



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

MEMBERS PRESENT:

Wayne Morris
Marilyn Cross
Christina Epperson
Kelly Karcher
Greg Muehlenbein
Jason Waier
John Warner

MEMBERS ABSENT:

Kenny Aydt
Carrie Ragan

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 February 2025 Meeting Minutes</u>	Regular Session minutes were reviewed and approved. Executive Session minutes were reviewed and approved.	Greg Muehlenbein made a motion to approve the February 2025 Board of Directors Regular Session minutes. Jason Waier seconded the motion. Motion carried. John Warner made a motion to approve the February 2025 Board of Directors Executive Session minutes. Marilyn Cross seconded the motion. Motion carried.
<u>February 28, 2025 Financial Statement Narrative</u>	Justin Epperson, CFO, stated that while <i>Payroll</i> trended lower due to a short month, <i>Contract Labor</i> expense (<i>Purchased Services</i>) in February was \$95K. In the future, HMHD will report payroll and <i>Contract Labor</i> expenses together to get a full understanding of labor costs. Building repair was higher than budget due to expenses with Rend Lake Plumbing and Trane. HMHD also experienced volume based higher trends in <i>Operating Supplies</i> (Lab) and <i>Pro Fees</i> (<i>Purchased Services</i>).	Kelly Karcher made a motion to approve the February 28, 2025 Financial Statement. Marilyn Cross seconded the motion. Roll Call Vote: Kelly Karcher- Yes; Marilyn Cross- Yes; Christina Epperson- Yes; Greg Muehlenbein- Yes; Jason Waier- Yes; John Warner- Yes. Motion carried.
<u>Balance Sheet</u>	<u>Current Assets</u> Cash- Cash is at \$8.4M, a decrease of \$331K from the prior month.	

<u>Balance Sheet (continued)</u>	Accounts Receivables- Net A/R is \$2,121,513 an increase of \$184K from the previous month.	
<u>Income Statement</u>	<u>Gross Patient Revenue-</u> Total revenue was \$3.4M, which was \$74K above budget. Gross Patient Revenue is broken down into two areas: -\$3.1M Hospital Revenue (\$53K below budget) -\$352K Clinic Revenue (\$128K above budget) The clinic revenue is high for February and was another great month. March is predicted to be much lower due to a provider being out for numerous days. <u>Deductions</u> Contractual adjustments and bad debt allowances are recorded at 51% of gross revenue, which is above the previous month of 43%. The issue from January with Meridian insurance, that caused HMHD allowances to be lower than normal due to the recoupment process, was completed in February. The initial allowance percentage for February was 59% (a \$272K additional loss). HMHD did record \$203K in Medicare Cost Report revenue, which offsets the impact of the Meridian issues, and leaves \$500k on the balance sheet.	

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<u>Cash Collections</u>	<u>Cash Collections</u> Cash collections were \$1.7M in February, a decrease of \$1.5M from the previous month. The HMHD Run Rate shows that the Debt Service Coverage Ratio (DSCR) is at .99, down from last month's 1.15 and below the expected 1.2. HMHD will wait to use the remaining \$300K Medicare payment until needed due to the available cash on hand being more important with the new bank loan than the DSCR, especially since the full benefit of the DSCR hasn't been seen due to trailing 12 months. The DSCR is expected to rise above 1.15 by the end of the fiscal year.	
<u>Cost Report Template</u>	The FY25 Cost Report Template which runs a month behind for data collection, currently shows a receivable of \$50K in January. HMHD recognized \$203K in February, so the reserve on the balance sheet for the Cost Report is \$500K. \$300K of that is still to be recognized in this fiscal year, and there are two \$100K reserves for our outstanding Cost Reports in FY23 and FY24.	
<u>Key Statistics</u>	<u>Days Cash on Hand:</u> 143 <u>Days in Net A/R:</u> 38 <u>Hospital A/R Over 90 Days:</u> Down to 23.2% from the prior two months of 26.7%.	

