

BOARD OF TRUSTEES MEETING MINUTES

Thursday, October 26, 2023, Board Room/ZOOM, 6:00 p.m.

6:00 p.m. Board of Trustees Meeting

Call to Order. The meeting was called to order by Amy Updike, Secretary/Treasurer and acting chair at 6:00 p.m.

Board of Trustees present: Dr. Kelly Hepworth, John Ponikvar, Amy Updike, Roger Richmond, Steve Hilley, and Denise Arola (VIA ZOOM).

Board of Trustees absent: Dr. Allan Reishus.

Staff Present: Keith Velardo, Todd Jourgensen, Paula Belcher, Zachary Johnson, Rebecca Forney, Brittany Johnson, Jennifer Riley, Kyle Miller, Kristine Cooper, Anessa Kopsa, Michael Buda (VIA ZOOM), Dr. Jeff Womble, Amber Turvey, Dr. Linda Couillard, and Julie Hanna.

Opportunity for the Public to Address the Board. There were no requests.

Agenda Review. Item K.4. 4-Star Dashboard for 2023 Q3 will be removed from the agenda. Item K.6. 9-30-2023 MRH Financial and Statistical Report, and Capital Purchase Summary will be moved to discussion directly before Projects and Capital Purchases.

MOTION 2023:77 – Moved by Roger Richmond, seconded by Dr. Kelly Hepworth, That the agenda be approved as amended. Ayes, all. Motion carried.

November, 2023 Calendar. The board reviewed the November calendar, and discussed the Board of Trustees November and December meeting dates.

MOTION 2023:78 – Moved by Dr. Kelly Hepworth, seconded by Steve Hilley, That the Board of Trustees dates for November and December 2024 be moved as follows:

Board of Trustees to November 21, and the Finance Committee Meeting to November 20.
Board of Trustees to December 21, and the Finance Committee Meeting to December 18.

Ayes, all. Motion carried.

Board Member Visitation Report. Roger Richmond will make his report next month.

Consent Agenda – Meeting Minutes

MOTION 2023:79 – Moved by Roger Richmond, Seconded by Dr. Kelly Hepworth, That the Board of Trustees approve the MRH Board of Trustees Meeting Minutes for 9-28-2023; accept the MRH Finance Committee Meeting Minutes for 10-23-2023; accept the MRH Quality Steering Committee Minutes for 10-11-2023; and accept the MRH Foundation Minutes for 9-21-2023. Ayes, all. Motion carried.

9-30-2023 MRH Financial and Statistical Report, and Capital Purchase Summary. Brittany Johnson, CFO presented the financials.

Income Statement

Gross revenue for the month of September was at \$9.9m (Column A, Line 4) compared to a budget of \$9.8m. Prior year gross revenue was \$10.8m. Net Patient Revenue was \$5.3m (Column A, Line 10) for September on a budget of \$5.2m and prior year at \$5.1m.

Revenue Adjustments: This number is lower compared to recent months. Our billing company has recently added 4 FTEs to our account specifically to help with clean up and moving our AR days down.

Expenses: Employee health insurance costs (column A, line 15) were estimated in September using a 3-month average as our claims are not up to date from the July transition. Contract labor is at 9 current travelers (column A, line 18). Total expenses for the month were at \$5.5m (column C, line 34) compared to a budget of \$5.3m. Expenses are higher this month due to the Retail Pharmacy moving under MRH.

Gain/Loss on Investment (column A, line 39)- Community Clinics gain for the month was \$51k in total, \$14k was from EMS, (\$3k) from OHA, \$20k from Retail Pharmacy, and \$24k from School Nurse.

The net loss for September was (\$7k), and YTD net loss is (\$431k) on a budget of \$278k. Prior year was at a net profit of \$1m.

Balance Sheet

Operating cash for the month is at \$5.1m (column A, line 1) which is down from prior month at \$5.3m. We also have \$1m in investments (Column A, Line 2) with LPL Financial.

Under Limited Use Assets (column A, line 17), we have \$1.9m reserved for future cost reports. On column A, line 18 we have \$2.2m that we have self-reserved for future capital purchases.

Days in AR

Days in AR is up from last month's 71 to 76 in September.

Days
Cash on
Hand

Days cash on hand is at 36 days, which is down from prior month of 37.4 days. We also have 24 additional days of cash on hand in self-restricted accounts for a total of 60 days.

Total Profit
Margin (TPM)

Our TPM for the month is at (-0.1%). Our 12-month average is (-1%). Our debt service coverage ratio is at 99% YTD.

