



BOARD OF DIRECTORS MEETING MINUTES  
Tuesday, February 25, 2025  
6:00 p.m.

MEMBERS PRESENT:

Wayne Morris  
Kenny Aydt  
Marilyn Cross  
Greg Muehlenbein  
Carrie Ragan  
John Warner

MEMBERS ABSENT:

Christina Epperson  
Kelly Karcher  
Jason Waier

OTHERS PRESENT:

Victoria Woodrow, CEO  
Justin Epperson, CFO  
Jenee Wilson, CNO  
Nick Hansen, Director of Facilities Management  
Lindsay Hansen, Marketing/Foundation Manager  
Bobbie Hamblin, HR  
Staci Frank, Quality  
Janet Williams, Clinics Director  
Holly Hubele, ASC

Wayne Morris, Board President, called the meeting to order at 6:00 p.m. This meeting was held at the Hamilton Memorial Hospital located at 611 S. Marshall Avenue, McLeansboro, Illinois and will be the site of all future meetings unless communicated otherwise.

Roll call was taken and with a quorum present, the meeting proceeded.

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Topic of Discussion	Description	Action Taken
<u>Public Comment</u>	No comments were made.	
<u>Board of Directors January 2025 Meeting Minutes</u>	Regular Session minutes were reviewed and approved.	Carrie Ragan made a motion to approve the January 2025 Board of Directors Regular Session minutes. Kenny Aydt seconded the motion. Motion carried.
	Executive Session minutes were reviewed and approved.	Carrie Ragan made a motion to approve the January 2025 Board of Directors Executive Session minutes. Marilyn Cross seconded the motion. Motion carried.
<u>January 31, 2025 Financial Statement Narrative</u>	Justin Epperson, CFO, stated that <i>Payroll</i> trended lower, but in terms of personnel, is more than offset by the increase in <i>Contract Labor</i> , which is partially fueling the rise in <i>Purchased Services</i> . Also, the increase in <i>Purchased Services</i> is the addition of the Integritas cost for Hospitalist coverage. A report that tracks <i>Payroll</i> and <i>Contract Services</i> separately is needed due to the current report combining them. Also of note, an invoice for EPIC was not included last month and was not accrued for, so <i>Equipment Maintenance</i> was higher than usual.	John Warner made a motion to approve the January 31, 2025 Financial Statement. Marilyn Cross seconded the motion. Roll Call Vote: John Warner- Yes; Marilyn Cross- Yes; Greg Meuhlenbein- Yes; Carrie Ragan- Yes; Kenny Aydt- Yes. Motion carried.
<u>Balance Sheet</u>	<u>Current Assets</u> <b>Cash-</b> Cash is at \$8.7M, an increase of \$1.5M from the prior month.	

<u>Balance Sheet (continued)</u>	<b>Accounts Receivables-</b> Net A/R is \$1,937,708 a decrease of \$41K from the previous month.	
<u>Income Statement</u>	<b><u>Gross Patient Revenue-</u></b> Total revenue was \$3M, which was \$356K below budget. Gross Patient Revenue is broken down into two areas: -\$2.7M Hospital Revenue (\$428K below budget) -\$298K Clinic Revenue (\$72K above budget) The clinics recorded the highest revenue month ever.  <b><u>Deductions</u></b> Contractual adjustments and bad debt allowances are recorded at 43% of gross revenue, which is below the previous month of 50%. This is a lower than actual percentage, as it was lowered by an adjustment to the HMHD clearing account by Meridian insurance company. Meridian is correcting their billing mistake that resulted in an overpayment to HMHD of nearly \$200K. In that effort, Meridian essentially increased their level of needed refund temporarily so that their accounting is made easier. HMHD should notice a corresponding increase in allowances as early as next month as they complete this process.  The <i>Employee Benefits</i> line is lower due to switching to Crescent as the Health Plan	

