

BOARD OF TRUSTEES MEETING MINUTES
Thursday, March 24, 2022, Board Room, 6:00 p.m. In-Person and ZOOM

5:00 p.m. Board of Trustees Dinner/Education.

At the pre-meeting workshop Adena Representatives presented information for housing development in Craig on the site of the old hospital, a site in Woodbury, and a site owned by the hospital at the north end of the 750 Hospital Loop property. Development continues on this project and is focused on meeting housing needs in the community in various home types such as: empty nesters, young family, and young professional. Adena will continue working with the city on the approval process. In addition to the board and staff, MRH Facilities Director Todd Jourgensen, Adena representatives present were Josh Darling, Buck Wince, Mike Whisler, and Kane Schonauer.

6:00 p.m. Board of Trustees Regular Meeting

Call to Order. The meeting was called to order by Dr. Kelly Hepworth, Chair, at 6:00 p.m.

Board of Trustees present: Terry Carwile, Denise Arola, Dr. Kelly Hepworth, Allan Reishus, Roger Richmond, Amy Updike, and Forrest Luke.

Staff present: Brittany Johnson, Jennifer Riley, Dr. Jeff Womble, Michael Buda, Carol Bolt, Linda Couillard, Becky Forney, Kyle Miller, R.J. Palmer, Todd Jourgensen, and Julie Hanna.

Welcome to new board member. Amy Updike, newly appointed board member, was introduced to the board.

Opportunity for Public to Address the Board

Dr. Matthew Grzegozewski, Paula Belcher and Kara Soper addressed the board concerning the CEO Position. Dr. Grzegozewski represented the Emergency Department physicians and staff. All were favorable in their support for Jennifer's appointment as the permanent CEO. Paula and Kara represented the MRH managers and directors.

Agenda Review. The board reviewed the agenda.

MOTION 2022 - 18: Moved by Terry Carwile, seconded by Amy Updike, That the Board of Trustees accept the agenda with no changes. Ayes, all. Motion carried.

Selection of permanent Chief Executive Officer Discussion.

MOTION 2022 – 19: Moved by Terry Carwile, seconded by Allan Reishus, That the Board of Trustees offer to Jennifer Riley the position of Chief Executive Officer and the commence negotiations for a contract.

Following was an in depth discussion of the details of the selection process by Chair Kelly Hepworth and other board members. At the end of the discussion the motion was repeated and

amended.

Personnel Matter – Appointment of Chief Executive Officer.

MOTION 2022 – 20: Moved by Terry Carwile, Seconded by Allan Reishus, That the Board of Trustees offer to Jennifer Riley the position of Chief Executive Officer and commence negotiations for a CEO contract by a committee consisting of: Roger Richmond, Michael Buda, Derrick Webb, Denise Arola and Kelly Hepworth. Roll call vote: Terry Carwile, aye; Forrest Luke, aye; Denise Arola, aye; Kelly Hepworth, aye; Allan Reishus, aye; Roger Richmond, aye; and Amy Updike, abstention. Ayes: 6; Abstention: 1. Motion carried.

Review/renewal of CarePoint ED Physician Service Agreement. Jennifer Riley presented information for this contract which provides full time staff of emergency room physicians. CarePoint has been the emergency room vendor for two years and their contract is under review for renewal for a term of four years (May 1, 2022 – April 30, 2026). The compensation is \$2,409,000.00 annually for staffing. CarePoint has assigned billing to MRH for services provided at MRH. In house counsel Michael Buda reviewed and approved signing with the additional Informal Dispute Resolution Language. At their 3-23-2022 meeting, the Finance Committee recommended the contract be forwarded to the Board of Trustees.

MOTION 2022 - 21: Moved by Forrest Luke, seconded by Terry Carwile, That the Board of Trustees approve the CarePoint renewal contract for the period May 1, 2022 to April 30, 2026 at a cost of \$2,409,000.00. Ayes, all. Motion carried.

