees Executive Session to go to Public Meeting at 4:22 PM

New Business:

Policies

Ms. Hinkle gave a briefing of the collaborative meeting MHCC and emergency responders around Carbon County recently had to increase security levels. A higher level of protection for inmates who are admitted to MHCC and how MHCC could tighten the process with community key players. Education will be implemented after the policy is in place.

Jerry Steele made a motion, and Gary Goergen seconded the motion to approve policies as presented. Motion carried.

Jerry Steele made a motion, and Gary Goergen seconded the motion to move forward with management companies. Motion carried.

Old Business:

Hospital District is moving forward, per President Waeckerlin. They are still deciding on a ballot in November for the special ballot. President Waeckerlin stated that they do not have the power to undertake. They are seeking funding from the County Commissioners. The 1st meeting is in June of 2024. The Board of Trustees have decided to move forward with this decision. Ms. Abbi Forwood, legal counsel, will provide further information on steps. Ms. Forwood added that there is an RFP company in Pinedale. There are other groups she is aware of also. She can provide that information to the Board of Trustees, as it was public information as of 2021. She believes the board needs to form a pact. Hospitals allow them to campaign. Mr. Steele questioned if the county could loan \$12K. Ms. Forwood is uncertain if they can do so.

Adjournment:

Mark Kostovny made a motion, and Jerry Steele seconded the motion to adjourn the Board of Trustees public meeting at 4:33 pm and to reconvene on May 30th, 2024. Motion carried unanimously.

The next Board of Trustees meeting will be on May 30th, 2024 at 10:00 am.

Respectfully Submitted,

Alexis Martinez, *Executive Assistant*
Abbi Forwood, *Legal Counsel*