

DELTA HEALTH
Board of Directors Meeting
Tuesday, September 21, 2021
Classroom B / Zoom for Public

PRESENT:

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

MEETING MINUTES:

I. CALL TO ORDER

The Board of Directors meeting was called to order at 5:31 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 August 16, 2021 Regular Board Meeting were presented by Jean Ceriani.

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

2. The minutes from the August 27, 2021 Special Board Meeting were presented by Jean Ceriani.

ACTION: Dr. Speedie made a motion that the minutes of the August 27, 2021 Special Board Meeting be accepted as presented. Tammy Smith seconded the motion. All were in favor. None were opposed. Motion carried.

III. PUBLIC COMMENT

- A. Community member Terry O'Brien made a request for DH Board meetings to be recorded via Zoom and posted to our website. He also expressed his concerns about a lack of voting or Board action after recent Executive Sessions.

The Board discussed the request. Options for posting recordings will be researched and additional information will be brought to the October BOD meeting for further discussion and consideration.

IV. FINANCIAL

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

- Without the payment to BKD, August would have been a break-even month.
- Volume revenue is holding strong at \$19MM.
- The RIF savings are now reflected in the financial reports.
- Surgery volumes are steady.
- Over \$450k will be saved by renegotiating the GPO contract.
- CMI was down partly due to very sick patients.
- We look to be on track to qualify for 340B, which would increase our drug reimbursements beginning July 1, 2022.

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

August financials resulted in a net loss from operations of \$190,062 compared to a budgeted gain of \$600,923. Admissions for the month were 107 compared to budget of 116 and prior year of 108. Discharges for the month were 97 compared to budget of 116 and prior year of 112. Patient days for the month of August were 485 compared to budget of 400 and prior year of 440. ALOS for August was 5.00 compared to budget of 3.45 and 3.93 prior year. Average daily census was 15.6 compared to budget of 12.9 and prior year of 15.7. Hospital gross revenue for August was \$16,887,081. Physician Prof Fee Gross revenue was \$2,668,010 and Home Health gross revenue for the month was \$194,597. Gross revenue was less than budget by \$864K; and deductions from revenue were more than budget by \$264K. Net revenue % for August was 39.05% compared to budget of 42.89% and prior year of 43.00%. Salaries, wages, and benefits were \$399K less than budget in August. Salary and contract labor expenses were less than budget by \$304K and group health expense was \$95K less than budget. Total expenses were less than budget by \$395K. Cash on hand decreased by \$499K in August. Capital purchases were \$0K. Accounts Receivable increased by \$533K in August. Supply expenses were \$168K below budget. Interest on market sweep account totaled \$44.

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

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

C. **General Financial Discussion.**

- CFO Larry Vincent was encouraged that revenue has been holding.
- The accelerated payment repayment has not occurred yet. Larry anticipates it will start to come out of our PIP payments beginning Monday.
- The cost report payment plan was denied due to a claim that Delta Health did not meet the hardship rule. That denial is being appealed. If the payment plan is denied again, a payment of \$1.2MM will have to be paid all at once.
- The cost report process will start in January in order to file by April in hopes of qualifying for the 340B program by July 1st.
- The Delta Family and West Elk clinics reached record volumes in the month of August. Dr. Speedie later went on record thanking the clinic providers for their hard work in achieving higher volumes.
- Some causes for the ALOS being 5.00 in the month of August are: very sick patients, ALOS of 14.33 in the ICU, the nursing shortage causing placement challenges, and Humana's new requirement for pre-authorization for Home Health services.
- CMS has been withholding money for the last two weeks due to a glitch on their end. So far they have withheld approximately \$800k. The issue has reportedly been fixed.

- Larry is tracking the hospital inpatient payer mix to monitor the ratios and our likelihood to qualify for the 340B Drug Discount Program. We are currently close to the required ratio.

D. Capital Expenditure Request.

- 1. Paonia Clinic Conversion to PT.** Director of Plant Operations, George Baier, presented a CER for the remodel needed to convert the Paonia Walk-In Clinic space to a space appropriate for physical therapy/rehabilitation services. George shared the long term savings that Delta Health will realize by moving from a rented space at \$6,200 per month plus all utilities, to a hospital-owned property with lower utility costs. Discussion ensued regarding the possibility of utilizing other space owned by Delta Health and selling the Paonia property. Since the research showed those options were not feasible, the Board agreed to move forward with the Paonia Clinic conversion. An additional CER will be brought to the Board for approval in March or April for central HVAC for the Paonia PT Clinic with an expected cost of \$8-9k.

ACTION: Dr. Speedie made a motion to approve the Paonia Clinic Conversion to PT in an amount up to \$30,000. Dr. Mixer seconded the motion. All were in favor. None were opposed. Motion carried.