<u>Income Statement (continued)</u>	Claims Administrator. Discussion with Crescent has taken place with a better process expected in the near future.	
<u>Cash Collections</u>	<b><u>Cash Collections</u></b> Cash collections were \$3.2M in January, an increase of \$1.5M from the previous month. The <i>HMHD Run Rate</i> shows that the <i>Debt Service Coverage Ratio</i> (DSCR) is at 1.15, below the expected 1.2, however, HMHD will wait to use the Medicare payments of \$1M and \$500K until needed. Available cash is more important now with the new bank loan than the <i>DSCR</i> . The \$1.5M will be added to income in the coming months, and that will lead to raising the DSCR above 1.15.	
<u>Cost Report Template</u>	The <i>FY25 Cost Report Template</i> which runs a month behind for data collection, currently shows receivable of \$527K in December. In January, HMHD received \$473K in interim payment, which will shrink the receivable at year end. HMHD rates were adjusted much higher, and along with this interim payment, make the odds of an amount due to Medicare much greater at year end.	
<u>Key Statistics</u>	<b><u>Days Cash on Hand:</u></b> 150  <b><u>Days in Net A/R:</u></b> 34  <b><u>Hospital A/R Over 90 Days:</u></b> Remained at 26.7%.	



<p><u>Key Statistics (continued)</u></p>	<p><b><u>Hospital A/R Over 90 Days for Medicaid:</u></b> Decreased to 24.9% from 34.0% and is back to a normal percentage after a processing issue last month.</p> <p><b><u>Point of Service</u></b> Payments decreased slightly from the prior month of \$9,499 to \$6,315.</p> <p><b><u>MyChart Payments</u></b> MyChart payments saw a significant increase by over \$4K from the prior month to \$18,436.</p> <p><b><u>Payor Mix</u></b> January saw a small increase in Medicare from 43% to 48% due to an increase in inpatient volume. The new Hospital Medicine program has been helpful with this, but it is too early to tell the full benefits of the program.</p>	
<p><u>Capital/Building/Grounds</u></p>	<p><b><u>Facility, Building and Grounds Update for February 2025</u></b> Nick Hansen, Director of Facilities/Life Safety Management reviewed the February 2025 report.</p> <p><b><u>Recent Activities:</u></b> --Civil work on the LPG tank began February 4, 2025. The footing hole was excavated twice as deep that intended due to the discovery of construction debris in the soil. Overburden was hauled off site and clean flowable fill has been added per the Engineer's</p>	

<u>Capital/Building/Grounds</u> <u>(continued)</u>	<p>specification. HMHD will incur added costs due to the additional amount of digging.</p> <ul style="list-style-type: none"><li>--Chiller annual preventive maintenance was completed by Trane with some corrective maintenance issues addressed.</li><li>--HMHD Maintenance completed the annual preventive maintenance on the cooling tower.</li><li>--Snow event on February 18<sup>th</sup> and 19<sup>th</sup> with successful snow removal efforts and zero reported incidents.</li></ul> <p><b>Upcoming Activities:</b></p> <ul style="list-style-type: none"><li>--LPG gas tank installation is ongoing with the next step of pouring the foundation footing taking place when weather allows.</li><li>--Replacement of domestic hot water heater #1 is scheduled for March with a permanent fix to the domestic hot water recirculation system being made at the same time.</li></ul> <p><b>Major Breakdowns:</b></p> <ul style="list-style-type: none"><li>--The chiller condenser drain pipe broke off due to corrosion. Condenser water sprayed against the south wall of the mechanical room, NO<sub>2</sub> storage room, surgery housekeeping and surgery storage. IDPH was informed and an ICRA boundary was established, isolating the affected areas.</li></ul> <p>Damaged drywall remediation is being conducted by HMHD Maintenance team and is nearly completed. There was no impact to surgery operations.</p>	
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<u>Capital/Building/Grounds</u> <u>(continued)</u>	<ul style="list-style-type: none"><li>--Cooling tower supply line froze and burst open. Rend Lake Plumbing replaced the 10 foot section of 6-inch diameter pipe.</li><li>--The medical air compressor that supplies pneumatic air to the sterilization suite failed. Likely cause was water damage to the motor. A replacement is on order with a March delivery date expected.</li><li>--A 20-foot section of "drain snake" cable became lodged in the sewer pipe in the Nurse Admin restroom. Rend Lake Plumbing and Ford Plumbing were able to extract the cable and restore service to the restroom.</li></ul>	
<u>CEO Report</u>	<p><b><u>Operations/Strategic Update</u></b></p> <p><b>National &amp; State Impacts:</b></p> <ul style="list-style-type: none"><li>--Medicaid revalidation is underway and is the first since the pandemic.</li><li>--Proposed healthcare related budget cut of nearly 1/3 of Federal Medicaid spending to States. Cuts will mostly be directed at the Affordable Care Act expansion matching funds, per capita caps for Medicaid. Rural hospital sustainability at imminent risk with Medicaid cuts coupled with unprecedented increases in labor and supplies.</li><li>--HHS Secretary, Robert F. Kennedy Jr. is responsible for overseeing application of healthcare spending cuts from budget reconciliation process.</li></ul>	

