

DELTA HEALTH
Board of Directors Meeting
Monday, January 16, 2023
Classroom B

PRESENT:

Jean Ceriani, Chairman	Matt Heyn, CEO	Vickie Moore, Exec. Director, Clinic Operations
Doug Speedie, M.D, Vice Chairman	Jody Roeber, CCO	Rhonda Katzdorn, Exec. Director, Human Resources
Bruce Mixter, M.D., Secretary/ Treasurer	Larry Vincent, CFO	Jarred Freese, Chief of Staff
Matt Soper, Member	Julie Huffman, CLO	
Tammy Smith, Member	Melissa Palmer, EDON	Donica Harrison, Exec. Assistant

MEETING MINUTES:

Viewing of this meeting was made available to the public via video conferencing as well as in-person.

I. CALL TO ORDER

The Board of Directors meeting was called to order at 5:30 p.m. by Chairman Jean Ceriani.

II. APPROVAL OF PREVIOUS BOARD MEETING MINUTES

The minutes from the December 5, 2022 regular Board meeting were presented by Jean Ceriani.

ACTION: Dr. Speedie made a motion to accept the minutes of the December 5, 2022 Board meeting as presented. Tammy Smith seconded the motion. All were in favor. None were opposed. Motion carried.

The minutes from the December 15, 2022 special Board meeting were presented by Jean Ceriani.

ACTION: Dr. Mixter made a motion to accept the minutes of the December 15, 2022 special Board meeting as presented. Tammy Smith seconded the motion. All were in favor. None were opposed. Motion carried.

III. GUEST SPEAKER

A. Foundation Update. *Executive Foundation Director, Darnell Place-Wise* provided the Board of Directors with an overview of the Foundation's 2022 financials, scholarships, hospital volunteers and donations for the upcoming gala.

IV. FINANCIAL

A. Summary of Financial Reports. CFO Larry Vincent presented the financial reports from November and December 2022.

November financials resulted in a net loss from operations of \$179,841 compared to a budgeted gain of \$125,164. Admissions for the month were 97 compared to budget of 111 and prior year of 98. Discharges for the month were 100 compared to budget of 107 and prior year of 98. Patient days for the month of November were 441 compared to budget of 439 and prior year of 639. ALOS for November was 4.41 compared to budget of 4.10 and 6.52 prior year. Average daily census was 14.9 compared to budget of 14.6 and prior year of 21.3. Hospital gross revenue for November was \$17,069,847. Physician Prof Fee Gross revenue was \$2,420,041 and Home Health gross revenue for the month was \$230,702. Gross revenue was more than budget by \$1,343K; and deductions from revenue were more than budget by \$1,456K. Net revenue % for November was 36.93%

compared to budget of 40.24% and prior year of 35.08%. Salaries, wages, and benefits were \$653K more than budget in November. Salary and contract labor expenses were more than budget by \$610K and group health expense was \$43K more than budget. Total expenses were more than budget by \$420K. Cash on hand decreased by \$546K in November. Capital purchases were \$49. Accounts Receivable increased by \$500K in November. Supply expenses were \$298K below budget.

December financials resulted in a net loss from operations of \$866,158 compared to a budgeted gain of \$74,491. Admissions for the month were 149 compared to budget of 110 and prior year of 116. Discharges for the month were 154 compared to budget of 108 and prior year of 123. Patient days for the month of December were 550 compared to budget of 478 and prior year of 610. ALOS for December was 3.56 compared to budget of 4.40 and 4.96 prior year. Average daily census was 17.7 compared to budget of 15.4 and prior year of 19.7. Hospital gross revenue for December was \$18,956,011. Physician Prof Fee Gross revenue was \$2,489,427 and Home Health gross revenue for the month was \$235,326. Gross revenue was more than budget by \$2,577K; and deductions from revenue were less than budget by \$4,704K. Net revenue % for December was 68.92% compared to budget of 40.11% and prior year of 41.80%. Salaries, wages, and benefits were \$7,494K more than budget in December. Salary and contract labor expenses were more than budget by \$900K and group health expense was \$6,594K more than budget. Total expenses were more than budget by \$8,104K. Cash on hand decreased by \$3,154K in December. Capital purchases were \$285. Accounts Receivable decreased by \$1,450K in December. Supply expenses were \$743K above budget.

General Discussions:

- CFO Larry Vincent explained that per the audit request, employee health insurance has been reclassified from a contractual to an expense and 340B drug savings is now recognized as revenue with an offsetting increase in expense. The Committee agreed to keep these classifications in 2023, which will show monthly variances from budget on reports, but will avoid a large reclassification at year end. Future budgets will reflect these reclassifications.
- We incurred a \$1,040,000 increase in health insurance claims in December that had to be paid by December to avoid losing stop loss funds.
- RVU bonuses greatly affected clinic net income for December as did 3 payrolls in December.
- As a result of a recent house bill (SB20-215 Health Insurance Affordability Enterprise), \$76K was taken out of our account in November.
- Volumes continued to show increases over budget and prior year.
- Surgeries were down from last year and budget with decreases in general surgery, urology and ortho.
- Births decreased over prior year and budget.
- Case indexes were down from prior month and prior year.
- Medicare/Medicaid revenue hit 76.1% of total revenue.
- Contract labor decreased in December.
- We are still waiting to hear if we qualify to receive FEMA grant funds.
- Once the Accelerated Payment is paid off, we will rebuild cash reserves.

ACTION: Tammy Smith made a motion to accept the financial reports as presented. Dr. Mixer seconded the motion. All were in favor. None were opposed. Motion carried.