- E. My Loans Approval.** Bank of Colorado offered their My Loans program to Delta Health that will enable patients who cannot afford surgery to set up a loan with them to cover surgery expenses. The bank will pay the hospital directly for the surgery services in full and patients will make loan payments to the bank.

ACTION: Tammy Smith made a motion to authorize Delta Health Administration to set up a My Loans account with Bank of Colorado. Matt Soper seconded the motion. All were in favor. None were opposed. Motion carried.

V. ADMINISTRATION

A. CEO Report.

- CEO Matt Heyn shared his optimism resulting from volumes starting to stabilize, point of service cash collections trending up, days cash on hand starting to stabilize and benefits being down compared to this time last year -- all while learning to work with less staff.
- Matt announced that Intermountain Healthcare and SCL Health plan to merge. St. Mary's will become Intermountain St. Mary's.
- Delta Health submitted their Leapfrog data and we are anticipating a Grade B. The results are expected by mid-October or early November. Delta Health's data will be submitted to Leapfrog twice a year going forward.
- Matt commended the orthopedic surgeons for being instrumental in helping to negotiate a change in group purchasing of joint implants that will result in an anticipated annual savings of \$450k. The GPO change is also anticipated to save \$250k annually in Pharmacy spend and \$800k in medical supplies.
- In response to the State mandate, Delta Health will be finalizing the COVID vaccination policy by the end of the week. The policy will support the mandate and hopefully prevent staff from leaving the organization. All staff meetings regarding the policy will be conducted next week.

B. COVID Update.

- CCO Jody Roeber reported a COVID-19 update to the Board.
 - Although we continue to give monoclonal antibodies, they are now on allocation across the state. We have only received 25% of what we have ordered in recent weeks.
 - Jody shared the regional situational awareness report.
 - A meeting to review the Surge Plan / Emergency Operations Plan is planned for this week.

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 September 8, 2021 Med Exec meeting:

Pre-Applications: Dustin Davis, DPM

New Applications: Brad Feldaverd, CRNA – Locum, Anesthesia
Mark Baller, CRNA – Locum, Anesthesia
Virginia Herbert, M.D. – Locum, General Surgery
Eric Rieger, M.D. – Locum, General Surgery

Re-applications: Joe McBeain, CRNA, NSPM – Pain Clinic

End of Provisional Status: Carey Simon, CRNA

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. Chief of Staff Dr. Laura McCrackin reported to the Board of Directors the following:

- The State reviewed the Delta Health trauma program last week. There were no deficiencies. The State determined we met all criteria and re-designated Delta Health as a Level IV Trauma Center deemed to be a model to the entire state.
- CCO Jody Roeber shared appreciation for Dr. McCrackin and Dr. Gordon's participation in the trauma program.
- Committee has created a new 90 day & 6 month review for new clinic providers.
- Kevin Fischer updated the Committee on connecting the WCRA radiologists to PACs from GJ to increase the night read schedule.
- Dr. Amber Angles is the new OB Peds Chairperson. Without OB GYN back-up in Delta, the obstetric physicians will no longer be scheduling V-backs. Also, until new obstetric providers are on staff, twin deliveries will be transferred.
- The Marketing Department is working with Dr. Angles to publicize obstetric care in Delta still being offered.
- Dr. Jonathan Richman continues to lead the new Provider Wellness Committee.
- Dr. John Knutson has volunteered to coordinate the monthly Grand Rounds meeting.

C. Approval of Amended Medical Staff Bylaws. A redlined version of the Medical Staff Bylaws was presented for the Board's review and approval.

ACTION: Matt Soper made a motion for the Board of Directors to approve the changes to the Medical Staff Bylaws as presented. Tammy Smith seconded the motion. All were in favor. None were opposed. Motion carried.

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VII. OTHER BUSINESS

- Jean Ceriani thanked Dr. Mixter for volunteering to be the Delta Health Foundation Board Secretary.
- Matt Soper reported that he, Matt Heyn and Julie Huffman spoke with a lawyer lobbying team to recommend lobbying to change the Federal Statute on Sole Community Hospital status.
- Matt Soper also informed the Board that Delta County resident Joe Carlson has joined the St. Mary's Hospital Board of Directors.

VIII. EXECUTIVE SESSION

Tammy Smith made a motion to go into Executive Session at 7:05 p.m. for (1) conference with an attorney for the purpose of receiving legal advice on a specific legal question (CRS 24-4-402(4)(b)), and (2) Lease or Sale of Real Property, CRS 24-4-402(4)(a). Matt Soper seconded the motion. All were in favor, none were opposed. Motion carried.

After a brief recess, Executive Session convened at 7:10 p.m. Present were CLO Julie Huffman, CEO Matt Heyn and Board members Jean Ceriani, Dr. Speedie, Dr. Mixter, Tammy Smith and Matt Soper.

At 7:11 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 8:13 p.m.

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

Date