



BOARD OF DIRECTORS MEETING MINUTES  
Tuesday, April 22, 2025  
6:00 p.m.

MEMBERS PRESENT:

Wayne Morris  
Kenny Aydt  
Marilyn Cross  
Christina Epperson  
Kelly Karcher  
Greg Muehlenbein  
Carrie Ragan  
Jason Waier  
John Warner

MEMBERS ABSENT:

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.

One Hamilton County High School student from the Civics class was welcomed to the meeting.

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 March 2025 Meeting Minutes</u>	Regular Session minutes were reviewed and approved.	Christina Epperson made a motion to approve the March 2025 Board of Directors Regular Session minutes. Kelly Karcher seconded the motion. Motion carried.
	Executive Session minutes were reviewed and approved.	Jason Waier made a motion to approve the March 2025 Board of Directors Executive Session minutes. Christina Epperson seconded the motion. Motion carried.
<u>March 31, 2025 Financial Statement Narrative</u>	Justin Epperson, CFO, noted that the Debt Service Coverage Ratio ended at 1.08 for the quarter. The new covenants state that HMHD would need an offsetting total cash balance of \$4.8M. HMHD is currently at \$7.8M, so the debt covenants have not been violated. This is the final quarter of living under the older, more punitive, DSCR covenants. Because HMHD computes this on a trailing twelve months, the next calculation will take the lower payment into account, as well as the loss from FY24 falling off the calculation.	Jason Wair made a motion to approve the March 31, 2025 Financial Statement. Kenny Aydt seconded the motion. Roll Call Vote: Jason Waier- Yes; Kenny Aydt- Yes; Marilyn Cross- Yes; Christina Epperson- Yes; Kelly Karcher- Yes; Greg Muehlenbein- Yes; Carrie Ragan- Yes; John Warner- Yes. Motion carried.
<u>Balance Sheet</u>	<u>Current Assets</u> <b>Cash-</b> Cash is at \$7.8M, a decrease of \$595K from the prior month.	

<p><u>Balance Sheet (continued)</u></p>	<p><b>Accounts Receivables-</b> Net A/R is \$2,404,512 an increase of \$283K from the previous month.</p>	
<p><u>Income Statement</u></p>	<p><b><u>Gross Patient Revenue-</u></b> Total revenue was \$3.3M, which was \$74K above budget. Gross Patient Revenue is broken down into two areas: -\$3M Hospital Revenue (\$53K below budget) -\$295K Clinic Revenue (\$128K above budget)</p> <p>PRN tiers have been built and should be helpful in establishing PRNs. An increase in PRNs working shifts will help diminish contracted employee needs.</p> <p>The Employee Benefit line shows \$75K and is slightly higher in budget. More discussion will take place in Executive Session.</p> <p><b><u>Deductions</u></b> Contractual adjustments and bad debt allowances are recorded at 43% of gross revenue, which is the same as the previous month. This number is artificially low due to \$200K income recognized from the Cost Report Template. The original allowance percentage was 50%, which is standard.</p>	
<p><u>Cash Collections</u></p>	<p><b><u>Cash Collections</u></b> Cash collections were \$1.6M in March, a decrease of \$100K from the previous month.</p>	

<p><u>Cost Report Template</u></p>	<p>The <i>FY25 Cost Report Template</i> which runs a month behind for data collection, currently shows a payable of \$1,700 in February. HMHD applied the final remaining balance from the January interim payment of \$200K to income. This currently leaves HMHD with a reserve on our balance sheet of \$300K, which is a \$100K reserve against each outstanding Cost Report for FY23, FY24, and FY25.</p>	
<p><u>Key Statistics</u></p>	<p><b><u>Days Cash on Hand:</u></b> 132</p> <p><b><u>Days in Net A/R:</u></b> 42</p> <p><b><u>Hospital A/R Over 90 Days</u></b> Decreased to 20.3% from the prior month of 23.2%.</p> <p><b><u>Hospital A/R Over 90 Days for Medicaid</u></b> Decreased to 11.9% from 14.7%.</p> <p><b><u>Point of Service</u></b> Payments were consistent with a slight increase from the prior month of \$5,038 to \$5,555.</p> <p><b><u>MyChart Payments</u></b> MyChart payments saw a slight increase of \$17,063 to \$19,891.</p> <p><b><u>Payor Mix</u></b> March remained the same as February with Medicare at 44%.</p> <p><b><u>Request for Proposal</u></b> Justin Epperson completed the Request for Proposal (RFP) for HMHD's annual audit and has received the quote from Blue &amp;</p>	

