

**DELTA COUNTY MEMORIAL HOSPITAL DISTRICT**

**Board of Directors Meeting**

Monday, November 20, 2023

Classroom A, B & Zoom

**PRESENT:**

Doug Speedie, M.D Chairman	Julie Huffman, CLO Interim CEO	Larin Jones, Director of Accounting
Bruce Mixter, MD Secretary/Treasurer	Kelly Johnston, Interim CFO	Rhonda Katzdorn, Human Resource Executive Director
Tammy Smith Member	Jonathan Cohee, Chief Operating Officer	Jarred Freese, MD, Chief of Medical Staff
Matt Soper Member (via ZOOM)	Melissa Palmer, Executive Director of Nursing	Charyl Scroggins, Administrative Secretary
Davis Walton Member	Vickie Moore, Executive Director Clinic Operations	

**MEETING MINUTES:**

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

**I. CALL TO ORDER**

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

**II. AGENDA CHANGES**

There were no proposed changes to the meeting's agenda.

**III. PUBLIC COMMENT**

There were no public comments.

**IV. APPROVAL OF PREVIOUS BOARD MEETING MINUTES**

The minutes from the October 16, 2023 Board meeting were presented by Dr Speedie.

Davis Walton requested a change in the minutes regarding his request for Human Resources to provide a breakdown of the quarterly turnover report of hospital workers. He would like the minutes to show his request for additional data to include licensed/certified workers vs non-licensed/non-certified workers.

Julie Huffman established that this amendment must remove the October minutes from the Consent Agenda and be voted on separately.

**ACTION:** Davis Walton made a motion to accept the October 16, 2023 minutes with the correction to his request on the HR turnover report. Tammy Smith seconded the motion. None were opposed. Motion carried.

The minutes from the November 7, 2023 Special Board Meeting were presented by Dr Speedie.

**ACTION:** Bruce Mixter made a motion to accept the minutes from the Special Board Meeting held on November 7, 2023. Davis Walton seconded the motion. None were opposed. Motion carried.

**V. INTRODUCTION**

A. Board Chairman Dr. Speedie introduced Jonathan Cohee, Delta Health's new Chief Operating Officer (COO). Mr. Cohee thanked the Board for the opportunity to be here.

- B. Jonathan Cohee provided highlights of his first 2 weeks at Delta Health. He has met with several department managers and has been working closely with Julie Huffman and Kelly Johnston to prepare the 2024 Draft Budget information. Mr. Cohee is excited to see how open our managers are to the opportunities and changes that are needed to improve our Patient Access and Revenue Cycle. Dissecting the anatomy of patients' visits and encounters will be his focus for the next 90 days. We must make sure that we are getting credit for the services we are providing to our patients. In closing, Mr. Cohee said he is excited to be at Delta Health, working with hospital staff to make an impact in the community.

**VI. GUEST SPEAKER:** Darnell Place-Wise, Executive Director, Delta Health Foundation

Darnell Place-Wise presented the Board with the Foundation's year-to-date financials and upcoming fund raising events.

**2023 Income** to date is \$165,444.84.

**2023 Expenditures** to date are \$131,795.13 with \$22,930.48 being awarded as scholarships to Delta Health Employees. \$37,066.13 was spent on projects and equipment for the hospital.

**Perennial Patrons:** 99 employees currently transfer monthly contributions from their pay check to the Foundation. Darnell is working on a strategy to improve this number, as there are over 600 employees who could potentially contribute.

**Puttin' On the Ritz Gala:** Saturday, January 27, 2024

- We have currently received \$32,500.00 in sponsorships and \$2000.00 for advertising.
- We are collecting Auction & Silent Auction items.
- Gala information is posted on social media. Paper and radio ads will start after Thanksgiving.
- We have the ability to seat 200 attendees. 109 verbal commitments have been received.

Darnell suggested that the Board of Directors and Foundation Board meet more often in order to get to know each other and align their ideas for the hospital and community. She suggested gathering every 6 months or quarterly, if possible.

**VII. FINANCIAL**

Tammy Smith gave an update from the Finance Committee Meeting held this morning. Kelly Johnston gave the Committee an overview of the differences between accrual and cash methods of accounting. October finances display a good example of these differences. Volumes are low for the month of October. However, October was a profitable month on the profit & loss statement. Unfortunately, cash is on a different timeline. Accrual accounting matches revenue to expenses in the month that they happen which is not in the period that the cash flows through the bank. Our cash is actually down because the volumes have been down in the previous two months. This will create a cash flow squeeze for the next few months. We are strategizing cash flow management to make sure we are effective stewards of our money. Our goal is to continually focus on our operational income covering our operational expenses.