<p><u>CEO Report (continued)</u></p>	<p>--CMS nominee, Dr. Mehmet Oz Committee confirmation is forthcoming.</p> <p>--ICU Medical IV fluids shortage With local IVF supply being closely monitored. Mitigation strategies in place and EPIC order set change to conserve supply.</p> <p>--Collaborations with Southern Illinois health systems rural strategy are ongoing. SSM Health using EPIC tools for ACO compliance.</p> <p>--Hospital Medicine has made a positive impact on inpatient volumes since the January 2025 go-live.</p> <p><b><u>Inpatient Care &amp; Financial Improvement Plan</u></b></p> <p>Review of the diagram took place with the Board, with discussion regarding how to improve the average daily census (ADC) by 120%. Clear communication and consistent processes between ED Physicians and/or Family Medicine Providers with the Hospitalist Program are a necessity to help sustain patient care with the projected rising costs.</p> <p><b><u>February 2025 Flash Reporting</u></b></p> <p><b>Hospital &amp; Clinic Charges:</b></p> <p><b>February 2-24:</b></p> <p>--Gross \$2.8M (strong)</p> <p>--Clinic Visits:</p> <p>    Carmi- 330</p> <p>    McLeansboro- 854</p>	
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<u>CEO Report (continued)</u>	<p><b>February 2-23:</b></p> <ul style="list-style-type: none"><li>--ER Visits- 360 (trending)</li><li>--Transitional Care- 10 admits</li><li>--Acute- 49 admits</li><li>--Observation- 32 admits</li></ul> <p>Key revenue driver's data including acute and transitional care volumes, average daily census (ADC), CT scans, and ED visits were reviewed compared to the prior 24-month activity. Outpatient and inpatient revenue, as well as total payroll expenses and RHC volumes for the prior 24-months, were also reviewed and discussed.</p> <p><b><u>Statistics for the month of January 2025 and Month to Date (MTD)</u></b></p> <ul style="list-style-type: none"><li>--General Surgery and Scopes: 14</li><li>--Eyes: 12</li><li>Surgery numbers are Now on a 16-month look-back</li><li>--CT scans: 187</li><li>--Lab: 3726</li><li>--ER: 407</li><li>--Clinics combined had 1445 patient visits<ul style="list-style-type: none"><li>Carmi: 405</li><li>McLeansboro: 1040</li></ul></li></ul> <p><b>Month to Date (MTD):</b></p> <ul style="list-style-type: none"><li>--RHC Direct Admits to Obs: 7</li><li>--Acute Admissions: 28</li><li>MTD: 49</li><li>--Transitional Care: 13</li><li>MTD: 10</li><li>SSM/HMH leadership discussion regarding SWB patients have taken place</li><li>--IP Observation: 44</li></ul>	
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<u>CEO Report (continued)</u>	<p>MTD: 32</p> <p>--Average Daily Census (Tran &amp; Acute): 3</p> <p>--Payroll decreased to \$755K Contract labor is not included In payroll, however it will be reported going forward for full labor expense awareness.</p>	
<u>Policies</u>	<p><b><u>Medical Emergencies</u></b> Purpose: This new Clinic policy is to establish procedures for providing appropriate resuscitative and life support services to persons experiencing a life-threatening emergency to save or sustain life as part of the organization's commitment to the health and safety of patients.</p> <p><b><u>Care of an Overdose Patient</u></b> Purpose: This new Emergency Department policy is to provide the staff with guidance when caring for patients that presents to the Emergency Department with a complaint of an overdose.</p> <p><b><u>Nursing Dress Code</u></b> Purpose: This new Nursing Administration policy is to establish a professional dress code for nursing staff that promotes safety, hygiene, and a positive image of the hospital while ensuring comfort and functionality in providing patient care.</p>	<p>Carrie Ragan made a motion to approve the revised Clinic <i>Medical Emergencies</i> policy. Marilyn Cross seconded the motion. Motion carried.</p> <p>John Warner made a motion to approve the new Emergency Department <i>Care of an Overdose Patient</i> policy. Carrie Ragan seconded the motion. Motion carried.</p> <p>John Warner made a motion to approve the new Nursing Administration <i>Nursing Dress Code</i> policy. Kenny Aydt seconded the motion. Motion carried.</p>

