



BOARD OF DIRECTORS MEETING MINUTES

Tuesday March 26, 2019

6:00 p.m.

MEMBERS PRESENT:

Kenny Aydt
Christina Epperson
Paula Hatfield
Wayne Morris
Larry Rowland
John Warner
Greg Muehlenbein

MEMBERS ABSENT:

Mike Lewis
Katie Folden

OTHERS PRESENT:

Victoria Woodrow, CEO
Justin Epperson, Controller
Patty Blazier, Chief Nursing Officer
Bryan Russell, Quality Director
Pam Harbison, Director of HI, Rural Health Clinics, & Compliance
Holly Hubele, Administrative Services Coordinator

Paula Hatfield, Board Vice President, called the meeting to order at 6:05 p.m. Roll call was taken and with a quorum present, the meeting proceeded.

BOARD OF DIRECTORS MEETING MINUTES

March 26, 2019

Page 2

Topic of Discussion	Description	Action Taken
<u>Public Comment</u>	No comments were made.	
<u>Review of Minutes from January 2019 Board Meeting</u>	Minutes were reviewed.	Wayne Morris made a motion to approve the February 2019 Board of Directors Meeting Minutes. Christina Epperson seconded the motion. Motion carried with all favorable votes.
<u>Financial Statements</u>	<p>Justin Epperson, Controller, reviewed the February 2019 finances and statistics</p> <p><u>Current Assets</u> Cash – HMHD has an operating cash balance of \$6,630,447 which is a decrease of \$119K from the previous month. Accounts Receivables- The net patient receivable balance increased by \$83K over the prior month to \$2,037,361. Other Receivables- Decreased by 18K over the prior month to \$143K Inventories and Other Assets Decreased by \$9K leaving a balance of \$554K. Property and Equipment- \$50k was used to purchase a pass-through washer and a Ligasure instrument for surgery.</p>	<p>Financial Statements for the month of February were reviewed. Wayne Morris made a motion to approve the Financials. Larry Rowland seconded the motion. Roll Call Vote: Wayne Morris-Yes; Larry Rowland-Yes; John Warner-Yes; Kenny Aydt-Yes; Christina Epperson-Yes; Greg Muehlenbein-Yes. Motion carried.</p>

<p><u>Financial Statements (continued)</u></p>	<p><u>Current Liabilities</u></p> <p>Accounts Payable- \$2.26M is the total in Payables for February including \$731K for regular business payables.</p> <p>Long Term Liabilities- Remained at \$18,290,000, the outstanding amount of bonds payable by HMHD.</p> <p><u>Gross Patient Revenue</u> Total revenue has remained steady at \$2.618M, which was \$226K below budget. This revenue is broken down into two areas: -\$2.4M Hospital Revenue (\$262K below budget) -\$180K Clinic Revenue (\$36K above budget)</p> <p><u>Deductions</u> Contractual adjustments and bad debt allowances are recorded at 59% of gross revenue.</p> <p><u>Operating Expenses</u> \$1,313,014 were the total operating expenses for February. This represents a decrease of \$20K from the prior month and was \$9K below budget. Salaries are \$22K below budget and Employee Benefits were \$32K below budget.</p>	
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<p><u>Financial Statements (continued)</u></p>	<p>Victoria stated to the board that equipment repair was higher than budgeted for this month; however, it falls within the budget for the year. Explanation was given for the increase as HMHD's long list of projects have run out of quick fixes.</p> <p>-Bids for a new roof are being gathered due to issues with the flat roof that PMs cannot always prevent or repair. Water pools in the low spots making it very hard to determine where the leaks are.</p> <p>- John Warner questioned whether this was the original roof and if preventive maintenance was in the contract. Victoria Woodrow stated when bidding a new roof the manufacturer's warranty would be an important factor.</p> <p>-The unit that removes humidity from the facility will need to be replaced in the near future.</p> <p>- Robert Lenard and Alisha Miller are working with Good Samaritan to learn what kind of preventive maintenance and preferred vendors they have in place. With this knowledge, an enhanced PM plan for all areas of HMHD will be developed.</p> <p>-Greg Muehlenbein asked for a list of what equipment will</p>	
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<p><u>Financial Statements (continued)</u></p>	<p>need to be replaced or repaired. Victoria Woodrow stated that at this time, the maintenance department is completing PMs and noting any issues with equipment. Once that information is gathered, it will be shared with the board via Capital Budget. This report will also show what is in the queue for update/purchase in the coming two years.</p> <p><u>Net Income</u> \$192K below budget due to contractual allowances and new expenses related to adding the surgery line were the primary drivers for the loss.</p>	
<p><u>Reports</u></p>	<p><u>Quality Report</u> Line # 7 ED- Left Against Medical Advice was 9, up from 2 in 2018. Intervention: Reviewed in both the Quality Committee Meeting and the ED Committee meeting. -John Warner questioned why there were 3 REAP falls reported. Patty Blazier stated that she has looked at all surrounding factors and that all processes are being followed correctly and completely. To help limit falls, HMHD has now implemented different color alarm lights over the doors:</p>	<p>Greg Muehlenbein made a motion to approve the Quality Report. John Warner seconded the motion. Motion carried with all favorable votes.</p>