<u>Key Statistics (continued)</u>	<p><u>Hospital A/R Over 90 Days for Medicaid:</u> Decreased to 14.7% from 24.9%.</p> <p><u>Point of Service</u> Payments decreased slightly from the prior month of \$6,315 to \$5,038.</p> <p><u>MyChart Payments</u> MyChart payments saw a slight decrease to \$17,063 from \$18,436.</p> <p><u>Payor Mix</u> February saw a small decrease in Medicare from 48% to 44%.</p> <p><u>Request for Proposal</u> Justin Epperson has completed the Request for Proposal (RFP) for HMHD's annual audit and is awaiting a quote from Blue & Company, LLC. This quote will be compared to the services that CliftonLarsonAllen, LLC (CLA) currently provide for HMHD. It was noted that the Chargemaster review will be approximately \$43K and must be completed within the next year. The Chargemaster is a comprehensive list of all healthcare billable services, procedures, and items HMHD may provide, including associated codes and prices used for billing purposes.</p> <p><u>Bank Transition</u> HMHD is planning to have all cash movement, including CDs and clearing house payments, moved from Banterra and Old</p>	
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<p><u>Capital/Building/Grounds</u></p>	<p>National to Peoples National Bank (PNB), by the end of the fiscal year.</p> <p><u>Capital Budget Forecast</u> A quick review of the Capital Budget Forecast took place. Items highlighted in yellow totaling \$674K have been completed, with four projects totaling \$40K remaining for FY24-25. The FY25-26 Capital Budget wish list has been sent to department directors for review. Prioritization will need to be made to ensure a lighter capital schedule. The roof replacement at the Senior Enrichment Center (SEC) is currently the top priority. Discussions will take place to determine what winter equipment is feasible for the Maintenance Department.</p> <p><u>Facility, Building and Grounds Update for March 2025</u> Nick Hansen, Director of Facilities/Life Safety Management reviewed the March 2025 report.</p> <p><u>Recent Activities:</u> --LPG tank foundation work is complete. Gas line and electrical conduit from tank pad to building were installed by horizontal direction boring. --Started Spring cleanup of facility grounds.</p> <p><u>Upcoming Activities:</u> --LPG gas tank installation is ongoing. The next step will be installing the tank and</p>	
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<u>Capital/Building/Grounds</u> <u>(continued)</u>	<p>associated equipment.</p> <ul style="list-style-type: none">--Project will finish with updating the building automation hardware and software, and will allow the maintenance team to remotely monitor plant operations.--Replacement of domestic hot water heater #1 has been delayed until June with a permanent fix to the domestic hot water recirculation system being made at the same time.--Capital projects for Spring will include replacing the concrete walkway leading to the helipad.--Replacing the asphalt shingle roof at SEC. <p>Major Breakdowns:</p> <ul style="list-style-type: none">--None <p>HMHD February Utilities Report:</p> <p>Review and discussion of the February utilities usage took place with a 3-year monthly look back. Utility cost total was slightly higher than the February 3-year average of \$35K.</p>	
<u>CEO Report</u>	<p><u>Updates</u></p> <p>National & State Impacts:</p> <ul style="list-style-type: none">--Medicaid revalidation is ongoing and is the first since the pandemic.--Reduction in expanded Medicaid impact of \$40.9B over the next decade impacting over 800,000 Illinoisans. <p>Operation/Strategic Updates:</p> <ul style="list-style-type: none">--Joint Commission survey has been completed with a minimal	