MOTION 2023:80 – Moved by John Ponikvar, seconded by Dr. Kelly Hepworth, That the Board of Trustees approve the 9-30-2023 Financial Report. Ayes, all. Motion carried.

Projects and Capital Purchases (Rec. by Finance Committee on 10-23-2023.)

BioSafe Cabinet – Pharmacy. Kyle Miller presented this request. The current BioSafe Cabinet has reached it useful end of life. This is a small 2-foot cabinet/hood, and is being replaced by a four-foot hood. It is budgeted at \$13,438.00, and the actual quote is \$11,951.00 resulting in a savings of \$1,487.00. This piece of equipment is where chemo therapy for infusion patients is mixed in a safe and controlled manner. Because our current chemotherapy/infusion census has

increased considerably since the original installation, a larger 4-foot BSC will allow more than one chemotherapy regimen to be made at a time while increasing productivity and wait times.

MOTION 2023:81 – Moved by Dr. Kelly Hepworth, seconded by John Ponikvar, That the Board of Trustees approve the purchase of a Nuair Hood at a cost of \$11,951.00. Ayes, all. Motion carried.

BiPap-Vent Machine – Cardiopulmonary. Anessa Kopsa presented this request. The present ventilator came from the old hospital, and is 15 to 20 years old. It is no longer supported, the batteries are not replaceable, and it cannot be moved. The proposed equipment is dual purposed. It is a ventilator as well as a BIPAP, allowing easier switching between modes easier, and not having to change equipment. HTM education will save cost in the future by having the yearly periodic maintenance done in house rather than paying for a yearly service contract through the vendor. Hamilton ventilators are top-rated. EMS just acquired a Hamilton transport ventilator. Having standard ventilator types throughout the hospital makes their use safer and easier. The final quote is \$34,412.96 and is over budget by \$2,403.96 with \$500 trade in for the old machine.

MOTION 2023:82 – Moved by Steve Hilley, seconded by Roger Richmond, That the Board of Trustees approve the purchase of the Hamilton BiPap Vent Machine at a cost of \$34,412.96. Ayes, all. Motion carried.

Microsoft Data Center – IT. Keith Velardo presented this request. All MRH information is stored on servers, either virtual or on site. Currently all have Microsoft service licenses. A recent audit revealed that MRH needs Datacenter Server Licenses to be compliant. This will migrate the servers' structure to the correct licenses. This project was budgeted as part of the Microsoft capital project of \$250,000. The cost of the licenses is \$34,420.00.

MOTION 2023:83 – Moved by Roger Richmond, seconded by Steve Hilley, That the Board of Trustees approve the purchase of the Datacenter Server Licenses at a cost of \$34,420.00. Ayes, all. Motion carried.

Salt Shed Electricity – Facilities. Todd Jourgensen presented this request. This shed stores salt for snow removal purposes on the main campus and outlying locations. There is currently no power in the shed. Light and power is needed to open the overhead doors. The budgeted cost is \$20,000.00, but was reallocated for additional asphalt. Other project savings resulted in the ability for this to be purchased at this time.

MOTION 2023:84 – Moved by Steve Hilley, seconded by Denise Arola, That the Board of Trustees approve the installation of electricity to the salt shed by Ducey Electric at a cost of \$20,000.00. Ayes: Dr. Kelly Hepworth, John Ponikvar, Steve Hilley, and Denise Arola. Nos: Amy Updike and Roger Richmond. Motion carried 4-2.

Epoxy Floors – OR and Pharmacy. Kyle Miller presented this request. The rooms proposed to be resurfaced are the three operating rooms and the pharmacy USP room. The current flooring has numerous nicks and gouges compromising the integrity of the seamless design of the floor. This can cause an increased risk of infection to our surgical and pharmacy patients. Epoxy flooring has been said to repair easier in the event of damage or wear, and is considered the best option because of high use of chemicals. Budgeted at \$60,000 for the three OR rooms and \$7,000 for the Pharmacy room, the actual cost will be \$71,737.37.


MOTION 2023:85 – Moved by Roger Richmond, seconded by Steve Hilley, That the Board of Trustees approve the installation of epoxy floors in the three OR rooms and the pharmacy USP

room to Classic Stone and Tile at a cost of \$71,737.37. Ayes, all. Motion carried.