<p><u>Hospital Survey on Patient Safety Culture (SOPS)</u></p>	<p>Staci Frank, Quality Director stated that the HMHD SOPS is completed every 2-years with the goal of supporting a culture of safety and quality improvement within HMHD. The data gathered from this employee offered survey covers a broad range of categories that include:</p> <ul style="list-style-type: none"> <li>--Frequency of Event Reporting</li> <li>--Teamwork across the Hospital</li> <li>--Supervisor/Manager Expectations &amp; Actions Promoting Safety</li> <li>--Organizational Learning- Continuous Improvement</li> <li>--Teamwork within Hospital Units</li> <li>--Communication Openness</li> <li>--Feedback and Communication about Error</li> <li>--Response to Error</li> <li>--Staffing</li> <li>--Hospital Management Support for Patient Safety</li> </ul> <p>HMHD's overall Patient Safety Rating surveyed at 94% for "good, very good or excellent". An increase of survey response was noted with a 66% employee response rate.</p> <p>Action Plan and/or Recommendations were determined to help ensure improvement of scores in the lowest averaged composite measures with the lowest being <i>Staffing</i> which surveyed at 76% positive response, up from 68%.</p>	<p>Carrie Ragan made a motion to approve the Hospital Survey on Patient Safety Culture (SOPS). Greg Muehlenbein seconded the motion. Motion carried.</p>
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<u>Medical Staff Appointments/ Reappointments/ Withdrawals</u>	<p>Criteria for the Medical Staff appointment and withdrawals for February were previously reviewed and approved at the February 2025 Medical Executive Committee meeting and at the Quarterly Medical Staff meeting.</p> <p>-Initial 2-yr Appointment: 7 -Additional Privileges: 1 -Additional 2-yr Appointments: 1 -Withdrawals: 8</p>	<p>Kenny Aydt made a motion to approve the February 2025 Medical Staff Appointments/ Reappointments/ Withdrawals. Carrie Ragan seconded the motion. Motion carried.</p>
<u>Economic Interest Statement &amp; Conflict of Interest</u>	<p>The Economic Interest Statement and the Conflict of Interest Statement were handed out to the Board members for completion. Once completed and received back, the Economic Interest Statements will be taken to the courthouse.</p>	
<u>Semi-Annual Review of Executive Session Minutes</u>	<p>Discussion and/or Action regarding semi-annual review of minutes of meetings lawfully closed under 2.06 Section D of the Open Meetings Act.</p>	<p>Carrie Ragan made a motion to approve keeping the Executive Session Minutes lawfully closed. Marilyn Cross seconded the motion. Motion carried.</p>
<u>Executive Session Recordings</u>	<p>Discussion and/or Action to destroy Executive Session recordings for months prior to March 2023 under 2.06 Section C of the Open Meetings Act.</p>	<p>Kenny Aydt a motion to destroy Executive Session recordings prior to March 2023. Greg Muehlenbein seconded the motion. Motion carried.</p>
<u>Executive Session</u>	<p>Convened into Executive Session under Section 2a of the Illinois Open Meetings Act. Review of hospital personnel took place.</p>	<p>Greg Muehlenbein made a motion to enter into Executive Session at 7:00 pm. Marilyn Cross seconded the motion. Motion carried.</p>




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<u>Executive Session (continued)</u>		Greg Muehlenbein made a motion to exit Executive Session and return to Regular Session at 7:57 pm. Carrie Ragan seconded the motion. Motion carried.
<u>Meeting Adjournment</u>		John Warner made a motion to adjourn the meeting at 8:00 pm. Kenny Aydt seconded the motion. Motion carried.

HAMILTON MEMORIAL HOSPITAL DISTRICT



John Warner, Secretary  
Board of Directors