

COFFEY COUNTY HOSPITAL BOARD OF TRUSTEES MEETING

The Coffey County Hospital Board of Trustees met in regular session on February 27, 2017, in the Allen Woods II Conference Room. Board Members attending were: Judy Reese, Chair, Craig Stukey, Vice-Chair; Steve Hopkins, Treasurer; Peter Allegre, Secretary; Rosemary Rich; Jeff Clark; Cameron Roth; Dennis Young; and Jodi Thomas. Employees attending were: Leonard Hernandez, CEO; Dr. John Shell, Chief of Staff, Jim Van Hoet, Chief Financial Officer; Melissa Hall, Chief Nursing Officer; James Higgins, Vice President of Ancillary Services; Theresa Thoele, Vice President of Human Resources; and Terri Tweedy, Executive Assistant. Lois Brinkman, Auxiliary Co-Chair, represented the Friends of Coffey Health. Patty Thomsen, Vice President of Medical Clinics, was absent. No visitors were in attendance. Tracy Campbell, Marketing Director, was absent.

Chairperson Reese called the meeting to order at 6:30 p.m.

Clark led the Pledge of Allegiance.

Changes to the Agenda were to remove items 6 (Facility Tour) and 7 (Audit Update – Patty Thomsen) from the CEO report.

Hopkins suggested changing the verbiage “the same people” on page 3 of the January 23, 2017 Minutes to “CFO and Chair”. All agreed to this change.

Hernandez asked that everyone look at the pictures on the north wall of the hallway leading to the cafeteria.

Consent Agenda

Dr. Shell gave the Medical Staff Report that was held on February 20, 2017. The Medical Staff Bylaws were changed to remove the action of meeting with an attorney annually to review the Bylaws.

Van Hoet reviewed the financial reports. He stated that January volumes were strong. Gross Revenue totaled \$3.7 million; Net Revenue was \$2.4 million. The Net to Gross Revenue ratio was 54%. Net Income for the month was \$68,000. Cash collections continue to be strong. The older Accounts Receivables (AR) is decreasing while the current AR (0 to 30 Days) is increasing.

Hopkins reviewed the Executive Finance Committee meeting. He said the Coffey Health Foundation gave an additional \$3970 toward the purchase of the van. The 2017 Capital Equipment items will be added to the current report. The check register was approved for \$656,340.12. The Committee recommends writing off the Home Health software account, Brightree, in the amount of \$28,615. No communication has been received from Brightree regarding the balance. A process has been developed for patient refunds. This topic will be removed from the agenda. A contract has been formed with VHC, Inc. to find underpayments on previously billed accounts. They will be paid half of found underpayments.

Baird, Kurtz, and Dobson (BKD) is scheduled to be on-site during the second week in March to begin the 2016 Audit.

Van Hoet has met with Executive Team members and some managers to review the departmental budgets he created. Hopkins noted the budget states a loss of \$277,406 for the 2017 Net Position. He asked what would it take to get that number to zero? Hernandez stated if we can stay ahead of things after the first quarter, (usually the busiest quarter), then hopefully we will be a Critical Access Hospital and then implement the 340B Program after the second quarter to make up the difference. Hernandez explained that even though revenue was \$3.8 million for the month, the bottom line showed a profit of \$68,000. This is due to the higher contractuals taken on outpatient (OP) claims. Medicare pays .35 cents on the dollar for OP services. He stated, as PPS, we would need to continue to generate \$3.8 million each month just to break even. Stukey asked how to extract the Ambulance numbers from the Reports. He noted the Commissioners will want that detailed information when the annual budget is presented to them later this year. Van Hoet stated those figures are part of the Outpatient Revenue.

Hopkins stated that during the Executive Finance Committee, he was elected Chairman.

Van Hoet left the meeting.

Reese reviewed the Constitution and Bylaw changes for presented for approval. All changes were title changes or deletions to committee rosters.

Lois Brinkman, Auxiliary Co-Chair, reported on the Friends of Coffey Health System 2016 activities. Highlights included: receiving the Gold Award from KHA; coordinated blood drives and bake sales, hosted vendors for fund raising; awarded two scholarships to graduating seniors; and sent 168 care packages to troops overseas. The flooring in the Gift Shop was recently replaced due to a leak from the cappuccino machine. The officers are: Lois Brinkman and Sherry Volland, as Co-Chairs; Joyce Hopkins, Secretary; and Judy Rhodes, Treasurer. Reese thanked Brinkman for her report and congratulated her on the KHA award.

Tweedy gave an update on the Coffey Health Foundation. She stated the 2017 officers were: John Hetzel, Chairman; Arnold Kraft, Vice-Chair; and Merlin Williams as Secretary/Treasurer. Two Agreements were approved and signed. These were for the purchase of the Sunset Manor van and the loan repayment to Central National Bank. A new Agreement for the van purchase has been created due to a miscalculation on the original document. All properties in Coffey County that were owned by the Foundation are now signed over to the Coffey County Commission. A fund raising committee will be formed. Thomas asked if fund raisers have been held in other communities. Tweedy stated not yet but would like to have this happen in the future. A Golf tournament will be held on May 20th at Rock Creek Country Club.

- Stukey moved and Thomas seconded the motion to approve the actions of the Board committees, Constitution & Bylaw changes, and the Medical Staff Credentials/reappointments. Motion carried unanimously.

