

COFFEY COUNTY HOSPITAL BOARD OF TRUSTEES MEETING

The Coffey County Hospital Board of Trustees met in regular session on May 22, 2017, in the Allen Woods II Conference Room. Board Members attending were: Judy Reese, Chair, Craig Stuke, Vice-Chair; Steve Hopkins, Treasurer; Peter Allegre, Secretary; Rosemary Rich; Jeff Clark; Dennis Young; and Jodi Thomas. Employees attending were: Leonard Hernandez, CEO; Dr. Christopher Jarvis, Vice Chief of Staff; Jim Van Hoet, Chief Financial Officer; James Higgins, Vice President of Ancillary Services; Theresa Thoele, Vice President of Human Resources; Tracy Campbell, Marketing Director; Juanita White, Controller; and Terri Tweedy, Executive Assistant. Matt Morris, accountant, attended representing Baird, Kurtz, and Dobson. Cameron Roth, Trustee; John Shell, Chief of Staff; Melissa Hall, Chief Nursing Officer; and Patty Thomsen, Vice President of Medical Clinics were absent.

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

Hopkins led the Pledge of Allegiance.

Reese welcomed Accountant, Matt Morris, from BKD.

Reese reviewed the recent CHS activities. She said the EMS picnic and the BBQ at Sunset were successful, the Foundation's golf tournament will be held this Saturday, and the health fair will be Thursday, May 25th. The health fair will begin at 4pm behind the hospital and there are 49 booths reserved. 30 booths are from the community. Dr. Challa is co-sponsoring the community meal and is bringing a 20 foot inflatable colon that shows what some abnormalities look like in that area.

There were no changes to the Agenda.

Consent Agenda

There were no changes to the March 27, 2017 Minutes.

Tweedy gave an update on the Coffey Health Foundation. A meeting was held on April 20th. The 2017 scholarship recipients were selected and the revised agreement for the purchase of the Sunset Manor van was signed. The first golf tournament was held on May 20th with eight teams participating. The Foundation will have a booth at the upcoming health fair.

Dr. Jarvis gave the Medical Staff Report that was held on May 15, 2017. He reported that Sepsis protocol is being created. The Bylaws are being revised to allow assignment of Physician Assistants and Nurse Practitioners to courtesy staff when the mid-level is the courtesy staff member's employee. Dr. Braun's official last day is August 3rd. Dr. Ferrell may fill in for some of Dr. Braun's shifts. She has been sent a credentialing packet. Dr. Fejfar is working on regenerative medicine protocol. This service is cash and carry. Dr. Jarvis stated there are several Orthopedic physicians performing this procedure. He said there was one medical staff appointment for approval.

Dr. Jarvis left the meeting.

Rich asked if the new Orthopedic service line would require new equipment or special training? Hernandez said it would not. All supplies are brought in by a contracted group.

Matt Morris, BKD, reviewed the 2016 Audit results. Internal controls are in place with no significant risks. The financial records are much better than last year. He reported only a single adjustment was needed. The Long Term Care Unit is losing \$7 per day per resident. 2015 had a loss of \$2,317,321 while 2016 was much better with a loss of \$240,843. Patient Days have decreased 53% from 2012 to 2016. 2016 will be the final year for EHR Incentive Payments. The final EHR payment is expected to be \$113,000.

Hernandez asked Matt to speak about contractals. The contractual rates were increased December 31, 2016. Hernandez asked how we can ensure payments and contractals are correct? Matt stated other facilities have a reimbursement monitor to review payments and contractals. He suggested making sure the Charge Master was correct so that services are billed correctly.

Hopkins reviewed the Executive Finance Committee meeting. Van Hoet will convene a task force to review processes and the Charge Master. He will report on the committee's progress at next month's meeting. The Check Register was approved for \$693,927.71. Two bids were received for the hospital roofing project. This is a 3 year project. The first year is budgeted for \$133,000, the first year bid is for \$102,000, the second year is budgeted for \$102,000 and the final year for \$84,000. The total bid is \$84,000 less than what was budgeted.

The current Footprint Code for the hospital facility is out of date. This document must be in compliance by July 1, 2017. Many firewalls and fire doors can be de-rated reducing inspection costs. A bid has been received for \$5400 to update the document.

HRG has submitted an itemized statement template to their vendor for pricing.

The 2014 Medicaid Attestation payment has not been received to date.

Hopkins said Juanita White, Controller, did an excellent job of presenting the finance reports at the May Executive Finance meeting during Jim's absence.