	<p>Company, LLC. This quote was compared to the services that CliftonLarsonAllen, LLC (CLA) currently provide for HMHD. It was noted that the two quotes and services are very similar, however Blue &amp; Company did not provide the initial start-up cost.</p> <p>Chargemaster review is imperative and will be approximately \$43K. This audit must be completed within the next year due to the many changes from the CPSI to Epic transition, and is the main factor of the recommendation by the Justin Epperson to stay with CLA for now, complete the Chargemaster audit, and then conduct RFP again in coming years.</p>	
<u>FY25-26 Capital Expenditure Budget</u>	<p><b><u>FY25-26 Capital Expenditure Budget</u></b></p> <p>The FY25-26 Capital Budget has been completed differently this year. In the past the <i>out years</i> were basically place holders. Now, the purpose of the <i>out years</i> is for Directors to complete with effort with a goal of spending less. The <i>out years</i> are higher in total compared to the current year, but less than past years, and is due to the addition of just necessity items, ensuring that the budget can be better controlled.</p> <p>Big items for FY25-26:</p> <ul style="list-style-type: none"><li>-- SEC roof at \$25K (Top Priority)</li><li>-- Med Surg Nurse Call</li></ul>	<p>Marilyn Cross made a motion to approve the FY25-26 Capital Expenditure Budget. Jason Waier seconded the motion. Roll Call Vote: Marilyn Cross- Yes; Jason Waier- Yes; John Warner- Yes; Kenny Aydt- Yes; Christina Epperson- Yes; Kelly Karcher- Yes; Greg Muehlenbein- Yes. Carrie Ragan- Yes. Motion carried.</p>

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<u>FY25-26 Capital Expenditure Budget (continued)</u>	<p>System with the base system starting at \$200K (Foundation Gala proceeds will help fund)</p> <ul style="list-style-type: none"><li>-- Lab CBC Analyzer at \$90K</li><li>-- Maintenance Cooling Tower at \$90K</li><li>-- Maintenance Skid Steer at \$75K (High Priority)</li></ul>	
<u>Capital/Building/Grounds</u>	<p>Facility, Building and Grounds Update for April 2025 Nick Hansen, Director of Facilities/Life Safety Management reviewed the April 2025 report.</p> <p><b>Recent Activities:</b></p> <ul style="list-style-type: none"><li>--Awaiting installation of LPG tank</li><li>--Continuation of Spring cleanup on facility grounds</li><li>--Building Automation hardware and software update is complete so maintenance team can now monitor the new boiler room equipment remotely</li><li>--Rehab/PT Department floors have been refinished</li><li>--Replacement of domestic water heater with final plumbing in process</li><li>--Installation of new rollup door on boiler room exterior</li></ul> <p><b>Upcoming Activities:</b></p> <ul style="list-style-type: none"><li>--LPG gas tank installation is ongoing. The next step will be installing the tank and associated equipment.</li><li>--Clinic Department floor refinishing</li><li>--Concrete walkway leading to</li></ul>	

<u>Capital/Building/Grounds</u> <u>(continued)</u>	<p>the helipad will be replaced</p> <p><b>Major Breakdowns:</b></p> <p>--City wide power outage on April 10<sup>th</sup> occurred. Emergency generator performed without issues and emergency power circuits transferred.</p> <p>--Clinic HVAC system(RTU-3) has been performing poorly during the warmer days so far. Rend Lake Plumbing was called to evaluate and found 2 of 4 condenser fans inoperable. System was restored with partial capacity while awaiting repair parts. Full system restoration expected the week of April 21<sup>st</sup>.</p> <p><b>HMHD February Utilities Report:</b></p> <p>Review and discussion of the March utilities usage took place. Utility cost totals were down as well as usage.</p>	
<u>CEO Report</u>	<p><b>Board Committee Engagement:</b></p> <p>--US Congressman Mike Bost will be onsite Thursday, April 24<sup>th</sup> to meet with Executive Leadership and the Board of Directors and to discuss the Changes in the federal landscape, Medicare Advantage, and other important topics that affect small rural hospitals.</p> <p>--Continuous Quality Improvement / Joint Planning Committee Meeting will be held on April 29<sup>th</sup> and is comprised of a CQIC Committee Board</p>	

<u>CEO Report (continued)</u>	<p>members, Medical Executive Committee and HMHD Leadership</p> <p>--Foundation Golf Scramble will be held on June 6<sup>th</sup> at the McLeansboro golf course.</p> <p><b>Operations /Strategic Update:</b></p> <p>--Operational Evaluation of Surgical Service Line, covering all domains, will take place to ensure all standards are being met.</p> <p>--Reduction in expanded Medicaid impact of \$40.9B over the next decade impacting over 800,000 Illinoisans.</p> <p>--Health Plan Claims Administrator issues and remediation has taken place with no changes in insurance coverage for HMHD employees. The claims administrator will be transitioning from Crescent to Preferred Health Plans of the Carolinas (PHPC).</p> <p>--Hospital Medicine go-live started January 1<sup>st</sup>. Thus far, improvements are being noted in direct admits and inpatient volumes.</p> <p><b>Inpatient Care &amp; Financial Improvement Plan</b></p> <p>Review of the patient flow diagram took place with the Board, noting heightened evaluations and understanding of Meds Surg capabilities and better communication between HMHD Business Office and Med Surg, resulting in higher acuity patients being admitted locally.</p>	
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CEO Report (continued)

