

DELTA HEALTH
Board of Directors Meeting
Monday, October 18, 2021
Classroom B / Zoom for Public

PRESENT:

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

MEETING MINUTES:

I. CALL TO ORDER

The Board of Directors meeting was called to order at 5:29 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 September 21, 2021 Regular Board Meeting were presented by Jean Ceriani.

ACTION: Tammy Smith made a motion that the minutes of the September 21, 2021 Regular Board Meeting be accepted as presented. Matt Soper seconded the motion. All were in favor. None were opposed. Motion carried.

III. FINANCIAL

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

- The ALOS was 5.42 in the month of September mostly due to very sick patients.
- FTE's have decreased to fewer than 500.
- ED and PT are doing well. Radiology is also seeing an increase in volume. They saw 104 patients in one day and are now able to schedule patients within 2-3 days.
- The VA owes Delta Health approximately \$1.3MM. DH recently received a VA payment of \$300K.
- Net income was a loss of \$103K reflecting a marked improvement.
- The Case Mix Index was 1.66.

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

September financials resulted in a net loss from operations of \$103,739 compared to a budgeted gain of \$600,923. Admissions for the month were 97 compared to budget of 110 and prior year of 120. Discharges for the month were 96 compared to budget of 111 and prior year of 119. Patient days for the month of September were 520 compared to budget of 393 and prior year of 391. ALOS for September was 5.42 compared to budget of 3.54 and 3.40 prior year. Average daily census was 17.3 compared to budget of 13.1 and prior year of 14.5. Hospital gross revenue for September was \$16,931,495. Physician Prof Fee Gross revenue was \$2,534,511 and Home Health gross revenue

for the month was \$210,229. Gross revenue was more than budget by \$696K; and deductions from revenue were more than budget by \$1,237K. Net revenue % for September was 37.80% compared to budget of 42.03% and prior year of 41.61%. Salaries, wages, and benefits were \$455K less than budget in September. Salary and contract labor expenses were less than budget by \$316K and group health expense was \$139K less than budget. Total expenses were less than budget by \$333K. Cash on hand decreased by \$1,343K in September. Capital purchases were \$0K. Accounts Receivable increased by \$23K in September. Supply expenses were \$6K below budget. Interest on market sweep account totaled \$21.

ACTION: Matt Soper made a motion to accept the Finance Committee report. Dr. Speedie seconded the motion. All were in favor. None were opposed. Motion carried.

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

C. General Financial Discussion.

- Volumes are trending lower so far in the month of October.
- Last month CMS withheld \$1.4MM for 2 weeks claiming they did not receive a Delta Health report that was sent twice with confirmation. When CMS paid us back, they withheld \$761K for the cost report and \$559K for the accelerated payment. This drained cash flow for the month of September. Payroll this week will likely have to be paid from savings rather than cash. They are withholding 25% from every Medicare payment to repay the accelerated payment.
- The cash flow projection extends through 2022 but does not currently reflect the savings that will be realized from the new GPO contract.
- We are expecting Medicaid reimbursement of \$500-600K, which will affect cash flow going forward.
- Almost every department showed an increase in volume. The Pain Clinic that opened in July broke even in September. The clinics that absorbed the volumes from the clinic closures are showing high volumes as well.

IV. ADMINISTRATION

A. CEO Report. CEO Matt Heyn reported to the Board. Highlights include:

- Delta Health has had a positive EBITDA 3 months in 2021, including August and September. Cash collections, however, continue to be a significant challenge.
- Administration is looking into the possibility of refinancing our bond debt for a lower interest rate.
- We are still awaiting a response to our application for the Track One Rural Healthcare Grant.
- The hospital is working with a team of lobbyists to assist in continued efforts to achieve Sole Community Hospital status.
- One longer term strategy being explored to help secure the financial position of Delta Health into the future is the possibility of a sales tax referendum on the May ballot. Delta Health is working with a public affairs firm to conduct a fiscal analysis and polling to see if such a ballot measure has any chance of passing. The poll will help Delta Health learn what constituents want for their hospital and if they are willing to invest in order to keep DH locally owned and controlled. Matt distributed the proposed polling survey and after discussion, the Board agreed to accept the survey questions as presented.

B. COVID Update.

- CCO Jody Roeber shared the West Region Hospital Report with the Board.
- Jody also informed the Board that Delta Health now has an adequate supply of monoclonal antibodies and has administered over 100 doses to-date. We have only had two patients experience strong reactions to the monoclonal antibodies. Once recovered from their reaction,

both patients' COVID symptoms still improved showing benefits from receiving the antibodies.

V. 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 October 13, 2021 Med Exec meeting:

New Applications: Matthew Hermann, M.D., Stat Rad
Robert Maxey, M.D., Stat Rad
Mandy Glasmeyer, CRNA
Dustin Davis, DPM

Re-applications: Christopher Cook, DPM

Voluntary Relinquishment of Privileges: Brian Eades, M.D., OB/GYN
Ashley Hilliker, P.A.

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

B. Chief of Staff Report. Vice Chief of Staff Dr. Jonathan Richman reported to the Board of Directors the following:

- Dr. Richman highlighted the changes made to the Medical Staff Rules and Regulations.
- Proposed changes in the verbiage of the Bylaws will be voted on at the Annual Medical Staff meeting in November. The updated Bylaws will then be brought to the Board for review in December.
- Service Committee reports from physician meetings:
 - The Emergency Department is researching how to make their mental health room safer for both patients and our staff members.
 - The Surgery Department approved a block request for the ENT group from Grand Junction to continue coming to Delta for surgeries on the last 2 Wednesday afternoons of the month.
 - DH is actively recruiting for two more FM OB providers. The OB unit is also struggling to keep enough nurses on staff.
- The Culture of Safety policy was used to investigate departmental concerns with a few providers. One complaint was quickly nullified after research showed it was a communication misunderstanding. Two other issues will be handled within their respective departments.

VI. OTHER BUSINESS

- Julie Huffman opened discussion regarding videotaping BOD Meetings. Pros and cons were discussed and the Board ultimately agreed to videotape the next two regular BOD meetings and post a link to the recordings on the Delta Health website. The topic will be brought back to the January 2022 BOD meeting for further discussion.
- Matt Soper shared a few bill ideas being discussed among legislators.

VII. EXECUTIVE SESSION

Tammy Smith made a motion to go into Executive Session at 6:35 p.m. for (1) developing strategy for negotiations and instructing negotiators, specifically the contract with Humana under 24-6-402(4)(e); (2) conference with an attorney for the purpose of receiving legal advice on a specific legal question, specifically operational structure and governance and an update on two pending lawsuits under 24-6-402(4)(b); and (3) the sale of real property under 24-6-402(4)(a). Matt Soper seconded the motion. All were in favor, none were opposed. Motion carried.

After a brief recess, Executive Session convened at 6:40 p.m. Present were CLO Julie Huffman, CEO Matt Heyn and Board members Jean Ceriani, Dr. Speedie, Dr. Mixer, Tammy Smith and Matt Soper.

At 8:15 p.m. Jean Ceriani terminated Executive Session and General Session was reconvened.

VIII. ADJOURNMENT

With no further business from the floor, Board Chairman Jean Ceriani **ADJOURNED** the meeting at 8:15 p.m.

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

Date