

DELTA HEALTH
Board of Directors Meeting
Monday, May 16, 2022
Mesa Lake / Zoom or Crag Crest for Public

PRESENT:

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
Bruce Mixter, M.D., Secretary/ Treasurer	Larry Vincent, CFO	Laura McCrackin, M.D., Chief of Staff
Matt Soper, Member	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 as well as in-person.

A. Swearing in of Re-elected Board Members

Tammy Smith, Dr. Mixter and Dr. Speedie were all sworn into office by CLO Julie Huffman. The Oaths of office were signed and notarized.

B. Election of Board Officers

ACTION: Dr. Mixter made a motion to close nominations for the Board officers and to keep the officers as previously appointed. Tammy Smith seconded the motion. All were in favor. None were opposed. Motion carried.

Jean Ceriani will remain the Board Chairman, Dr. Speedie will remain the Board Vice Chairman and Dr. Mixter will remain the Board Secretary/Treasurer.

C. Board Bonds for Re-elected Board Members

The re-elected Board members signed their bonds before a witness.

D. Conflict of Interest Statements

Conflict of Interest Statements were signed and notarized for all Board members.

E. Appointment of New Finance Committee Member

Matt Soper appointed Tammy Smith to replace him on the Finance Committee.

III. PUBLIC COMMENT

Community member David Moran addressed the Board of Directors via ZOOM congratulating Delta Health on gaining Sole Community Hospital status as well as the sales tax.

IV. CONSENT AGENDA

A. Approval of Previous Board Meeting Minutes

1. The minutes from the April 18, 2022 Regular Board were presented by Jean Ceriani.

ACTION: Matt Soper made a motion to accept the minutes of the April 18, 2022 Board Meeting as presented. Dr. Mixer seconded the motion. All were in favor. None were opposed. Motion carried.

V. FINANCIAL

A. Finance Committee Meeting Highlights. Matt Soper highlighted the following from this morning's Finance Committee meeting:

- Contract labor remained high in April. The Finance Committee discussed strategies for decreasing contract labor.
- Surgeries overall were down mostly due to vacations.
- FTE's were down from March at 485 compared to 512.
- Delta Family Medicine is performing well.
- Home Health volume dropped in April but is increasing in the month of May.

CFO Larry Vincent added the following:

- DH is working with BKD to recover some funds back from FEMA.
- Volume for May is trending a little higher than April.
- Average length of stay dipped below 4 in April.
- CMI was down from prior year which lowers reimbursement and takes a toll on income.
- Cardiac Rehab and Infusion continue to see increases from budget and prior year.
- Surgeries are trending better in May so far.
- 60 to 90 days after our cost report is filed we will know more about how SCH status will affect us.
- Last year's cost report is being reviewed for accuracy for the Medicare and Medicaid days and we are re-filing our 2019 cost report in an effort to possibly file a waiver to qualify for 340B going forward.
- The sales tax revenue won't start being received until September 6th.

The following is a CFO summary of highlights of the reports provided to the BOD but not discussed in further detail in this meeting:

April financials resulted in a net loss from operations of \$555,068 compared to a budgeted loss of \$125,835. Admissions for the month were 102 compared to budget of 100 and prior year of 88. Discharges for the month were 102 compared to budget of 97 and prior year of 86. Patient days for the month of April were 402 compared to budget of 391 and prior year of 349. ALOS for April was 3.94 compared to budget of 4.00 and 4.06 prior year. Average daily census was 13.4 compared to budget of 13.0 and prior year of 11.6. Hospital gross revenue for April was \$15,229,333. Physician Prof Fee Gross revenue was \$2,513,334 and Home Health gross revenue for the month was \$178,786. Gross revenue was more than budget by \$740K; and deductions from revenue were more than budget by \$1,455K. Net revenue % for April was 34.85% compared to budget of 40.51% and prior year of 38.43%. Salaries, wages, and benefits were \$570K more than budget in April. Salary and contract labor expenses were more than budget by \$596K and group health expense was \$26K less than budget. Total expenses were more than budget by \$429K. Cash on hand decreased by \$261K in April. Capital purchases were \$138K. Accounts Receivable increased by \$237K in April. Supply expenses were \$172K below budget.

