

DELTA HEALTH
Board of Directors Meeting
Monday, January 17, 2022
Classroom B / Zoom for Public

PRESENT:

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

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 December 2, 2021 Budget Hearing, December 6, 2021 Regular Board Meeting and December 16, 2021 Special Board Meeting were presented by Jean Ceriani.

ACTION: Dr. Speedie made a motion that the minutes of the December 2, 2021 Budget Hearing, December 6, 2021 Regular Board Meeting and December 16, 2021 Special Board Meeting be accepted as presented. Tammy Smith seconded the motion. All were in favor. None were opposed. Motion carried.

III. GUEST SPEAKERS

A. Intelera Update. *Dr. Eric Gerson, Summre Worthy, Kevin Fischer*

Dr. Gerson and Summre Worthy provided an overview of the original timeline planned for the conversion to Intelera and the challenges that have caused delays in the process. They are confident the next go-live date will be in mid-February and that training will be offered in early February.

B. CHA Presentation. *Ben Anderson*

Ben Anderson, VP, Rural Health and Hospitals, shared a Power Point presentation with the Board highlighting CHA's 2020-2022 rural strategy and value the organization provides such as PPE access, CHA's role in patient transfers, air transportation, staffing, tools, capacity assessments, scholarships, technical support, financial support and more. Ben also invited the Board and Administration to the CHA Rural Health and Hospitals Conference that will be held in Golden, CO in March.

IV. FINANCIAL

A. Finance Committee Meeting Highlights. Jean Ceriani highlighted the following from the Finance Committee meeting this morning:

1. DH had over \$20MM in revenue October through December, much of which will not be paid due to inpatient charges with low Medicare and Medicaid reimbursements.
2. The increase in salaries is primarily due to unavoidable overtime resulting from pandemic-related staffing issues.

B. November 2021 & December 2021 Financial Reports, CFO Larry Vincent presented a summary of the November and December financial reports highlighting the following:

November financials resulted in a net gain from operations of \$154,733 compared to a budgeted gain of \$185,329. Admissions for the month were 98 compared to budget of 111 and prior year of 118. Discharges for the month were 98 compared to budget of 112 and prior year of 110. Patient days for the month of November were 639 compared to budget of 386 and prior year of 468. ALOS for November was 6.52 compared to budget of 3.45 and 4.03 prior year. Average daily census was 21.3 compared to budget of 12.9 and prior year of 15.6. Hospital gross revenue for November was \$17,678,296. Physician Prof Fee Gross revenue was \$2,269,751 and Home Health gross revenue for the month was \$181,733. Gross revenue was more than budget by \$1,509K; and deductions from revenue were more than budget by \$2,288K. Net revenue % for November was 35.08% compared to budget of 42.11% and prior year of 37.09%. Salaries, wages, and benefits were \$476K less than budget in November. Salary and contract labor expenses were less than budget by \$73K and group health expense was \$403K less than budget. Total expenses were less than budget by \$414K. Cash on hand increased by \$2,985K in November. Capital purchases were \$0K. Accounts Receivable decreased by \$138K in November. Supply expenses were \$99K above budget. Interest on market sweep account totaled \$0.

December financials resulted in a net loss from operations of \$99,982 compared to a budgeted gain of \$111,794. Admissions for the month were 116 compared to budget of 113 and prior year of 120. Discharges for the month were 123 compared to budget of 110 and prior year of 128. Patient days for the month of December were 610 compared to budget of 378 and prior year of 618. ALOS for December was 4.96 compared to budget of 3.44 and 4.83 prior year. Average daily census was 19.7 compared to budget of 12.2 and prior year of 19.9. Hospital gross revenue for December was \$18,201,349. Physician Prof Fee Gross revenue was \$2,176,354 and Home Health gross revenue for the month was \$177,734. Gross revenue was more than budget by \$1,592K; and deductions from revenue were more than budget by \$4,975K. Net revenue % for December was 22.34% compared to budget of 42.05% and prior year of 34.64%. Salaries, wages, and benefits were \$180K less than budget in December. Salary and contract labor expenses were more than budget by \$111K and group health expense was \$291K less than budget. Total expenses were more than budget by \$207K. Cash on hand decreased by \$1,505K in December. Capital purchases were \$0K. Accounts Receivable decreased by \$278K in December. Supply expenses were \$272K above budget. Interest on market sweep account totaled \$0.

Additional Financial Information.

- Larry Vincent explained that although DH had over \$20MM in revenue October – November, months with higher revenue numbers during the pandemic tend to also have higher contractual write-offs. Medicaid only reimburses 12% for COVID inpatient care which is typically charged at \$200K due to longer lengths of stay as well as additional supplies, staffing and drug spend.
- DH received additional stimulus money of \$2.9MM from HHS in November and another payment from Phase 4 of the Cares Act of \$956K. DH subsequently received an interim settlement audit with CMS that requires a payment of \$1.3MM and the State did a DISH audit for 2017-2018 resulting in a payback requirement of \$647K. DH might receive a credit up to \$200K from the cost report audit that has been accrued at \$900K.
- The interest payment on bonds is due in February.
- The balance sheet reflects an adjustment lowering the bond value based on the annual valuation.
- The FTE analysis reflects 482.9 from 553 in June.
- A cash flow analysis through 2022 was discussed.
- DH needs to begin reinvesting capital into updated equipment that is aging and needs to be replaced.

