

DELTA HEALTH
Board of Directors Meeting
Monday, August 21, 2023
Classroom A, B & Zoom

PRESENT:

| | | |
|---------------------------------------------|------------------------------------------|----------------------------------------------------|
| Doug Speedie, M.D, Chairman | Davis Walton, Member | Larin Jones, Director of Accounting |
| Bruce Mixter, M.D., Secretary/ Treasurer | Julie Huffman, CLO/Intern CEO | Vickie Moore, Executive Director Clinic Operations |
| Tammy Smith, Member | Kelly Johnston, Intern CFO (via ZOOM) | Melissa Palmer, Executive Director of Nursing |
| Matt Soper, Member (via ZOOM) | Jarred Freese, MD, COS | |

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 Board Chairman Dr Speedie.

II. AGENDA CHANGES There were no changes to the Agenda.

III. PUBLIC COMMENT There were no public comments.

IV. APPROVAL OF PREVIOUS BOARD MEETING MINUTES

The minutes from the July 17, 2023 Board meeting were presented by Dr Speedie.

ACTION: Davis Walton made a motion to accept the minutes of the July 17, 2023 Board Meeting. Tammy Smith seconded the motion. None were opposed. Motion carried.

The minutes from the July 28, 2023 Special Board meeting were presented by Dr Speedie.

ACTION: Tammy Smith made a motion to accept the minutes of the July 28, 2023 Board Meeting with the correction of adding Davis Walton in attendance. Davis Walton seconded the motion. None were opposed. Motion carried.

V. FINANCIAL REPORTS

Interim CFO Kelly Johnston presented the reports via ZOOM. *Following is her written report as submitted along with the Balance Sheet, Profit & Loss, and Statistical Summary*

During the month of July, a lot of analysis, training, and meetings during the month of July, a lot of analysis, training, and meetings occurred to continue outlining key areas of opportunity and change that get to happen within the organization. With the many moving parts of the revenue cycle, management of this area needs to be expanded to be able to accomplish all the changes, workflow development, and clinical feedback loops needed to change the reimbursement and income of Delta Health. As a result, JFS supported Julie in interviewing Revenue Cycle Director Candidates and made an offer to a candidate. This position is key to implementing the many changes that need to occur around denials management, workflow efficiency, clean claim rate, charge capture, and more. Also, larger expenditures and capital purchases started to take place. This is hard to balance when the organization must financially work through operational performance opportunities, while still having to make improvements to capital equipment and the building. These purchases include the start of the pharmacy remodel, the nurse call system, and some other

minor equipment. We also strategically chose during the early weeks of August to pay in full all of our outstanding health claims. We hope that two to three will be at stop loss limits and we can recoup some payment, but this was over \$1.5 million dollars.

What is still needed is diving into the operations of each department and managing the process and workflows for each operation that takes place. This includes everything from checking in a patient to the care provided, charted, transfers, etc. This operational workflow then needs to be outlined and key areas of missed opportunity documented and changed by departmental leadership with the guidance of senior leadership. Based on the decrease in volumes seen in many departments, as well as the continued battle of case management and clean claims, there are evaluations that need to be done on how we work with patients within our different service lines.

Updates on the Core Themes:

1. Revenue Cycle Silos

- The largest issue that has been ongoing is the lack of payment from UHC on claims that are billed for our clinics due to a new reporting requirement that went live January 1. The claims were dropped on the incorrect form, due to Athena not having the process and templates prepared. The revenue cycle team, lead by Darla and Kathy, have been working diligently to get these re-sent via the new form type and we hope to have those UHC holds released.
 - Julie negotiated a \$500,000 advance from UHC since they are holding our claims.
- The revenue cycle team is also currently experiencing coding and billing backlog as they balance the need to work older claims to not hit timely filing requirements, with the above claim issue, and new claims. Julie and I authorized overtime to get this backlog caught up. Upon my return I will be working to measure where we are at with this process.
- Levi and JFS have been working at length to get reporting available to continue to provide feedback to Julie, Jody, Vickie, and Melissa so that they can go into their departments and work on operational change. This has been challenging to get the level of detail that we have needed, but we are getting closer. The individual departmental financial statements have been provided, but do require some manual calculations for these leaders to really understand the bottom line performance of each department. JFS is currently complete with the surgical and ortho analysis and primary care clinics, and is working on the other departments with hopes of being complete shortly upon my return. The data provided is intended to allow these leaders to question performance, charge capture, and insurance reimbursement so that they can go into the individual departments and work through the individual workflow and process.
 - A great example of how this is already happening is JFS has been working with Levi and Darla on the revenue cycle workflow to adjust for the internal operations of their departments to find areas of opportunity, missing information, holes in the process, etc.

2. Reimbursement

- From the analysis that is being done listed above, we have identified some key payers that will need to be evaluated at the contract level. JFS recommends that these contracts be reviewed and negotiated.
 - JFS will support in providing feedback on some of the charges and carve outs but will use the support of the CEO for service line development on these items.
- As mentioned above we are putting pressure on UHC who is also holding our claims.

3. Departmental Performance

- Last month we started doing departmental deep dive training. We did a two-hour session on training each department head on reading their financial statements and provided homework for them to dive into the expenses that are listed on their profit and loss. This should support them in evaluating performance and return on investment of each expense item listed on their profit and loss.
- We are going to continue this for this upcoming month, and I will be providing more time on one-on-one coaching. I was unable to get to all individuals this past month and will keep working on that.