**October Financial Highlights:**

**Balance Sheet**

- Cash has stayed consistent.
- Accounts Receivable is up due to United Health Care (UHC) holding \$1.3mm. We did get the insurance commissioner involved this past week. He has asked his administrative team to look into this issue and has promised to share further information with us next week. We are monitoring this very closely.
- We are falling behind in coding due to volume and some staffing issues. We will be able to drop \$850,000 of claims in our catch up process when we receive our expected reimbursement.

- Accrued payroll and benefits had an uptick due to the providers' performance bonuses that have been paid out over the last 3 months.

#### **Profit & Loss Statement**

- Gross charges are down by \$1mm. We are seeing a decrease in discharges and inpatient care.
- The Board has directed an increase of 2% on collections. We are going to push for a 3% increase that will be presented in the 2024 Budget.
- Strategic changes have been made in the last 2 weeks in the Revenue Cycle process. Department Heads have been given copies of their denials for review. We are seeing some effective changes that will correct and capture missed revenue, moving forward.
- A new third party administrator has been engaged to facilitate the Delta Health Benefits. This will allow us to achieve the Board's directive of a 6% reduction of these costs.
- Medical Supplies continue to be over budget. Mr. Cohee is working to streamline expenditure process in order to bring the facility in line with medical industry standards.

Overall, we had a positive bottom line for the month of October 2023 in the amount of \$360,675.00, reducing our loss year-to-date to \$1.5mm.

#### **Questions and Discussions regarding the October Financial Reports:**

Matt Soper asked for the Days of Cash on Hand. Kelly Johnston reported it was 21 days at the end of October. It is currently at 11.74. The decrease is due to an increase of payroll, a construction payment for the pharmacy remodel and high health claims. Kelly said that our health claims continue to be a big hurdle with weekly amounts ranging between \$100,000 and \$200,000. The Executive Team has discussed some strategies on renegotiating a longer payback strategy with our current vendors.

Matt Soper asked for an update about partnering with the City of Delta, Delta County & the School District to have a joint insurance pool. Julie Huffman explained that it is not legally possible. We are looking to partner with the City of Delta and the School District to encourage their employees to use Delta Health for their labor and delivery services.

Kelly Johnston commented that we need to manage our employee claims like we manage other insurance companies' claims. She is working with Revenue Cycle team to close that gap.

Tammy Smith noted that the Statement of Cash Flows should be titled, "tenth period" instead of the "eighth period".

**ACTION:** Tammy Smith made a motion to accept the October 2023 Financial Reports as given by Kelly Johnston. Motion seconded by Davis Walton. None were opposed. Motion carried.

**VIII. C. 2024 Draft Budget**

Kelly Johnston presented an updated draft budget for November 20, 2023 and explained changes from the draft budget of October 15, 2024.

- At the Strategic Planning Session, the Board provided key initiatives as it relates to gross charge increases or revenue increases, increase in collections (capturing the revenue that we are providing services for) reduction in benefits cost as a percentage of salary and wages, and maximizing the profitability to a minimum of 1% of net patient revenue.
- Department leaders met with Kelly Johnston in one-on-one, 30-minute sessions. Feedback was provided regarding department goals and objectives, financial changes that the managers would like to see, and key capital and FTE requests were discussed. Kelly also met with key medical staff providers in all clinic locations.
- We confirmed 2% growth in gross charges for our patient services. Outpatient and Inpatient allocations now match volume expectations of our providers.
- Total deductions (contractual adjustments and charity care) were lowered from a budget target of 58% to 56.83%.
- Salary and wages were updated due to an in-depth look at open positions, current positions, and positions being filled; broken down by individual department.
- Pharmacy Director Cari Dillon met with Kelly regarding expected increases in drug supply costs. This was our biggest inflationary adjustment.
- The items mentioned above will help to keep our operating revenue at 1.4 which is 1.3% of net patient revenue.

Matt Soper recommended that we are very careful with our property tax submission this year. Kelly confirmed that she has reached out to Alpine Council for labor review. She will have Julie Huffman review Alpine's agreement once it is received.

At 6:19 p.m., Board Chairman Doug Speedie, M.D. called the **Hearing for the 2024 Proposed Budget** to order. He confirmed that the Board members have received a copy of the proposed budget and notice of the hearing. Mr. Speedie announced that prior to the Board members discussing the 2024 budget the Board must consider any objection from the electors of the District. The 2024 proposed budget has been made available for public inspection pursuant to statute. Notice of the date and time of the hearing was made by publication in the Delta County Independent, as required by the statute. No written objections have been received by Administration or the Board. Dr. Speedie asked if there were any oral objections from the electors of the district of the 2024 proposed budget. There were none. Dr. Speedie asked the Board if they had any discussion about the proposed budget.

