

DELTA HEALTH
Board of Directors Special Meeting/Board Retreat
The Lodge at Needle Rock, Crawford, CO
Thursday, July 14, 2022 and Friday, July 15, 2022
MEETING MINUTES

PRESENT FOR 7/14/2022 EXECUTIVE SESSION:

Jean Ceriani, Chairman	Tammy Smith, Member	Julie Huffman, CLO
Doug Speedie, M.D, Vice Chairman	Matt Soper, Member	
Bruce Mixter, M.D., Secretary/Treasurer	Matt Heyn, CEO	

I. EXECUTIVE SESSION

9:30 a.m. – 11:30 a.m.:

- (1) The purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest under §24-6-402(4)(a), specifically Delta Surgical Associates and 95 Stafford Lane.
- (2) Conference with an attorney for the purpose of receiving legal advice on a specific legal question under 24-6-402(4)(b), specifically the roles and responsibilities of corporate in-house counsel.
- (3) Personnel matters under 24-6-402(4)(f), specifically administrative, nurse, and CRNA salaries.

PRESENT FOR 7/14/2022 GENERAL SESSION:

Jean Ceriani, Chairman	Matt Heyn, CEO	Dr. Laura McCrackin, COS
Doug Speedie, M.D, Vice Chairman	Julie Huffman, CLO	<u>Guest Speakers:</u> Cari Dillon, Pharmacy Director
Bruce Mixter, M.D., Secretary/ Treasurer	Larry Vincent, CEO	Mitch Van Scoyk, Director of Information Systems
Tammy Smith, Member	Rhonda Katzdorn, Executive Director of HR	Matt Phillips, Meditech
Matt Soper, Member	Vickie Moore, Executive Director of Clinic Operations	Jeremy Burke, Meditech

II. GENERAL SESSION

A. Call to Order

The Board of Directors General Session Special Meeting was called to order at 1:12 p.m. by Board Chairman Jean Ceriani.

B. Retreat Discussions

1. 340B Drug Pricing Program

Cari Dillon presented a general overview of the 340B Drug Pricing Program and how it allows us to access pharmacy drugs at lower prices. Generally, hospitals that qualify get a 32% discount. Only 340B eligible patients allow us to access the discount and she described the criteria patients must meet in order to qualify. We have established a 340B steering committee to oversee and manage the 340B program. We have been eligible to participate in 340B before, and realized over 10 million in savings total. Cari described how our DSH (Disproportionate Share) percentage is calculated, which is directly tied to our eligibility.

There are different participation rules depending on what status you are entering the program under. We are now eligible because of our new status as a Sole Community Hospital. There are some unique benefits to being a Sole Community Hospital as it relates to the 340B program. One benefit is that our DSH percentage requirement has now been lowered to 8 (down from 11.5%). We were at 8.83 this year and so we qualify. This is actually low for us so there is no indication we will ever not qualify, at least in the foreseeable future.

Cari explained how our new GPO (HealthTrust) is going to further impact our participation in the program. As a Sole Community Hospital we will not need to spend more to offset the drug discount under 340B. Cari also explained how 340B affects our Orphan Drug Exclusion.

Delta Health Family Medicine, Adult Primary Care, Oncology/Infusion and West Elk Hotchkiss are Rural Health Clinics and/or Provider Based Clinics are also labile for 340B pricing. The IUDs are the largest percentage of our savings in those clinics. We have several potential contract pharmacies that can result in savings to us as well under 340B, such as Walmart, Walgreens, specialty pharmacies, etc.

Our conservative estimate of our savings under 340B is \$3.9 million. This is extremely regulation heavy, and strict compliance is necessary to maintain our eligibility. We will be hiring a 340B manager to assist in the implementation, management and reporting of our compliance with 340B program requirements.

2. Meditech Expanse

Mitch gave a summary of the history behind our use of Meditech as our Hospital EMR beginning in 1998, as well as the changes in our organizational needs and to modern technology which have led us to a place where we need to look at upgrading to a more inclusive and modern EMR system. We have considered other large EMR systems including Cerner and EPIC, but we have ruled those out for various reasons that make them less optimal for our organization. For these reasons we are recommending an upgrade to Meditech Expanse for our organization. Meditech has been a stable, reliable EMR for us. We will not need to purchase any additional software to move to Meditech Expanse, but rather we will only pay an upgrade and implementation fee.

Jeremy and Matt with Meditech Expanse presented the benefits of the program to the Board via slideshow and oral presentation. [Jeremy Burke, Matt Phillips, Cari Dillon and Mitch Van Scoyk left the meeting]

Larry presented the ROI (Return on Investment) to the Board. While it is in an initial large outlay of cash, the ROI shows how the upgrade to Meditech Expanse is not only going to unify our current EMR systems but ultimately save us money in a fairly short amount of time.

The Board inquired regarding physician receptivity to this move, as well as the decrease in productivity while physicians are learning the new system. Vickie reported that while clinic physicians are not excited to change their EMR, they understand the benefits to the organization. It is estimated that productivity will be cut in half for about six months during the transition. Dr. McCrackin expressed the concern regarding a move away from Athena for the ambulatory clinics from a provider perspective. The physicians need an opportunity to explore the Meditech Expanse platform prior to a commitment being made. The transfer of information from one system to another is going to result in a loss of charts and chart information.

Local area hospitals who already participate in Meditech Expanse have open invitations to hospitals considering the program to come and explore the pros and cons and test the product.