Hernandez gave the CEO Report. The 855A form for Critical Access designation was resubmitted to CMS today.

The results from the PPS survey have not been received. The State Office has said they are behind and will send the results when available.

Greenwood County Hospital has been paying their MRI statements as agreed. This will be removed from the CEO update report unless there is a change in the future.

Hernandez spoke about Residential Care. He worked at a facility that offered this type of service and found it to be very successful. He described that the service provided a cash basis option to people that did not want to live in an Assisted Living unit or Nursing Home. One additional CNA was scheduled for these residents to assist with minimal care. When the Critical Access designation is in place, extra rooms will be available for some type of service. This is an option to consider.

Discussion was held regarding the Madison Clinic foundation. Hernandez did not receive return communication from Mayor, Paul Deen, after submitting an offer to pay for half of the foundation removal charges. Roth expressed he would like this issue taken care of as it was our leadership that created the problem. Hernandez would like to attend a Madison City Council meeting to give a review of the issue and present payment for the foundation removal.

- Roth moved and Clark seconded the motion to approve payment of \$15,863.00 to the City of Madison to pay for the clean-up at the Madison Clinic and to request itemized receipts. Motion carried unanimously.

There are 29 residents out of 36 (81% occupancy) at Sunset and 23 residents out of 26 (88% occupancy) at The Meadows.

Hernandez stated we are working with the Attorney General's Office to bring KOMA training to the Board. They have stipulated that there must be at least 40 people in attendance before they can present the training.

The mid-level that was considering coming to our facility has decided to remain in her present position.

Hernandez found two items that may have contributed to the Gridley Clinic not applying for Rural Health Clinic (RHC) designation. He stated that at the time the clinic opened, it was rumored that the rural health program would not be existing much longer and that the chances of getting the necessary survey were very low at that time. Hernandez stated the State is now surveying 11 counties that have certification for this program. Our current RHC documentation has been submitted for Leroy, Waverly and Yates Center. Because of this timely data submission, our clinics will be grandfathered-in to remain RHC should the program experience any changes.

General discussion was held regarding operating clinics outside of the county.

Consultation Items

There were no Consultation Items.

Information, Other

Rich, Reese, and Hopkins attended the KHA Critical Issues Summit held in Wichita. Rich gave a summary of topics discussed. She said speakers covered a variety of topics including: information about possible changes to healthcare since the election; how the healthcare culture is patient driven and the necessity to find what's important to them for medical care; getting patients more involved in self-care; evaluate what are revenue producing services; employee appreciation; telehealth; evidence based practices; and cyber security. Hopkins commended Rich for her report and stated he, Rich and Reese will meet to combine their information and will distribute to the appropriate committee(s) and to the Board.

While at the Summit, Hopkins received recognition from KHA for the Trustee Recognition and Accountability Program.

Reese reminded Trustees to submit a certificate to Tweedy for any training attended regarding Board education. This will be kept in individual files.

Hernandez spoke about the Medicaid Expansion legislation. He said, initially, the House decided to delay the vote but then passed the bill. It has now moved to the Senate.

Hernandez reviewed Obamacare items being reviewed by Congress. They are considering terminating Medicaid Expansion by 2020, implementing tax credits based on age, offering state innovation grants to subsidize expensive enrollees, allow insurers to charge older (undefined) customers higher premiums than younger customers, and penalize people that do not maintain coverage.

Completion of the facilities tour, which will include The Meadows, the Rehab/Home Health building, and the Waverly Clinic will be on Thursday, March 30th, from 1pm to 4pm.

Executive Session

- Hopkins moved and Roth seconded the motion to enter into a 10 minute Executive Session with Leonard Hernandez, CEO, and Terri Tweedy, Executive Assistant, to discuss Confidential Data Relating to the Financial Affairs or Trade Secrets of Corporations, Partnerships, Trusts, and Individual Proprietorship with open session to resume at 8:16 p.m. in Allen Woods II Conference Room. Motion carried unanimously. Jeff Clark recused himself.

Executive session began at 8:05 p.m.

Regular session resumed at 8:15 p.m. in Allen Woods II Conference Room.

- Roth moved and Allegre seconded the motion to enter into a 5 minute Executive Session to include all Trustees except Steve Hopkins, and to include Leonard Hernandez, CEO, and Terri Tweedy, Executive Assistant, to discuss non-elected personnel with open session to resume at 8:28 p.m. in Allen Woods II Conference Room. Motion carried unanimously. Hopkins recused himself.

Executive session began at 8:23 p.m.

Regular session resumed at 8:28 p.m. in Allen Woods II Conference Room.

Hernandez stated the house he is living in has been sold. He would like to remain in the community but has not found anything. He wanted to make the Board aware of why he would be moving.

Thomas asked if more education was needed regarding population health. Hernandez suggested bringing people in periodically for education. Thomas offered to bring educational information for the Trustees. Reese mentioned that KHA has webinars and education available on their site.

- Roth moved and Stuke seconded the motion to adjourn the meeting at 8:35 p.m. Motion carried unanimously.
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Peter Allegre, Secretary

Possible follow-ups (not all inclusive) for March meeting:

Durable Medical Equipment

Madison Foundation

Progress on annual evaluation process

Progress on clinical documentation review, employee health documentation, lab and social services.

Departmental Budgets

Registration/Admissions Audit (March)