Van Hoet reported on the April financials. He said patient volumes were light across the board for the month. The net revenue for the month was \$1.5 million. The Month to date loss is \$379,000, year to date loss is \$248,000.

Hernandez stated he has reviewed the financial information for May and said the numbers are looking much better than April.

Hopkins asked if the revenue versus the expense for purchased services might decrease if the services were performed in house? Hernandez and Higgins explained that the Lab tests performed outside of the facility were done due to the tests being too expensive to house chemicals needed for the tests, purchase equipment, etc.

Clark stated the County recently switched insurance coverage from Blue Cross Blue Shield (BCBS) to BMI, where CHS switched from BMI to BCBS. Hernandez may address this at the next meeting.

Hopkins said the item Department Budgets will be removed from the Executive Finance Committee Agenda. The budgets are now distributed and corrected as needed by the Supervisors and the Finance Department.

- Thomas moved and Stukey seconded the motion to approve the actions of the Board Committees and the Medical Staff Credentials/reappointments per consent agenda. Motion carried unanimously.

2018 Budget

Van Hoet said the 2018 Budget is scheduled to be presented to the County Commission on Tuesday, May 30th. The 2017 County support of \$1,019,747 for the Hospital and \$1,019,747 for the Ambulance Service will remain the same for 2018. Van Hoet tabulated an increase of 4% for Revenue and 2% for expenditures for the budget. Hernandez said \$370,340 was the Capital Budget for last year and will remain the same for 2018. 2018 Budget items include; \$112,300 for the second year roofing project, \$17,000 for an Ambulance Cot, and \$50,000 for a new ambulance. This leaves a balance of \$191,040 remaining for 2018 Capital Equipment. The Capital Equipment Committee will meet Thursday to prioritize capital needs and decide what to purchase with the remaining balance. Hernandez will send the 2018 Capital Equipment list in his upcoming Friday report.

- Hopkins moved and Allegre seconded the motion to approve the proposed Budget for 2018 not to include the itemized list for Capital but with the understanding that our capital expenditures are planned at \$370,340 for 2018. Motion carried unanimously.

CEO Report

Hernandez said the mock survey was very helpful to everyone and the surveyor stated if the actual survey was to take place now, we would probably pass. She said there were environmental things that could be corrected to help with the actual survey findings. A meeting is scheduled with the internal Critical Access Committee to prioritize the findings from the mock survey. Having a plan in place for corrections will be helpful in the actual survey. The check list used prior to the mock survey was very helpful in preparation for the event. The surveyor asked for a copy to use in her future mock surveys. A Leadership team meeting will be scheduled to review the mock survey findings.

There are 28 out of 36 residents for a 77% occupancy rate at Sunset and 21 out of 26 residents for an 80% occupancy rate at the Meadows.

Dr. Braun's last day will be August 3rd. He has stated he would remain PRN for weekend coverage if needed.

Dr. Ferrell has been contacted about filling some of Dr. Braun's shifts. A credentialing packet has been sent to her.

Campbell spoke about a new recruiting program created by the National College of Physicians aimed at 3rd year residents. The College creates and promotes a web site for 30 days that lists our specific criteria

for a cost of \$2800 with a possible 5% discount. Hernandez said this is about 10% of what a recruiter would cost. If no qualified candidate has responded within the first 30 days, they will extend our ad at no additional cost.

Hopkins asked if the signed letter from the City of Madison had been received. Hernandez said no but will inquire about it this week.

Thomas asked if HealthLand was utilized to the fullest for charges, etc. White said the entire package was used. White said the Home Health Department is the only department left on CPSI.

Consultation Items

There were no Consultation Items.

Information, Other

There was no Other Information items.

The meeting recessed for 5 minutes at 8:33 p.m.

The meeting reconvened at 8:38

- Allegre moved and Rich seconded the motion to enter into a 15 minute Executive Session with Leonard Hernandez, CEO and Terri Tweedy, Executive Assistant, to discuss non-elected personnel with open session to resume at 8:53 p.m. in Allen Woods II Conference Room. Motion carried unanimously.

Executive session began at 8:38 p.m.

Regular session resumed at 8:53 p.m. in Allen Woods II Conference Room.

- Stukey moved and Hopkins seconded the motion to enter into a 3 minute Executive Session to discuss non-elected personnel with open session to resume at 8:56 p.m. in Allen Woods II Conference Room. Motion carried unanimously.

Executive session began at 8:53 p.m.

Regular session resumed at 8:56 p.m. in Allen Woods II Conference Room.

- Hopkins moved and Rich seconded the motion to adjourn the meeting at 8:56 p.m. Motion carried unanimously.

Peter Allegre, Secretary