Nuance - DAX Express – Clinics. Jennifer Riley presented this request. This project is not on the capital list because it is a contract with a value of more than \$50K per year. It is proposed to be put into service with eight providers in the clinic in 2024, and has been included as part of the 2024 budget. This service will be used to improve provider/patient workflow and communication, to increase potential productivity, to reduce provider burnout, to improve documentation, and to improve services available to the patient on the portal. The goal is to be up and operational in November at a cost of \$600 per provider per month for primary care and pediatrics. The annual cost is \$60,100.00

MOTION 2023:86 – Moved by Dr. Kelly Hepworth, seconded by Steve Hilley, That the Board of Trustees approve the purchase of the Nuance DAX Express scribe services at a cost of \$60,100.00. Ayes, all. Motion carried.

2024 MRH Budget. Brittany Johnson, CFO, presented the 2024 Budget which was recently reviewed in depth by the Board of Trustees at their workshop held on October 18, 2023.

 Memorial Regional Health DRAFT- Operating Budget December 31, 2024		
	<u>2023</u> <u>Projected</u>	<u>2024</u> <u>Budget</u>
Operating Revenues		
Inpatient Charges	21,071,258	22,810,819
Hospital Outpatient Charges	<u>102,429,823</u>	<u>117,818,373</u>
Gross Patient Revenue	<u>123,501,081</u>	<u>140,629,192</u>
Revenue Deductions		
Contractual Adjustments	51,513,908	57,536,699
Charity Care/Other Adjustments	4,239,366	3,660,357
Bad Debt	<u>4,443,406</u>	<u>4,943,400</u>
Total Deductions	<u>60,196,680</u>	<u>66,140,456</u>
Net Patient Revenue	<u>63,304,401</u>	<u>74,488,736</u>
Other Operating Revenue	<u>1,688,193</u>	<u>2,232,657</u>
Total Operating Revenue	<u>64,992,594</u>	<u>76,721,393</u>
Operating Expenses		
Salaries & Expenses	23,522,683	27,133,286
Employee Benefits	7,672,021	8,937,713
Contract Labor	2,759,131	1,822,762
Professional Fee	5,139,340	5,872,100
Purchased Services	4,902,851	4,939,080
Management Fees	256,852	345,100
Supplies	7,488,749	12,113,692
Minor Equipment	167,014	286,629
Utilities	790,075	829,270
Repairs & Maintenance	1,361,241	1,466,420
Leases & Rentals	906,385	849,116
Insurance	370,087	429,066
Travel & Education	257,353	375,966
Licenses, Due & Fees	755,320	1,134,654
Miscellaneous	1,324,921	2,703,379

Physician Recruitment	101,271	264,800
Grant Related Expenses	477,945	839,275
Depreciation	4,289,770	4,464,621
Total Expenses	62,543,009	74,806,929
Operating Income (Loss)	2,449,585	1,914,464
Non-operating Revenues (Expenses)		
County Support	1,253,801	1,247,107
Interest Income	(27,657)	400
Contributions	7,498	20,000
Gain/Loss on Investment	(2,442,978)	(636,793)
Interest & Amortization	(1,914,214)	(1,810,050)
Total Non-Operating Income	(3,123,550)	(1,179,336)
NET INCOME (LOSS)	(673,965)	735,128

The Finance Committee recommended the 2024 MRH Budget be forwarded to the Board of Trustees regular meeting to be held on October 26, 2023 for final approval.

MOTION 2023:87 – Moved by Dr. Kelly Hepworth, seconded by John Ponikvar, That the Board of Trustees approve the 2024 MRH Annual Budget. Ayes, all. Motion carried.

2023 MRH Goals Update. Jennifer Riley presented the 2023 Goals progress for the year to date. Items of interest included lower employee turnover this year over last; work continuing on achieving lower accounts receivable and higher cash in the bank; and all QAPI benchmarks green.

2024 MRH Goals. Jennifer Riley presented these goals which were sent to the board previously with proposed areas to focus on, and the key performance and activities to achieve the goals. The board discussed and accepted the goals as presented subject to end of the year data.

Consent Agenda – Medical Staff Privileges. Dr. Jeffrey Womble, Chief of Staff, presented the medical staff privileges.