Tammy Smith asked about a cost of living adjustment (COLA) in 2024, as well as the Board matching a percentage of employees' contributions to their 403B retirement plan. Kelly confirmed that she had factored in a 3% increase for cost of living, but had not entered a retirement match at this time. Julie said that in March, Administration will be asking the Board to match 3% of 2023 contributions in 2024. Matt Soper said he supports a contribution match because it encourages our employees to stay in the organization and upon retirement the funds are returned to the community and healthcare system. He considers the match an important investment towards the retention our employees. Accounting Director Larin Jones estimated a 3% match to be \$600,000.. A COLA increase will cost the hospital \$1.4mm. It was noted that only 57% of the employees contribute to their retirement plan, so substituting the 3% cost of living expense for a 3% contribution match would not benefit all employees.

**ACTION:** Dr. Mixer made a motion to go ahead with 3% COLA in 2024 and plan on a 3% retirement match for 2024 funds. Tammy Smith seconded the motion. There was no further discussion. All were in favor. None were opposed. Motion carried.

At 6:42 p.m., Board Chairman Doug Speedie, M.D. adjourned the **2024 Budget Hearing**. The budget will be presented for a vote at the next meeting in December.

## **IX. ADMINISTRATION**

- A.** CLO/Interim CEO Julie Huffman provided an **Administrative Update**. The Senior Revenue Cycle Director, hired to arrive this month, has declined our offer. Administration will continue to recruit for this position. In the meantime, our current Revenue Cycle team continues to forge ahead with Administration's new revenue cycle initiatives. We are hiring a third party company to supplement our coding teams to help with our current backlog of claims that are ready to be coded and billed. The company will also audit our coding process so we know what improvements can be made.
- B.** Human Resources Executive Director, Rhonda Katzdorn provided a **Travelers Update**, included in this month's Board packet. Julie Huffman noted that the Administrative team is looking at strategies to decrease the number of travelers next year.

## **VII. MEDICAL STAFF**

**A. Medical Staff Credentialing, Dr Bruce Mixer**

<u>New Applications Approved</u>	<u>Specialty</u>
Kaitlyn Biernacki, M.D.	Gynecology
Michael Boyle, M.D.	General Surgery (Locum)
Melanie Hanley, P.A.	Family Medicine
Margaret Magill-Collins, M.D.	OB/GYN
Rebecca Nielson, N.P.	FamilyMedicine

  

<u>End-of-Provisional Status</u>	<u>Specialty</u>
Katie Rose, D.O.	Family Medicine / Obstetrics

  

<u>Medical Staff Re-Appointments</u>	<u>Specialty</u>
Christopher Cook, D.P.M.	Podiatry
Amanda Lovette, M.D.	Pediatrics

  

<u>Stat-Rad Re-Applications</u>	<u>Specialty</u>
Jill Furybayashi, M.D.	Tele-Radiology

**ACTION:** Dr Bruce Mixer made a motion that the Board approve the presented credentialing report. Matt Soper seconded the motion. All were in favor. None were opposed. Motion carried.

**B. Chief Medical Officer, Dr Jarred Freese**

Dr. Freese said the Medical Staff will be updating their Bylaws to reflect DORA's new ruling concerning Physician Assistants. They are no longer required to have a supervising physician during their practice, but can now practice under a collaborative agreement. Med Exec is drafting a new medical staff category called, "Affiliate Members". This category will include community providers who would like to be a member of our medical staff but who will not ask for privileges to admit patients or participate in inpatient hospital care.

Instead of planning an annual physician and family retreat, the Med Exec is looking at two smaller, overnight events in Grand Junction. Dr. Freese thanked the Board for their support of these opportunities to get the providers together outside of the office. Dr. Freese told new COO Jonathan Cohee that the medical providers were excited to have him join the Administrative team. He encouraged him to invite the input of the medical staff's clinic providers when discussing major hospital decisions.

**IX. Other Business**

Bruce Mixter reminded the Board members of the upcoming Hospital Foundation Gala on the 27<sup>th</sup> of January. He announced that there will be another Peagreen Pedal cycling event in June 2024.

Matt Soper gave a quick legislative update. As a special district hospital that collects hospital taxes, Delta Health will be impacted by a couple of the bills that were passed in session last week. Delta County residents will save \$500 - \$600 tax bills next year which will decrease our mill levy payment.

Julie Huffman presented a 2024 BOD meeting schedule; keeping the meetings at 5:30 p.m. on the third Monday of each month, except December. Matt Soper asked that the schedule be tabled until the December meeting. Julie noted that January's meeting will be held in the Mesa Lakes Classroom.

Julie Huffman asked whether the Board appreciated access to Board archives on the Board's website. The Board members agreed that the archives are useful and further agreed that archives older than five years can be removed.

**X. ADJOURNMENT**

With no further discussion, Dr Speedie made a motion to adjourn the meeting at 7:07 p.m. All were in favor. None were opposed. Motion carried.

\_\_\_\_\_  
**Bruce Mixter, M.D., DCMHD Board Secretary/Treasurer**

\_\_\_\_\_  
**Date**