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

B. Proposed Bylaw Amendments. Matt Soper proposed amendments to the Bylaws of Delta County Memorial Hospital District with regard to access to digital financial records for Board members.

ACTION: Dr. Mixer made a motion to adopt the proposed changes to the Bylaws of Delta County

Memorial Hospital District as presented. Matt Soper seconded the motion. All were in favor. None were opposed. Motion carried.

VI. ADMINISTRATION

A. CEO Report, CEO Matt Heyn reported the following:

- Since the biggest benefit of achieving SCH status is dropping the DSH percentage requirement from 11% to 8% to qualify for the **340B** program, we continue to work diligently to make sure all of the Medicaid days were captured in the previous calculations.
- The high **contract labor** expense has been due to the staffing shortage (nurses, RT's, etc.). DH is looking for ways to lower contract labor expenses. Rates are starting to decrease as the demand decreases.
- Delta Health is currently looking at ways to potentially put together competitive bid to make sure we are receiving the best **reference lab pricing** for the lab services we outsource.
- The move-in date for Delta Family Medicine into the **70 Stafford** medical building has been moved up to August from September.
- Last week Delta Health celebrated **Nurses Week** and **Hospital Week**. The Nutrition Services Dept. did an outstanding job. Through the challenges we continue to be thankful for our staff and enjoyed celebrating them.
- Delta Health's spring **Leapfrog score** was a Grade B. HCAHP scores and our C-Diff rate contributed to our score going from a Grade A to a Grade B. The next score will come out in the fall.

B. Sales Tax on Retail Marijuana, CLO Julie Huffman.

The Department of Revenue requires our Board of Directors to adopt a resolution stating whether or not Delta Health's new sales tax will apply to retail marijuana. Discussion ensued.

ACTION: Matt Soper moved to adopt a resolution stating Delta Health chooses to apply its sales tax to retail marijuana. Dr. Speedie seconded the motion. Dr. Mixer was opposed. All others were in favor. Motion carried.

VII. 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 May 11, 2022 Med Exec meeting:

New Applications: Mark Noel, D.O., ENT
Carole Vincent, D.O., General Surgery

Re-Applications: Johnathan Richman, M.D., Family Medicine

End of Provisional From WCRA: Anthony Bullard, M.D.
Roy Erb, M.D.
Eric Gerson, M.D.
Chris Hampson, M.D.
Michael Welling, M.D.

Resignations from WCRA: Tim Bender, M.D.
Derek Bergson, M.D.
Ryan Redelman, M.D.

ACTION: Dr. Mixer 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. McCrackin* shared with the Board the following:

- The May 5th & 6th Trauma Conference was a great success.
- The ED is awaiting a special door for the new safe room.
- The OB Dept. had a record number of births in April. Dr. Angles is doing well as the OB Committee Chair.
- The Enhanced Recovery After Surgery (“ERAS”) program is doing well and is already showing improvements in our patient care and decreasing lengths of stay.
- CLO Julie Huffman has been assisting the service committees set up proctoring policies and onboarding of new physicians and performance process review.
- The medical staff will have a meeting in June.

VIII. OTHER BUSINESS

- Matt Soper gave an overview of current and upcoming legislation concerning health care.
- The Board discussed options for a Board retreat in the near future. Jean Ceriani and Matt Soper will look into venue options and report back in the June meeting.

IX. EXECUTIVE SESSION

ACTION: At 6:38 p.m. Tammy Smith made a motion to go into Executive Session under §24-6-402(4)(b), C.R.S., conference with an attorney for the purpose of receiving legal advice on a specific legal question, specifically operational structure and governance; for personnel matters, specifically (1) Julie Huffman and (2) administrative salaries under §24-6-402(4)(f), C.R.S.; and for determining positions relative to matters that are subject to negotiations, specifically pending lawsuits under §24-6-402(4)(e), C.R.S. Dr. Mixer seconded the motion. All were in favor. None were opposed. Motion carried.

All Board members were present for the Executive Session as well as Julie Huffman and Matt Heyn. After a brief recess, Executive Session began at 6:50 p.m.

At 8:42 p.m. Jean Ceriani terminated Executive Session and General Session was reconvened.

X. ADJOURNMENT

With no further business from the floor, Board Chairman Jean Ceriani **ADJOURNED** the meeting at 8:42 p.m.

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

Date