4. Project Management

- During this past month I have been able to assess this more deeply. We have a lot of areas that need capital investment, but as you can see we do not have the operational cash flow to move on these requests. The leadership team is working on two areas for this. First, we are continuing to create a savings pool of cash flow so that we can priorities these capital requests. Second, I am asking for a more detailed analysis to go into these decisions before they are finalized. Julie has outlined for me what the current process is, and accounting will begin reinforcing this process prior to making payments, etc.
- A focus on changing operations will create the financial cash flow needed to support these projects.

The month of July ended with a loss of \$914,459 with the NET Revenue percentage at 38.68% with 16.47 days of cash on hand unencumbered.

There was some discussion to review the service agreement on the MRI in regards to a surge protector.

ACTION: Dr Mixer made a motion to accept the Financial Reports as given by Kelly Johnston. Motion seconded by Tammy Smith. None were opposed. Motion carried.

B. Dr Speedie recommended Kelly Johnston to be appointed as the Person to Prepare Budget.

ACTION: Davis Walton made a motion to accepted Dr Speedie's recommendation to appoint Kelly Johnson to be the Person to Prepare Budget. Motion seconded by Matt Soper. None were opposed. Motion carried.

VI. ADMINISTRATION

A. Administrative Update, *CLO/Interim CEO Julie Huffman*

1. After a year long effort by Rhonda Katzdorn and Larry Vincent, the FEMA grant has been awarded in the amount of \$561,975.95 which is reimbursement of traveling labor and overtime due to COVID.
2. The position of Senior Director of the Revenue Cycle has accepted the position. We do not have a start date as of yet.
3. Rhonda Katzdorn is finalizing the Grant Writer's job description. This position will be posting soon.
4. The Executive Team is actively interviewing COO applicants. The first wave of interviews will begin this week.
5. Board of Directors Retreat. Discussion about the date. Decided to have the retreat on Thursday, September 7, 2023.

B. Dr Mixer presented Angeles Mendez as the new Delta Health Foundation Board Member.

ACTION: Dr Mixer made a motion to accept Angeles Mendez as a new Delta Health Foundation Board Member. Motion seconded by Davis Walton. None were opposed. Motion carried.

C. Travelers Update, *Interim CEO Julie Huffman*
There are currently 13 travelers.

VII. MEDICAL STAFF

A. Medical Staff Credentialing, *Dr Bruce Mixter*

| New Applications Approved | Specialty |
|----------------------------------|---------------------------------------|
| Stephanie Killeen, M.D. | Alpine Health GYN |
| Maureen Maher, M.D. | SCL Health Cardiology (offsite reads) |

End-of-Provisional Status Specialty
None

| Medical Staff Re-Appointments | Specialty |
|--------------------------------------|--------------------|
| Hallie Blunck, M.D. | Emergency Medicine |
| Michelle Gordon, M.D. | Emergency Medicine |
| David Kasarda, M.D. | Emergency Medicine |
| Marisa Laurora, D.O. | Emergency Medicine |
| Sheena Wisler, M.D. | Alpine Health GYN |

| Medical Staff Resignations | Specialty |
|-----------------------------------|--------------------|
| Andrew Gross, M.D. | Emergency Medicine |
| William Pace, M.D. | Radiology |
| Jolante Dennis, M.D. | Stat Rad Radiology |

ACTION; Dr Bruce Mixter made a motion that the Board Approve the Credentialing. Tammy Smith seconded the motion. All were in favor. None were opposed. Motion carried.

VIII. Chief Medical Officer Dr Jarred Freese

- Dr Freese talked about the new doctors coming into the community.
- Dr. Danny Williams who is a rheumatologist in Montrose who will started seeing patients in early August.
- Dr Dewayne Carlson and Dr Peter Shorten coming from Community Hospital are using Dr John Knutson's Clinic as a satellite. Dr Carlson is an orthopedic and Dr Shorten is a spine specialist.
- Julie Fournier will be joining PACE.
- Encouraged by the good vibe amongst the staff.
- Thank you to Julie Huffman for supporting the DH Adult Primary Care Clinic's Fun night.

Dr Speedie made a few comment regarding how hard the Board members and others have been working to turn this place around. The Board has made a lot of progress in getting to this new place. Thank you for working hard.

ACTION: Tammy Smith moved that the Board go into Executive Session under;

1. C.R.S. §24-6-402(4) (a) The purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest, specifically the property located at 155 Stafford Lane.
2. C.R.S. §24-6-402(4) (b) Conferences with an attorney for the local public body for the purpose of receiving legal advice on a specific legal question, specifically the requirements of the Colorado Rural Provider Access and Affordability Grant.
3. C.R.S. §24-6-402(4) (e) Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators, the specific subject of which cannot be specified without revealing confidential matters.

Matt Soper seconded the motion. All were in favor. None were opposed. Motion carried.

IX. EXECUTIVE SESSION

Executive session convened at 6:37 p.m.

X. ADJOURNMENT

With no further discussion, Dr Speedie moved to adjourn the meeting at 7:30 p.m. Meeting adjourned.

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

Date