B. Capital Expenditure Requests

1. CT/PET Scanner Installation Charges.

The Board discussed the unexpected installation expenses incurred for the CT/PET Scanner that had not been included in the CER/project budget that was approved by the Board in June of 2022. To prevent this from happening in the future, a sign off is now required by the Director of Purchasing, the Director of Plant Operations and the Director of Information Systems for future CER's before they are presented for Board approval.

ACTION: Matt Soper made a motion to ratify the amended CER/project budget to include the installation expenses for the CT/PET Scanner in the amount of \$68,351.30. Tammy Smith seconded the motion. Dr. Speedie abstained. All others were in favor. None were opposed. Motion carried.

2. Approval of Amended Budget Documents.

Due to a change in calculation, some of the budget resolution numbers changed by \$529.

ACTION: Tammy Smith made a motion, seconded by Dr. Speedie, to approve and adopt the amended resolutions as presented. All were in favor. None were opposed. Motion carried.

V. ADMINISTRATION

A. CEO Report, CEO Matt Heyn updated the Board on the following:

- HCAHP Scores. Our HCAHP scores have been improving. Matt informed the Board of the E³ (Excellence, Every Patient, Every Time) campaign that was recently launched.
- Ortho Recruiting Update. Matt has been working closely with Drs. Huene and Knutson to recruit an additional orthopedic surgeon. A promising candidate came for an on-site visit.
- General Surgeon Update. In an effort to reduce our locums expense we contracted with Dr. Stephania Timothy who will come on-site to help fill out the call schedule. We have also contracted with Colorado Surgical Affiliates to bring a surgeon on-site once a month to fill the backlog of scopes.
- ED Nursing Director. Delta Health's new ED Director will be starting shortly.
- There is an error resulting from the integration of United Healthcare and Rocky Mountain that falsely causes Delta Health appear to be out of network. Statements will be put out to inform the public that Delta Health is still in network.
- CHA Rural Health Conference. CHA will be conducting their rural health conference March 15-16 in Denver. If Board members are interested in attending we can get them registered. The keynote speaker is the hospital Administrator from Uvalde, TX who will talk about lessons learned on how to collaborate with the community and how Boards can work well together.

B. 2023 Election Resolution, CLO Julie Huffman presented Resolution No. 2023-01, "Resolution for 2023 Special District Election Delta County Memorial Hospital District, Authorization for Board Member Election."

ACTION: Dr. Mixer made a motion to approve the 2023 Election Resolution No. 2023-01 as amended to reflect the election of two directors. Tammy Smith seconded the motion. All were in favor. None were opposed. Motion carried.

VI. MEDICAL STAFF

- A. Medical Staff Credentialing.** Dr. Mixer presented the following update from the Med Exec Committee:

The following credentialing applications were reviewed and approved in the January 11, 2023 Med Exec meeting:

New Applications: Fred Simon, M.D., General Surgery Locum

Re-Applications: Heidi Marlin, M.D., Family Medicine and Hospice
Cassandra Bresnahan, M.D., Internal Medicine Hospitalist
Timothy Bresnahan, M.D., Internal Medicine Hospitalist

ACTION: Dr. Mixer made a motion for the Board of Directors to approve the credentialing report of the Med Exec Committee as presented. Tammy Smith seconded the motion. All were in favor. None were opposed. Motion carried.

- B. Chief of Staff Report.** The new Med Exec Committee for 2023-2024 met on January 11th and COS Dr. Jarred Freese reported the following:

- The proctoring policy CLO Julie Huffman drafted is consistent with proctoring policies of the American Board of Surgery and the American Academy of Family Physicians and the Med Exec Committee feels it is sufficient to re-present for a vote by the medical staff.
- The Committee will propose a change to the medical staff bylaws to require the 2/3 vote of all “active” medical staff, which will be defined, as opposed to “all” medical staff.
- Daily progress notes will no longer be included in the QHN medical records entered by providers.
- There will be a provider retreat this summer that the Board is invited to. They will be asking for the hospital to provide some financial support for this event as it is valuable for provider retention.
- Providers will be presented Ongoing Professional Practice Evaluations (OPPE’s) to help them continue to grow and provide the best care for our patients.

VII. OTHER BUSINESS

A. Further Comments

1. CCO Jody Roeber thanked the Board for approving the CT/PET Scanner project and reaffirmed the positive impact it will have on the patients we serve.
2. CCO Jody Roeber informed the Board that StatRad’s system went down and our local Radiologists have been doing additional reads working extended hours to help. The Board will write a letter thanking them for going above and beyond.
3. Matt Soper gave an overview of upcoming legislation concerning health care.
4. Jean Ceriani thanked everyone who attended the case study review presented by CHA’s Ben Anderson.
5. Jean Ceriani let the Board know that the fee is waived for Board members to attend the CHA Rural Health Conference in March that Matt Heyn mentioned previously.

VIII. EXECUTIVE SESSION

ACTION: At 6:42 p.m. Tammy Smith made a motion to go into Executive Session for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators, specifically the contract between Delta Health and Grand Mesa Emergency Physicians under 24-6-

402(4)(e). Dr. Speedie seconded the motion. All were in favor. None were opposed.
Motion carried.

All Board members were present for the Executive Session as well as Julie Huffman and Matt Heyn. After a brief recess, Executive Session began at 6:48 p.m.

IX. ADJOURNMENT

With no further business from the floor, Board Chairman Jean Ceriani **ADJOURNED** the meeting at 7:16 p.m.

Bruce Mixter, M.D., DCMHD Board Secretary/Treasurer

Date