

DELTA HEALTH
Board of Directors Meeting
Monday, November 15, 2021
Classroom B / Zoom for Public

PRESENT:

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

MEETING MINUTES:

I. CALL TO ORDER

The Board of Directors meeting was called to order at 5:30 p.m. by Chairman Jean Ceriani. Viewing of this meeting was made available to the public via video conferencing.

II. CONSENT AGENDA

A. Approval of Previous Board Meeting Minutes

1. The minutes from the October 18, 2021 Regular Board Meeting were presented by Jean Ceriani.

ACTION: Matt Soper made a motion that the minutes of the October 18, 2021 Regular Board Meeting be accepted as presented. Dr. Speedie seconded the motion. All were in favor. None were opposed. Motion carried.

III. GUEST SPEAKERS

A. Quality Update, Quality Director Janel Webb and Quality Improvement Nurse Brandi Vela

Janel Webb and Brandi Vela presented a 2021 3rd Quarter Quality Board Report. The presentation was kicked off with the announcement of Delta Health's Leapfrog Hospital Safety Grade that was released to the public on November 10th. Delta Health reinstated participation in the Leapfrog survey in 2020 for the first time in over 10 years and rose to a Grade A in fall 2021. Brandi Vela shared an overview of how the safety grade was achieved. Janel Webb presented an overview of the Process Improvement Projects put in place this year including TeamSTEPPS curriculum to improve patient hand-off communication for nurses, bar-code medication administration safety practices, and monitoring nurse staffing ratios across inpatient units. Improvement in the hand-off communication will be evaluated in staff responses to the new culture of safety survey that was sent to staff on 11/15. The survey will run through mid-December. Bar-code medication administration has been improving in the ICU and OB units, with the OB unit meeting the goal of 95% last month for medications/patient scanned. This will be celebrated on this unit. After analysis of the nurse-to-patient ratios, the staffing ratios have been holding steady on the Med-Surg Unit and dropping slightly in ICU. The team continues to look closely at any patient-safety events related to staffing, and no events could be correlated through the third quarter of 2021. This will continue to be monitored closely. Janel also reported the Risk and Occurrences numbers to date in 2021. These occurrences continued to be analyzed using risk stratification with more detailed in-depth reviews for the occurrences in the higher risk categories. The presentation included an overview of the Quality Dashboard for Sepsis, CPOE Compliance, Outpatient Core Measures as well as information on HCAHPS and areas of continued focus for the Quality Department.

B. Delta Health Home Health Governing Annual Report, Home Health Administrator Shane Clausen

Shane Clausen presented a PowerPoint presentation for the Board highlighting the Delta Health Home Health (formerly "Delta Montrose Home Health") 2021 achievements. The agency trimmed staffing and restructured responsibilities in order to operate more efficiently. Shane summarized the improvements made within the agency resulting in a loss of only \$110K as of September as opposed to a loss of over \$2 million in 2019 and \$850K in 2020. Between 1/1/2021–10/31/2021 DHHH had 556 admissions and 553 discharges with a re-hospitalization rate of just 9.8%, which is lower again this year than both the state and national averages. Home Health has profited 3 months so far in 2021. With the improvements in place, Shane expects Home Health to be profitable in 2022 while they continue to provide the best care for their patients and community.

IV. FINANCIAL

A. Finance Committee Meeting Highlights. Finance Committee Chair Matt Soper highlighted the following:

- The ALOS was 5.46 in October. There were 13 patients whose stay exceeded 14 days and accounted for 214 days total. Seven of the 13 had COVID.
- 83% of inpatient days were Medicare or Medicaid.
- Revenue hit \$20MM in October.
- Wages were up due to OT and sign on bonuses.
- The new GPO is starting to reduce expenses.
- Although an extended payment plan for the cost report was approved, they only extended the payments over 3 months since they have already taken \$1MM.
- The Case Mix Index in October was above 2.0.

B. October 2021 Financial Reports, CFO Larry Vincent presented a summary of the October financial reports highlighting the following:

October financials resulted in a net loss from operations of \$206,071 compared to a budgeted gain of \$232,055. Admissions for the month were 110 compared to budget of 113 and prior year of 119. Discharges for the month were 108 compared to budget of 115 and prior year of 117. Patient days for the month of October were 590 compared to budget of 407 and prior year of 388. ALOS for October was 5.46 compared to budget of 3.54 and 3.53 prior year. Average daily census was 19.0 compared to budget of 13.1 and prior year of 14.2. Hospital gross revenue for October was \$16,976,909. Physician Prof Fee Gross revenue was \$2,915,786 and Home Health gross revenue for the month was \$199,624. Gross revenue was more than budget by \$441K; and deductions from revenue were more than budget by \$1,138,722K. Net revenue % for October was 37.52% compared to budget of 41.91% and prior year of 41.28%. Salaries, wages, and benefits were \$159K less than budget in October. Salary and contract labor expenses were less than budget by \$58K and group health expense was \$101K less than budget. Total expenses were less than budget by \$285K. Cash on hand decreased by \$571K in October. Capital purchases were \$31K. Accounts Receivable increased by \$896K in October. Supply expenses were \$141K below budget. Interest on market sweep account totaled \$16.

