

DELTA HEALTH
Board of Directors Meeting
Monday, April 18, 2022
Classroom B / Zoom for Public

PRESENT:

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

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. AGENDA CHANGES

The first Executive Session topic listed on the agenda was stricken and replaced with "Conference with an attorney for the purpose of receiving legal advice on the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest under §24-6-402(4)(a). Specific interests cannot be named because it would reveal confidential matters or compromise negotiation strategy."

III. PUBLIC COMMENT

Terry O'Brien addressed the Board of Directors letting them know whether or not he wins a Board seat, he supports the sales tax initiative but in an amount lower than 0.8%. He believes there is a lack of financial transparency that raises concern about the sales tax initiative.

IV. CONSENT AGENDA

A. Approval of Previous Board Meeting Minutes

1. The minutes from the March 21, 2022 Regular Board were presented by Jean Ceriani.

ACTION: Tammy Smith made a motion to accept the minutes of the March 21, 2022 Board Meeting as presented. Dr. Speedie seconded the motion. All were in favor. None were opposed. Motion carried.

V. GUEST SPEAKERS

- A. **Eide Bailly.** Ashley Brandt-Duda of Eide Bailly presented a high level overview of the preliminary audit report to the Board of Directors. An excerpt from the preliminary draft of the audit was distributed to Board members for review during the presentation.

VI. FINANCIAL

- A. **Finance Committee Meeting Highlights.** Tammy Smith highlighted the following from this morning's Finance Committee meeting:
 - Net income was lower than expected, however over \$380K was paid to travelers and we

- experienced losses in the clinics.
- We had to borrow from investments for March payroll.
- Cash on hand was 58 days.
- Days in cash receivables was 48.
- Length of stay was 4.42 which is largely a result of placement issues.
- FTE's were 512 vs. budgeted 491.
- We had 13 births in March which was over budget and prior year.
- Medicare/Medicaid revenue hit 80.2% of total revenue in March. This is the highest percentage recorded.
- Contract labor was up for March.
- BKD is helping to recover funds back from FEMA.
- Cash collections have improved slightly. We are still awaiting payments from commercial payers for last year's claims. We received \$100K from Rocky Mountain today [that will be reflected in the April financial report].
- Delta Health was approved to receive \$615K from the USDA Grant. We should receive those funds in the next 2 to 3 weeks.
- Delta Health did not meet criteria to qualify for 340B for 2020 or 2021.
- The family practice remodel is waiting on permits.
- Dr. Sarah Knutson is retiring in May. We will be recruiting for a Nurse Practitioner for the Pulmonology Clinic.
- Clinic numbers are holding strong.

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

March financials resulted in a net loss from operations of \$661,300 compared to a budgeted loss of \$16,459. Admissions for the month were 110 compared to budget of 102 and prior year of 93. Discharges for the month were 109 compared to budget of 107 and prior year of 96. Patient days for the month of March were 482 compared to budget of 396 and prior year of 358. ALOS for March was 4.42 compared to budget of 3.70 and 3.73 prior year. Average daily census was 15.5 compared to budget of 12.8 and prior year of 11.5. Hospital gross revenue for March was \$17,524,673. Physician Prof Fee Gross revenue was \$2,079,861 and Home Health gross revenue for the month was \$166,086. Gross revenue was more than budget by \$1,425K; and deductions from revenue were more than budget by \$1,589K. Net revenue % for March was 36.53% compared to budget of 40.26% and prior year of 42.46%. Salaries, wages, and benefits were \$546K more than budget in March. Salary and contract labor expenses were more than budget by \$586K and group health expense was \$40K less than budget. Total expenses were more than budget by \$576K. Cash on hand decreased by \$714K in March. Capital purchases were \$30K. Accounts Receivable decreased by \$246K in March. Supply expenses were \$203K below budget.

ACTION: Tammy Smith made a motion to accept the financial reports. Dr. Mixer seconded the motion. All were in favor. None were opposed. Motion carried.

VII. ADMINISTRATION

A. CEO Report, CEO Matt Heyn

1. Virtual Town Hall Meeting. Matt reminded the Board of the virtual Town Hall meeting that will be held on Thursday, April 21st where the state of the hospital operations will be discussed and information will be provided regarding the sales tax initiative.
2. Dr. Jimenez and Dr. Rose-Borcherding, two FP's who will be joining Delta Health later this year, will be visiting in the coming weeks to house hunt.

3. Rocky Mountain Payment. Delta Health received an additional \$100K cash payment from Rocky Mountain.

B. CCO Report, CCO Jody Roeber

1. DNV Survey Results. Jody Roeber shared highlights of this year's annual DNV survey. Last year's (1) NC-1 and (3) NC-2's were completed and closed. This year's preliminary audit findings were (1) NC-1 and (2) NC-2's. Overall we had a great survey and are awaiting the final report. Next year will be our 3-year accreditation survey.

VIII. 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 April 5, 2022 Med Exec meeting:

New Applications: Carole Vincent, D.O., General Surgery Locum

Re-Applications: Natalie Chilton, CRNA
Carey Simon, CRNA
Christine Hamilton, CRNA
Josh Lake, CRNA
Molly Hartman, CRNA
Nicholas Newbaum, MD, Ophthalmologist
Bennett Oberg, D.O, Ophthalmologist
Shad Saunders, M.C., Ophthalmologist
Dane Stewart, M.D., Ophthalmologist

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

B. Chief of Staff Report. *Vice Chief of Staff Dr. Richman* shared with the Board the following:

- The Med Exec Committee is working on a proctoring policy. They intend to share their onboarding expectations with new providers as well as outline what is expected of our proctoring/mentoring providers.
- The Med Exec wants to make sure that all medical staff providers are treated equally and receive the same orientation and introduction to Delta Health, whether they are employed by the hospital, contracted to bring services here, or are independent physicians in the community that are using our hospital.
- Attendance continues to be an issue. Several providers do not attend committee or quarterly meetings and Med Exec needs to work on how to keep everyone engaged in the organization and take part in our goals and strategic plan. With things getting busier, it's harder to find physicians willing to give up their spare time for extra meetings and extra responsibility.

IX. OTHER BUSINESS

- Matt Soper gave an overview of current and upcoming legislation concerning health care.

X. EXECUTIVE SESSION

ACTION: At 6:48 p.m. Tammy Smith made a motion to go into Executive Session under C.R.S. §24-6-402(4)(a), conference with an attorney for the purpose of receiving legal advice

on the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest. Specific interests cannot be named because it would reveal confidential matters or compromise negotiation strategy; and for personnel matters, specifically Julie Huffman as well as the annual performance evaluation of CEO Matthew M. Heyn, under C.R.S. §24-6-402(4)(f). Dr. Mixter 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 6:57 p.m.

At 8:23 p.m. Jean Ceriani terminated Executive Session and General Session was reconvened.

XI. ADJOURNMENT

With no further business from the floor, Board Chairman Jean Ceriani **ADJOURNED** the meeting at 8:23 p.m.

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

Date