MOTION 2023:88 – Moved by Roger Richmond, approved by Dr. Kelly Hepworth, That the Board of Trustees approve the following privileges be approved as reviewed and recommended by the Credentials Committee and approved by the Medical Executive Committee:

The following files are presented to the Board of Trustees for **Provisional Staff** appointment:

- **Anna Schubert, MD – Emergency Medicine.** The committees reviewed and approved the application and file for Dr. Schubert, and they recommend her appointment to the Provisional Staff of The Memorial Hospital at Craig.
- **Ashley Lee, MD – Radiology.** The committees reviewed and approved the application and file for Dr. Lee, and they recommend her appointment to the Provisional Staff of The Memorial Hospital at Craig.

- **Cynthia Dickerson, MD – Tele-Neurology (proxy).** The committees reviewed and approved the application and file for Dr. Dickerson, and they recommend her appointment to the Provisional Staff of The Memorial Hospital at Craig.

The following files are presented to the Board of Trustees for **Advancement** of privileges:

- **Alexandra Donovan, MD – Hematology/Oncology.** The committees reviewed and approved the application and file for Dr. Donovan, and they recommend her appointment to the Active Staff of The Memorial Hospital at Craig.
- **Caroline Perry, PA-C – Physician Assistant.** The committees reviewed and approved the application and file for Ms. Perry, and they recommend her appointment to the Non-Physician Provider Staff of The Memorial Hospital at Craig.
- **Steven Boyton, AT SA – Surgical Assistant.** The committees reviewed and approved the application and file for Mr. Boyton, and they recommend his appointment to the Non-Physician Provider Staff of The Memorial Hospital at Craig.

The following files are presented to the Board of Trustees for **Reappointment** of privileges:

None

Ayes, all. Motion carried.

MRH Medical Staff By-Laws. Dr. Jeff Womble presented the MRH Medical Staff By-laws. He indicated that every medical staff member had the opportunity to review them; and they also were reviewed by our general counsel.

MOTION 2023:89 – Moved by Steve Hilley, Seconded by John Ponikvar, that the Board of Trustees approve the MRH Medical Staff By-Laws as reviewed and presented. Ayes, all. Motion carried.

Chronic Pain Management Clinical Privilege Set. Dr. Jeff Womble presented the new privilege set for Chronic Pain Management which defines the education tracks for physicians and CRNAs as well as other requirements.

MOTION 2023:90 – Moved by Dr. Kelly Hepworth, seconded by John Ponikvar, That the Board of Trustees approve the Chronic Pain Management Clinical Privileges as presented. Ayes, all. Motion carried.

September 2023 Clinics Census Report. Jennifer Riley, CEO, presented the clinic numbers for September.

2023 Q3 – Infection Control. Olivia Scheele presented via zoom. She noted that when the new floors are installed she will be monitoring for infection control. The board is welcome to receive flu vaccines. Of note is a fall COVID Vaccine booster clinic to be scheduled. There are no trends, clusters or outbreaks.

2023 Q3 – Population Health. Paula Belcher reported to the board noting that diabetes control is back on track and meeting that goal. A wellness nurse started in September, and is beginning to help providers with Medicare annual exams. The hospital transformation program is still in development and testing for measurement. Reports and infrastructure in EPIC are now in place. She is really grateful have good distribution of referrals from providers both internal and external from the community.

2023 Q3 - Surgical Services. RJ Palmer presented the post op survey by patients who receive a call within a day after surgery. In September there were a lower number of surgeries, but the most reached patients. Comments stayed average in pain management even though MRH had new providers in this area. Through education, the department helps patients with reasonable expectations of post pain management.

Executive Session. At 7:59 p.m. the board adjourned to Executive Session.

MOTION 2023:91 – Moved by Roger Richmond, seconded by John Ponikvar, That the Board of Trustees adjourn to Executive Session for matters required to be kept confidential pursuant to the Colorado Open Meetings Law, C.R.S. § 24-6-402(4)(c) subject to the Colorado Professional Review Act, C.R.S. § 12-36.5-104(15). – 2023 Q3 – Risk Management Summary Report – Zachary Johnson. Ayes, all. Motion carried.

At 8:06 p.m. the board returned to regular session.

MOTION 2023:92 – Moved to John Ponikvar, seconded by Steve Hilley, That the board return to regular session. Ayes, all. Motion carried.

Approval of 2023 Q3 Management Risk Report.

MOTION 2023:92 – Moved by Steve Hilley, seconded by Dr. Kelly Hepworth, That the Board of Trustees approve the 2023 Q3 Risk Management Summary Report. Ayes, all. Motion carried.

Adjournment. There being no further business, the meeting was adjourned at 8:08 p.m.

Respectfully submitted,

Julie Hanna

Julie Hanna

Executive Assistant and Recorder