April, 2022 Calendar. The Board of Trustees reviewed and accepted the calendar.

Consent Agenda – Meeting Minutes

MOTION 2022 - 22: Moved by Forrest Luke, seconded by Terry Carwile, That the Board of Trustees approve the MRH Board of Trustees Meeting Minutes for 2-24-2022 and 3-8-2022; accept the MRH Finance Committee Meeting Minutes for 3-23-2022; and accept the Quality Steering Committee Meeting Minutes for 3-9-2022. Ayes, all. Motion carried.

Annual Reorganization of the Board of Trustees. The board discussed and appointed the 2022 positions.

MOTION 2022 – 23: Moved by Terry Carwile, seconded by Amy Updike, That the Board of Trustees appoint the 2022 Board of Trustees Officers, Committees, and Liaison Assignments as follows:

Chair: Kelly Hepworth

Vice Chair: Denise Arola

Secretary/Treasurer: Allan Reishus

Finance Committee: Allan Reishus, Chair; Denise Arola, member

Quality Steering Committee: Amy Updike and Roger Richmond

Foundation: Terry Carwile and Forrest Luke

Med Staff Liaison: Amy Updike and Terry Carwile

Ayes, all. Motion carried.

iCAD. Radiology upgrade. Kyle Miller. **iCAD. Radiology upgrade.** Kyle Miller presented information on this requested upgrade of the mammography equipment to 3D capability at a cost

of \$23,900.00. The Finance Committee recommended the contract be forwarded to the Board of Trustees for their consideration.

MOTION 2022 - 24: Moved by Amy Updike, seconded by Roger Richmond, That the Board of Trustees approve the purchase of the iCAD Radiology mammography upgrade to 3D capability at a cost of \$23,900.00. Ayes, all. Motion carried.

Mammomat Revelation mammography unit financing agreement. Brittany Johnson presented the proposed financing agreement of the Seimens mammography equipment with Great West Bank for \$198,602.00 with a 5 year cash secured loan at 1.9%. The board approved the purchase of the new mammography equipment in June, 2021. There was a delay installing the equipment, and financing was not finalized. The Finance Committee recommended the contract be forwarded to the Board of Trustees for their consideration.

MOTION 2022 - 25: Moved by Allan Reishus, seconded by Terry Carwile, That the Board of Trustees approve the cash-secured loan with Great Western Bank of \$198,602.00 for five years at 1.9% interest. Ayes, all. Motion carried.

Siemens Coagulation Analyzer for Lab. Kyle Miller presented this request for the 5 year lease and service of the CA660 Coagulation Analyzer at a cost of \$18,593.59 annually. The present unit is at end of life and can no longer be serviced. The Finance Committee recommended the contract be forwarded to the Board of Trustees for their consideration.

MOTION 2022 - 26: Moved by Allan Reishus, seconded by Terry Carwile, That the Board of Trustees approve the purchase of the Seimens CA-660 Coagulation Analyzer at a cost of \$18,593.59 annually for a five year lease. Ayes, all. Motion carried.

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

MOTION 2022 - 27: Moved by Allan Reishus, seconded by Terry Carwile, That the Board of Trustees approve the privileges as reviewed and recommended by the Credentials Committee and the Medical Executive Committee:

The following files were presented for **Provisional Staff** appointment:

➤ **John Alexander Sielatycki, MD – Orthopaedic Surgery.** The committee reviewed the file for Dr. Sielatycki, and they unanimously recommended his appointment to the Provisional Staff of The Memorial Hospital.

➤ **Jaswinder Sandhu, MD – Emergency Medicine.** The committee reviewed the file for Dr. Sandhu, and they unanimously recommended his appointment to the Provisional Staff of The Memorial Hospital.

The following files were presented for **Reappointment** of privileges:

➤ **Trey Gorham, CRNA – Certified Registered Nurse Anesthetist.** The committee reviewed the file for Mr. Gorham and they unanimously recommended his appointment to the Non-Physician Provider Staff of The Memorial Hospital.