BOARD OF DIRECTORS MEETING MINUTES

March 26, 2019

Page 6

<p><u>Reports (continued)</u></p>	<p>-RED for high risk of falls -YELLOW for moderate risk of falls</p> <p>Victoria Woodrow stated that HMHD closely monitors and implements all IPT recommendations regarding falls and follows State/Federal fall regulations and reporting.</p> <p><u>Compliance Report</u> Pam Harbison stated that there was a reportable HIPAA breach in February. The claim was corrected and the employee was re-educated. March had reportable HIPAA breaches with patients receiving incorrect statements. The CPSI clinic conversion will eliminate this type of issue by removing human involvement of stuffing invoices. A certified letter was received from a third party biller for HMHD stating that there may have been a breach and HMHD will be informed further as information becomes available.</p>	<p>Wayne Morris made a motion to approve the Compliance Report. Greg Muehlenbein seconded it. Motion carried with all favorable votes</p>
<p><u>Semi-annual Review of Executive Session Minutes</u></p>	<p>Victoria Woodrow stated that Board President, Mike Lewis, listened to the minutes and recommended anything newer than 18 months should remain confidential.</p>	<p>Greg Muehlenbein made a motion to approve the Semi-annual Review of the Executive Session Minutes. Larry Rowland seconded the motion. Motion carried with all favorable votes.</p>

<p><u>CEO Report</u></p>	<p><u>Statistics for the month of February:</u> --Hospital admissions down to 28 from 40 --Transitional Care up to 12 --Revenue driven/ER visits down to 399 from 425. This is due to not having a physician in place to facilitate a nursing home strategy. --CT scans down to 135 from 153 --Clinics combined are down to 1234 from the prior month of 1293. Carmi at 588 and Mcleansboro at 646 --Lab had significant decrease to 7042 from 7766.</p> <p><u>Key Statistics</u> -Days of Cash on Hand- 161 -Average Days Net A/R -52 -Upfront Collections \$17,182 -Surgery: 42-Surgery Clinic Visits 10-Scopes 14-Eye Surgeries</p> <p>Victoria Woodrow reviewed a project matrix showing that HMHD has a large list of projects occurring simultaneously that fall under four categories:</p> <ul style="list-style-type: none">- Long-term Debt Financing- Clinic and Hospital Operations- Capital and Operation Projects- Regulatory and Compliance	
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<p><u>CEO Report (continued)</u></p>	<p>First time claim submission error rates have become a top priority. RCM conversion has been an enormous task but by doing it, the issues have been found and the long-term benefits will be great.</p> <ul style="list-style-type: none">-HIMS coding has opportunity for improvement and a coding audit will be conducted to determine where the issues are occurring. Quarterly coding education and reviews will ensure that the coding work is back in HIMS and out of Revenue Cycle.-CPSI Clinic EMR Conversion goes live April 1st with training prior and during the initial startup.-Collective Bargaining, Nursing Home Strategy and Physician Recruitment continue to be a main focus for clinic and hospital operations.- Medical Staff By-laws will need revised to better fit HMHD.-A total contract analysis will be starting in the near future.-A complete HMHD policy analysis is needed; much progress on specifying HR/Personnel Policy and Quality has been gained.-HMHD is currently working with other critical access hospitals in Washington, Clay	
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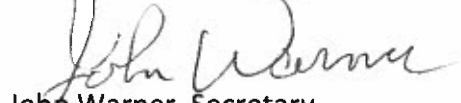
BOARD OF DIRECTORS MEETING MINUTES

March 26, 2019

Page 9

<p><u>CEO Report (continued)</u></p>	<p>and Franklin Counties on the proposed mobile mammography unit that will be needed several years from now.</p>	
<p><u>Executive Session</u></p>		<p>Greg Muehlenbein made a motion at 7:20 p.m. to enter Executive Session. Christina Epperson seconded the motion. Motion carried.</p> <p>Wayne Morris made a motion at 7:55 p.m. to exit Executive Session. Greg Muehlenbein seconded the motion. Motion carried.</p>
<p><u>Meeting Adjournment</u></p>		<p>Greg Muehlenbein made a motion to adjourn the meeting at 7:58 p.m. Christina Epperson seconded the motion. Motion carried.</p>

HAMILTON MEMORIAL HOSPITAL DISTRICT



John Warner, Secretary
Board of Directors