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<u>CEO Report (continued)</u>	<p>plan of correction required.</p> <ul style="list-style-type: none">--McLeansboro Clinic IDPH survey completed with zero deficiencies.--Judy Robinson, FNP payor enrollment is still in process. Provider marketing on hold until MCOs are in place.--IRCCO ACO CCM / TCM Billing (Transitional Care) will require Epic integration and a charge build project.--Collaborations with Southern Illinois health systems rural strategy is ongoing. <i>Deaconess Reimbursement & Medicare Cost Reporting Bootcamp</i> and SSM Regional discussion will take place.--Hospital Medicine has made a positive impact on February inpatient volumes.--HMHD's 2023-2028 Strategic Plan of maintaining and improving care in post-pandemic landscape, has progressed rapidly, with 29 of 45 items being completed.--Congressman Mike Bost engagement is scheduled for April. Board is asked to participate if available. <p><u>Inpatient Care & Financial Improvement Plan</u></p> <p>Review of the diagram took place with the Board, noting that fewer transfers are taking place due to better communication and physician to physician transfers. Continued discussions will take place regarding patient transfers versus HMHD admits.</p>	
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<p><u>CEO Report (continued)</u></p>	<p><u>March 2025 Flash Reporting</u> Hospital & Clinic Charges: March 3-23: --Gross: \$2.37M (trailing slightly) --ER Visits: 383 (tracking) --Clinic Visits: Carmi- 292 McLeansboro- 704 (down due to a provider being out numerous days) --Transitional Care: 9 admits --Acute: 26 admits --Observation: 17 admits</p> <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><u>Statistics for the month of February 2025 and Month to Date (MTD)</u> --General Surgery and Scopes: 34 --Eyes: 18 Full operational review of the surgery service be completed. --CT scans: 182 --Lab: 3882 --ER: 417 MTD: 384 --Clinics combined had 1511 patient visits Carmi: 411 McLeansboro: 1100 --RHC Direct Admits to Obs: 4 --Acute Admissions: 54</p>	
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<u>CEO Report (continued)</u>	<p>MTD: 26</p> <p>--Transitional Care: 11 MTD: 9</p> <p>--IP Observation: 44 MTD: 32</p> <p>--Average Daily Census (Tran & Acute): 3</p> <p>--Payroll decreased to \$698K, and Contract labor expense increased to \$96k, for a monthly total of \$794K.</p>	
<u>Policies</u>	<p><u>Informed Consent</u> Purpose: This new Compliance policy is to provide guidelines for obtaining informed consent from patients receiving care or treatment at Hamilton Memorial Hospital District.</p> <p><u>Continued Care of the Post-Surgical Patient</u> Purpose: This new Med/Surg policy is to standardize the care of the post-surgical patient, to ensure appropriate assessments, action and documentation are completed throughout the continuum of care, thus allowing for optimum patient safety and recovery</p> <p><u>Modified Early Warning System (MEWS)</u> Purpose: This revised Med/Surg policy is to establish a standardized process for monitoring and responding to changes in a patient's clinical condition to identify risk for significant clinical deterioration and initiate interventions.</p>	<p>Christina Epperson made a motion to approve the new Compliance <i>Informed Consent</i> policy. Marilyn Cross seconded the motion. Motion carried.</p> <p>Christina Epperson made a motion to approve the new Med/Surg <i>Continued Care of the Post-Surgical Patient</i> policy. John Warner seconded the motion. Motion carried.</p> <p>John Warner made a motion to approve the revised Med/Surge <i>Modified Early Warning System (MEWS)</i> policy. Jason Waier seconded the motion. Motion carried.</p>

<u>Policies (continued)</u>	<u>Pediatric Inpatient or Observation</u> Purpose: This new Med/Surg policy is required for any tele-med consultation and to meet the requirements to keep a pediatric patient, age 14 and under, in observation or as an inpatient in a Critical Access Hospital without licensed pediatric beds.	Jason Waier made a motion to approve the new Med/Surg <i>Pediatric Inpatient or Observation</i> policy. Kelly Karcher seconded the motion. Motion carried.
<u>2024 Security Risk Assessment Project Action Plan (SRA)</u>	<u>2024 Security Risk Assessment Project Action Plan (SRA)</u> Victoria Woodrow, CEO stated that an SRA assessment is required by HMHD auditors and is an important part of cybersecurity vulnerability control. It will help minimize risks associated with physical safeguards, data encryption, employee monitoring, operating system replacement, Windows domain access, multifactor authentication, and System Information and Event Management (SIEM) System. The SRA assessment prepared by System Solutions, documents the preventive measures that HMHD has implemented or is planning to implement to limit the negative impact that might be caused by a threat or vulnerability. A Security Risk Assessment Action Plan was created and action items are in the process of completion. The entire <i>2024 Security Risk Assessment</i> has been included for the Board of Directors to help ensure full understanding.	Greg Muehlenbein made a motion to approve the 2024 Security Risk Assessment Project Action Plan (SRA). Jason Waier seconded the motion. Motion carried.


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<u>Annual Board Self-Evaluation</u>	The annual <i>Board Self-Evaluations</i> were distributed to the Board members during the meeting and included a return envelope. Review will take place at the April 2025 Board meeting.	
<u>Executive Session Recordings</u>	Discussion and/or Action to destroy Executive Session recordings for months prior to April 2023 under 2.06 Section C of the Open Meetings Act.	Marilyn Cross made a motion to destroy Executive Session recordings prior to April 2023. Kelly Karcher seconded the motion. Motion carried.
<u>Executive Session</u>	Convened into Executive Session under Section 2a of the Illinois Open Meetings Act. Review of hospital personnel took place.	Jason Waier made a motion to enter into Executive Session at 7:05 pm. Marilyn Cross seconded the motion. Motion carried. Greg Muehlenbein made a motion to exit Executive Session and return to Regular Session at 7:30 pm. Christina Epperson seconded the motion. Motion carried.
<u>Meeting Adjournment</u>		John Warner made a motion to adjourn the meeting at 7:35 pm. Greg Muehlenbein seconded the motion. Motion carried.

HAMILTON MEMORIAL HOSPITAL DISTRICT


John Warner, Secretary
Board of Directors