Ayes, all. Motion carried.

Interim CEO's Report. Jennifer Riley.

1. **BHAG: 4-Star Hospital Campaign: “Our Family Caring for Yours.”**

- a. Continuous 18 + month Assessment Process
- b. Approximate Completion Date: April 2023

March 2022 Update:

Salary Survey: Derrick Webb plans to engage with the Creel Group to complete a wage analysis for all positions at MRH. The Creel Group was referred to MRH by WHA. They estimate that it will take 100-110 hours to complete their analysis. They have recently worked with other hospitals in Colorado, and they are familiar with our regional market. I will present a summary of information when the evaluation is complete.

2. **Detox/Mental Health Short-Stay aka CSU/SUD Unit (Crisis Stabilization Unit/Substance Use Disorder):**

- a. Convert the existing OB unit to support short-term detox/mental health unit.
- b. Implement and establish service line.
- c. Completion Date: August 2022.

March 2022 Update: For the CSU/SUD Project, work continues on the EPIC build out. We are also continuing work with Rocky Mountain Health Plans and Office of Behavioral Health with licensing components. We are holding on the Licensing and Designation Database and Electronic Records System (LADDERS) and Facilities Guideline Institute (FGI) licensing components as we are focusing on re-validation and the cost report analysis. We are bringing on Nancy VanDeMark with Innovela Consulting to support re-validation as well as deep dives into staffing and policy and procedures. The proforma continues to be a working document and is being updated as information discovery occurs. We have some questions that we are working to answer from Eide Bailly as they are supporting the re-validation process and cost report analysis. There have been, and continue to be, grants written with this project as a line item.

3. **Housing Development:**

- a. Explore multiple options and partnerships to develop housing on old hospital property.
- b. Completion Date: December 2022

March 2022 Update: Todd Jourgensen and I had another meeting with representatives from the City of Craig, Adena (the developer), and Wellogy (the architect). Adena and Wellogy have created a draft design plan that would allow for the construction of over 100 units. The plan incorporates the use of two parcels – our land at 785 Russell (38 units) and a parcel of ground owned by the City of Craig near the ballfields at Woodbury (100+ units). They need a design that is at least 100 units in order to gain economy of scale and make the construction feasible. The City likes the designs proposed. Adena and Wellogy will make some final changes and then begin developing the total cost to construct. We will present this information to the Board in the dinner meeting on March 24th and talk about likely next steps.

- a. Develop plan for the transition of EMS Service to a new district assuming successful passage of EMS District ballot in November 2021.
- b. Terminate MRH EMS Service by 12/31/2022.
- c. Completion Date: 12/31/2022

March 2022 Update: Becky Forney and Justin Doubrava attended the 2nd EMS taskforce meeting the week of March 7th. The meeting was largely unproductive with a lot of time spent questioning the financial data and run data presented by MRH. The next meeting is scheduled for 3/24. Our ER Manager Sarah Moore will attend with Justin. This taskforce has no clearly stated objectives, and right now the process is stalled.

8. **Other Major Items:**

March 2022 Update:

Audit: The audit is nearly completed. Brittany Johnson will review within the next week. They will be ready to present the audit at the April meeting.

Legislation: House Bill 1095 which sought to eliminate physician oversight of physician assistants failed in the House on March 15th. Jennifer Riley reached out to our representatives expressing concern for a potential reimbursement reduction. Dr. Reishus reached out in opposition as well because he feels it is important for physicians to supervise physician assistants.

Meeker: Jennifer Riley is scheduled to meet with Pioneers Medical Center CEO Liz Sellers on April 11th. There is no agenda for the meeting, and they will talk generally about how MRH and PMC might collaborate in various areas.