The Board will continue to explore the move to Meditech Expanse but financially it cannot happen before April 2023. That being the case, Julie Huffman explained the urgent need for the Meditech Oncology and scheduling modules ASAP. The price is approximately \$409K. The Board had a couple of questions regarding this purchase and Larry will get answers to the Board by Monday's meeting. The Board would also like to speak to the Oncology Director, Nysha Wilson, before making a final decision.

3. CER Prioritization

The Board discussed the list of pending CERs (Capital Expenditure Requests) and prioritized their expense based upon the needs of the organization. Based upon the discussion had on each item, the Board approved the following in the following order:

a. Pharmacy Remodel.

ACTION: Bruce Mixter made a motion to move forward with the pharmacy remodel. Dr. Speedie seconded the motion. With no further discussion, the vote passed unanimously to proceed with the pharmacy remodel.

b. Crack Fill/Seal Coat/Paint Parking Lot.

ACTION: Dr. Speedie made a motion to proceed with the repair of the parking lot. Tammy Smith seconded the motion. With no further discussion, the vote passed unanimously.

c. Portable X-Ray Machine.

ACTION: Tammy made a motion to purchase a portable x-ray machine for not more than \$110,000. Matt Soper seconded the motion. With no further discussion, the vote passed unanimously.

The above 3 items the Board approved funding now, but the remainder will need to wait until our cash position has improved. They will consider the remainder of the items each month as cash allows. The Board then proceeded with categorizing the more critical items remaining on the list. The most critical remaining items are #9 – Monitors, #10 – Ventilators, #7 – Microscope, #8 – Scanner and Interface, and #4 – Chiller Refrigerant Leak Alarm.

4. PT Build-out

The Board discussed the PT build-out that has been on hold for over a year. Our cash is still not in a position to move forward with this expense and it will remain on hold indefinitely. We have several other deferred financial priorities that are mission-critical before we can move forward with this initiative. Julie Huffman has reached out to Stryker to find out what our damages/penalty (if any) would be if we cancelled the contract. She did not receive a response prior to the meeting, but she will communicate the answer when it comes in.

5. Sales Tax Transparency

The Board discussed the need to keep detailed records of every tax dollar received and spent, and ensure that all expenditures are in line with the stated purposes of the tax. Larry explained how the sales tax will be tracked on a separate internal ledger in accounting, and reported monthly at Finance Committee and Board meetings.

Meeting recessed at 4:49 p.m.

PRESENT FOR 7/15/2022 GENERAL SESSION:

Jean Ceriani, Chairman

Matt Soper, Member

Matt Heyn, CEO

Bruce Mixter, M.D., Secretary/ Treasurer

Tammy Smith, Member

Julie Huffman, CLO

Not Present:
Doug Speedie, M.D, Vice
Chairman

II. GENERAL SESSION RECONVENED

The Board of Directors General Session Special Meeting reconvened at 8:08 a.m.

6. Rural Provider Stimulus Grant Program

Matt Soper sponsored a bill, which provides grant funding to Colorado rural healthcare facilities. Funds may be used for any number of things that support access and affordability of healthcare in rural communities. October will be the deadline for applications. We will start planning and working on our proposal soon so that we can benefit from this opportunity.

7. Strategy Map Review, Patient Satisfaction & Emergency Department

Matt Heyn discussed our current strategy map, BHAGs and associated Departmental goals and how those need to be more focused on improving patient satisfaction. Patients routinely report that their inpatient experience is excellent but their experience in the emergency room is poor. Patients' initial impression of their ED care is likely having a negative impact on patient satisfaction scores. The Board discussed how the physical layout of the emergency waiting area and emergency room likely impacts the patient experience. The Board discussed specific examples of patient experiences in our emergency and walk-in clinics. Some patients report a feeling that there is lack of teamwork and impolite patient care in the ED.

A total remodel of our ED Department is still needed. In order to achieve our ED build out goals, we need to be debt free and fundraise at least 20% of the overall cost. The ER is our "front door" and we want it to be the best.

Relative to poor patient satisfaction scores, we get a lot of complaints about serving Shasta soda versus a name brand soda company. This would be an easy fix that may improve our patient satisfaction scores.

It was suggested that the Patient Family Advocacy Committee be more fully-utilized to help improve patient complaints. Bruce Mixter would like to start attending these meetings so that legitimate concerns can be adequately addressed. Clinical administration representation is currently also there to help address concerns.

Matt Soper encouraged the Board and Administration to explore out-of-the-box ideas to increase access to our services, extended hours, and other approaches that increase access when people need it, not just 8-5 care. Better access will also help improve patient satisfaction.

8. Conclusions

The Board expressed a desire to see the new Delta Family Medicine Clinic remodel. It was decided the Board will meet at 4:50 Monday, July 18th (prior to the Board meeting) to tour the new Delta Family Medicine Clinic.

Jean expressed her gratitude for the opportunity to serve on the Board and to help improve our organization and its effect on healthcare in our communities. She is grateful that the Board had the chance to meet in this retreat setting and really go in-depth on many issues that help us continue to strive for greatness. "If we are thoughtful the money we will be able to achieve our big goals and focus on more than just making ends meet. We cannot provide every service, we cannot do it all, but the services we do provide need to be the best."

Tammy also expressed grateful sentiments regarding her service on the Board for the retreat. "It speaks volumes that the Board agreed to pay their own fee for the retreat in order to come together and spend extended time working on important issues that impact our future."

Matt Heyn expressed his hope for a bright future after lots of struggles throughout COVID and our financial crises. "There is a bright future to look forward to."

III. ADJOURNMENT

ACTION: Bruce Mixter moved that the meeting be adjourned. Matt Soper seconded the motion. All voted in favor of adjournment.

Meeting adjourned at 9:34 a.m.