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

C. Capital Expenditure Request.

1. **Autoclave.** EDON Melissa Palmer presented a CER on behalf of the Surgery Department in the amount of \$95,995.94. The small autoclave is 21 years old, obsolete and only works sporadically. A larger autoclave is needed to re-sterilize multiple instrument sets associated with total joint replacements as well as clinic instruments.

ACTION: Dr. Speedie made a motion to approve the purchase of a new Autoclave in the amount of \$95,995.94. Matt Soper seconded the motion. All were in favor. None were opposed. Motion carried.

V. ADMINISTRATION

A. CEO Report, CEO Matt Heyn

1. 2021 BHAG Completions. Matt Heyn presented a slideshow for the Board that will be shared at 8 all staff meetings next week. The theme this year is the power of resilience acknowledging the staff's hard work. Matt reviewed the strategy map highlighting the four pillars: people, service, quality, and finance & growth as well as the goals that were set for 2021 under each pillar.
2. Approval of Volunteer Bylaws, DH Foundation Director Kaitlyn Jones. Kaitlyn presented the changes made to the Volunteer Bylaws for Board approval.

ACTION: Tammy Smith made a motion to approve the changes to the Volunteer Bylaws as presented. Dr. Mixer seconded the motion. All were in favor. None were opposed. Motion carried.

B. CLO Report, CLO Julie Huffman

1. Election Resolutions
 - o Resolution No. 2022-01. Julie Huffman presented the Authorization for Additional Property Tax Revenues and/or Imposition of a Sales Tax, memorializing the resolution approved by the Board in the January 10, 2022 special Board meeting.
 - o Resolution No. 2022-02. Julie Huffman presented the Resolution for 2022 Special District Election, Authorization for Board Member Election.

ACTION: Dr. Mixer made a motion to approve Resolution No. 2022-02 as presented. Tammy Smith seconded the motion. All were in favor. None were opposed. Motion carried.

- o Resolution No. 2022-03. Julie Huffman presented the Resolution to Designate Posting Location of All Meeting Notices.

ACTION: Matt Soper made a motion to approve Resolution No. 2022-03 as corrected. Tammy Smith seconded the motion. All were in favor. None were opposed. Motion carried.

2. 2022 BOD Meeting Schedule. CLO Julie Huffman opened discussion regarding the November Board meeting being set for the week of Thanksgiving as well as only two weeks from the December Board meeting. The Board and Administration agreed to leave the November 2022 meeting scheduled as-is.

C. CCO Report, CCO Jody Roeber

- COVID Update.
 - o CCO Jody Roeber provided a brief update on the hospital census.
 - o Jody informed the Board that there has been a rise in the Omicron variant across the state and that an estimated 1 in every 10 people in CO are COVID positive. It is highly recommended that people continue to take precautions.

- There is only one monoclonal antibody that is effective against the Omicron variant. Only the highest risk patients are receiving it at DH at this time due to limited supplies.
- There will be a meeting this week to discuss preparedness in the event of an Omicron outbreak in the area.

VI. MEDICAL STAFF

A. Medical Staff Credentialing. Dr. Mixter presented the following update from the Med Exec Committee:

The following credentialing applications were reviewed and approved in the January 12, 2022 Med Exec meeting:

New Applications: Jeremiah Jensen, M.D., Stat-Rad
Justin McCoy, M.D., Stat-Rad
Shareef M. Riad, M.D., Stat-Rad
Harry Genovely, M.D., Western Slope Cardiology
Ravishankar Kalaga, M.D., Western Slope Cardiology
Mouhamad Mansour, M.D., Western Slope Cardiology
John William Moore, M.D., Western Slope Cardiology
Daniel Soroff, M.D., Western Slope Cardiology
Molly Hartman, CRNA
Melissa DeWolfe, M.D., Surgery Locum

Re-Applications: Andrew Gross, M.D., Emergency Medicine

Voluntary Relinquishments of Privileges: Abbas Chamsuddin, M.D., Stat-Rad
Sanjeevi Vridhachalam, M.D., Stat-Rad

ACTION: Dr. Mixter 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. *Chief of Staff Dr. Laura McCrackin*

- Dr. Gerson joined the Med Exec Committee meeting on January 12th and the Committee was pleased to have a better understanding of the Intelrad delays. The Committee agreed the radiology group is doing an excellent job.
- OPPEs (Ongoing Professional Practice Evaluations) were presented for Q4 2021. The reports will have a few more parameters included, including meeting attendance and total CMEs for the year.
- Dr. McCrackin thanked Foundation on behalf of the Emergency Department staff for the new restraint bed.
- Dr. Carl Malito has retired and today was his last day.
- The Surgery/Inpatient Committee continues to look for a Chairperson. They have someone in mind and will make it public when the Surgery Committee has voted.
- A surgery block was approved for the ENT's and new general surgeon, Dr. William Cole, who will be here in July 2022.
- 2022 goals were discussed and included medical staff engagement and participation.

VII. OTHER BUSINESS

- Matt Soper announced that he will be a ranking member for the House Republicans on the Health and Insurance Committee this year.
- Matt Soper also gave a brief overview of upcoming legislation concerning health care.
- Jean Ceriani encouraged the Board members to attend the upcoming CHA Rural Health and Hospitals Conference.

IX. ADJOURNMENT

ACTION: Tammy Smith made a motion to adjourn the meeting. Dr. Speedie seconded the motion. All were in favor. None were opposed. Motion carried.

With no further business from the floor, Board Chairman Jean Ceriani **ADJOURNED** the meeting at 7:22 p.m.

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

Date