ED Contract Renewal: The CarePoint contract is being presented for renewal. CarePoint has been covering the ED fulltime since May 1, 2020. The original contract was only 2 years to ensure both parties were a good fit for the other. Since CarePoint took over all physician staffing, the ED satisfaction has improved tremendously. The new contract proposes a 4 year term and a 10% increase. The price is fixed for all 4 years. The cost was calculated to directly employ physicians, and it would be equal to and likely higher than the CarePoint cost. MRH never successfully employed enough ED physicians to eliminate the need for locum tenens coverage in the ED.

Letter of Support: MRH will sign a letter of support requesting a delay in implementing HB21-1198. This bill seeks to put in place measures to protect indigent people from collection proceedings. Currently the Bill stands to go into effect 6/1/2022. The request is being made by the CEO of Denver Health to Kim Bimstefer, the Director of Healthcare Policy and Finance (HCPF). MRH is not opposed to the new legislation, but needs more time to ensure hiring and training of the right staff to screen patients; more time to ensure compliance with the required new billing rates; update the patient rights disclosure procedures; and, comply with extensive reporting requirements. MRH is asking for implementation to be delayed until Spring/Summer 2023.

Time of Service Collection Policy: Beginning April 1, MRH will require patients to pay 20% of expected out-of-pocket expenses for all outpatient services including surgery, radiology, lab, and cardiopulmonary. Patients will be informed of expected amounts due when they schedule their appointments. This will not be applied to emergent or stat orders. This practice is standard for most hospitals including our neighboring institutions.

Pharmacy Benefit Administration/Management Agreement: Jennifer Riley signed a letter of intent to participate in the development of WHA's Pharmacy Benefit Administration/Management program. Kyle Miller is representing MRH in WHA's plan to create its own Pharmacy Benefit Administration/Management (PBA/M) program for WHA members who have self-funded insurance. PBA/Ms are involved in administering and managing the pharmacy benefit in self-funded plans providing a way to reduce costs.

Clinics Report. Jennifer Riley presented the clinic reports and responded to questions from the board.

2-28-2022 Financial and Statistical Report Including Home Health and Hospice. Brittany Johnson, CFO, presented the financial report for February, 2022.

Statistics.

Patient Days are at 188 for February, which is up from prior month of 117 and also up from prior year at 150.

ED Visits are at 459. This is trending with our 2021 average of 497 and down from January which was at 491.

Clinic Visits are at 2,442 for February, which is down from January at 2,795, but up from February 2021 which was 2,177.

Surgeries & Procedures are at 117, which is higher than January at 113, and lower than our 2021 average of 149. However, we consistently see lower surgical volume at the beginning of the year.

Balance Sheet.

Cash for the month is at \$2.5m (column A, line 1) which is down from \$2.8m in the prior month. The reduction in cash was patient & insurance related, however we are seeing good cash flow so far in March.

Under Limited Use Assets (Column A, Line 18-19), you will see that we have \$1.4m set aside for our 2021 Cost Report Payable, and also \$900k from our HHS funds to use as needed. We would like to use \$200k of this towards a loan for Mammography Equipment in March.

Income Statement.

Gross revenue for the month of February was at \$8.9m (Column A, Line 4) compared to a budget of \$10m. Prior year revenue was \$7.6m.

Expenses: Contract Labor continues to be high due to short staffing. We are over budget for February on this line item by about \$157k (Column C, Line 18).

Gain/Loss on Investment- Community Clinics loss for the month was \$191k in total, and \$67k was from EMS. We received our investment statements from Careflight of the Rockies (\$250k Gain) & Providence Recovery (\$95k Loss) that were recorded on this line.

Days in AR.

Days in AR are up from last month's 55 to 60. The Revenue Cycle team continues to work through this and we expect to see this number reduce and stabilize in the coming months.

Days Cash on Hand.

Days Cash on Hand is at 16.4 days, which is down from prior month of 18.6.

Total Profit Margin (TPM).

Our TPM for the month is at 0.6.

Adjournment. At 8:10 p.m. the meeting was adjourned.

Respectfully submitted,

Julie Hanna

Julie Hanna

Executive Assistant and Recorder