General Financial Discussion.

- The FTE goal has been reached at 472.
- \$397K was taken out in October for the accelerated payment vs. \$560K in September. We are down to a balance of \$10MM. They have been taking approximately 25% of our reimbursement and starting in September 2022 they will begin taking out 50%.
- Larry pointed out we had a positive EBITDA for the third consecutive month.
- Volumes from the clinic closures have shifted to the other primary care clinics.

ACTION: Matt Soper made a motion to accept the October financial report as presented. Dr. Mixer seconded the motion. All were in favor. None were opposed. Motion carried.

C. 403(b) Retirement Fund Matching

Earlier this year the Board voted to match the 2020 403(b) retirement contributions at 3%, dividing into 3 payments of 1% between 3 quarters in 2021. Unfortunately the hospital has not had the cash to make those payments. In order to make retirement fund payments this year, cash will have to be taken from bonds. If matching funds are going to be paid out for 2020 403(b) retirement contributions, payments must be paid by the end of December 2021. Dr. Speedie recused himself from the discussion and exited the room. The remaining Board members and Executive Team discussed the options at length taking into consideration the desire to do the maximum amount for employees as well as the fiduciary responsibility of the organization.

ACTION: Jean Ceriani made a motion to match the 2020 403(b) employee retirement contributions at 1% [rather than at 3% as previously voted]. Dr. Mixter seconded the motion. Matt Soper was opposed. Motion carried.

In the December Board meeting the Board plans to re-visit the discussion of whether or not to offer retirement fund matching in the foreseeable future.

V. ADMINISTRATION

A. CEO Report. CEO Matt Heyn highlighted positive momentum indicated by the organization's positive EBITDA for 3 consecutive months, Leapfrog Grade A and the fact that \$100,040,000 of our cost report liability has been paid. Matt also informed the Board of the following updates:

- He, Julie Huffman and Matt Soper will be traveling to Washington, D.C. to meet with elected officials in order to plead our case for Sole Community Hospital status.
- After much consultation, a decision has been made to partner with Alpine Women's Center to fill the recent void in GYN services. Delta Health will not be paying for the service; rather the group will lease space from DH and see patients 2 days per week initially. They will do their own billing and collections for professional fees and services.
- The Delta Health employee COVID vaccinated rate is up to nearly 70%.
- Delta Health had a food drive last week and the Foundation had a fund raiser "Cancer Awareness Color Walk and Community Food Drive" on Sunday. The food drive raised 3,000 lbs. of food for our community and \$1,953 cash that was distributed among the food banks in Paonia, Hotchkiss, Cedaredge, Delta and the Abraham Connection.
- Recruiting efforts continue for FPOB's to provide relief to our current FPOB's.

B. COVID Update.

- CCO Jody Roeber shared the West Region Hospital Status Report with the Board.
- A Hospital Incident Command meeting was called on Friday, November 12th to discuss backup support for hospitalists during times of increased capacity as well as nursing shortages and an initiating plan to postpone elective surgeries that require admission if needed. Surgeries will be monitored and evaluated daily and surgeons notified if surgeries must be postponed.
- A surge in COVID + hospitalizations is anticipated after Thanksgiving and during Christmas, similar to 2020. This is more concerning in 2021 with limited critical and Med Surg bed availability in the state. Additionally we have a known increase in travel, a more relaxed atmosphere to social gatherings, waning immunizations, and re-infections rates (1 in 67 Colorado residents are infectious currently).

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 November 10, 2021 Med Exec meeting:

Pre-applications: Roly Kanard, M.D., Hospitalist

New Applications: Neil Anand, M.D., Stat-Rad
Nelson Uzquiano, M.D., Stat-Rad
Edward Hobart, M.D., Stat-Rad
John Hotchkiss, M.D., Stat-Rad

Voluntary Resignations: Robert Baril, D.O., Stat-Rad
Kavin Malhotra, M.D., Stat-Rad

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

B. Chief of Staff Report. Chief of Staff Dr. Laura McCrackin exited for surgery and no report was presented.

VII. OTHER BUSINESS

- Jean Ceriani invited the Board to a gathering with the hospital Foundation Board in December.
- Matt Soper shared a few bill ideas being discussed among legislators.

VIII. EXECUTIVE SESSION

Matt Soper made a motion to go into Executive Session at 7:30 p.m. for a conference with an attorney for the purpose of receiving legal advice on a specific legal question, specifically operational structure and governance under 24-6-402(4)(b). Dr. Mixer seconded the motion. All were in favor, none were opposed. Motion carried.

After a brief recess, Executive Session convened at 7:35 p.m. Present were CLO Julie Huffman, CEO Matt Heyn and Board members Jean Ceriani, Dr. Speedie, Dr. Mixer and Matt Soper.

At 8:21 p.m. Jean Ceriani terminated Executive Session and General Session was reconvened.

IX. ADJOURNMENT

With no further business from the floor, Board Chairman Jean Ceriani **ADJOURNED** the meeting at 8:21 p.m.

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

Date