Continued discussions will take place regarding patient transfers versus HMHD IP/OP admits. Significant improvement in Care Coordination of patients coming out of the hospital has been seen. This is an important service to patients, ensuring appropriate care is received beyond hospital stays. Care Coordination is also potentially important to the HMHD revenue stream by means of reduction in re-admissions and achieving ACO metrics. Improvements in Rural Health Clinic (RHC) to Med Surg direct admissions will take place through strong provider to provider support and growing understanding of medical necessity.

**March 2025 Flash Reporting****Hospital & Clinic Charges:****April 4-21:**

--Gross: \$2.21M (trailing slightly)

--Clinic Visits:

Carmi- 228

McLeansboro- 655

**April 4-20:**

--ER Visits: 270 (trailing)

--Transitional Care: 6 admits

--Acute: 11 admits

--Observation: 23 admits

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

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<u>CEO Report (continued)</u>	<p>the prior 24-months, were also reviewed and discussed.</p> <p><b><u>Statistics for the month of March 2025 and Month to Date (MTD)</u></b></p> <p>--General Surgery and Scopes: 30 Dr. Miller will have a Professional Service Agreement directly with HMHD. The contract should be completed by July 1, 2025.</p> <p>--Eyes: 24</p> <p>--CT scans: 196</p> <p>--Lab: 4008</p> <p>--ER: 392 MTD: 270</p> <p>--Clinics combined had 1544 patient visits Carmi: 406 McLeansboro: 1138</p> <p>--RHC Direct Admits to Obs: 4 MTD: 8</p> <p>--Acute Admissions: 34 MTD: 11</p> <p>--Transitional Care: 12 MTD: 6 Average length of stay is being monitored with a FY average of 11.3 days.</p> <p>--IP Observation: 26 MTD: 23</p> <p>--Average Daily Census (Tran &amp; Acute): 3</p> <p>--Payroll increased to \$745K, and Contract labor expense decreased to \$53k, for a monthly total of \$797K.</p> <p>--IRCCO ACO Quality Driver / Rural Health Clinic Annual Wellness Visits (AWV): 14 MTD: 18 This is a key component for</p>	
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<p><u>CEO Report (continued)</u></p>	<p>ACO success with a goal of 54 AWW per month.</p>	
<p><u>Q3 Reports</u></p>	<p><b><u>Quality Assessment &amp; Performance Improvement Report (QAPI)</u></b>            Staci Frank, Quality/ Risk Director reviewed the QAPI report for the 3rd quarter that includes January, February, and March.            Performance Improvement Project (PIPs) continue in all departments to ensure issues are acknowledged, reviewed and resolved by identifying a corrective action to follow.</p> <p><b>Current &amp; Completed PIPs:</b></p> <ul style="list-style-type: none"> <li>- Average Unread Times</li> <li>- New Hire Onboarding and Training</li> <li>- CE Hours for nursing staff</li> <li>- Yearly Competencies</li> <li>- Telemetry Rhythm Competency</li> <li>- TeamSTEPPS Training</li> <li>- Emergency Severity Index (ESI) Training</li> <li>- Mock Codes</li> <li>- IV Classes</li> <li>- Prior Authorization FTE</li> <li>- Signage</li> <li>- Care Management Program</li> <li>- Microsoft Office 365</li> <li>- HUB Acknowledgements</li> <li>- High Risk Nursing Documentation</li> <li>- OP IV Therapy Workflow- Quick PIP</li> <li>- Tech SBAR form- Quick PIP</li> <li>- MEWS</li> <li>- Nurse Staffing Signage- quick PIP</li> <li>- Re-admissions</li> </ul>	<p>Carrie Ragan made a motion to approve the Q3 QAPI report. Marilyn Cross seconded it. Motion carried.</p>

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<u>Q3 Reports (continued)</u>	<ul style="list-style-type: none"><li>- Millipore Water System</li><li>- Joint Commission Accreditation Survey</li><li>- New Equipment Training</li><li>- Blood Bank Committee</li><li>- FMLA Hours Tracking</li><li>- LMS Employee Evaluation Tool</li><li>- Employee Handbook</li><li>- Wound Clinic to Surgery Workflow</li><li>- Podiatry to Surgery Workflow</li><li>- Man on Fire Drill</li><li>- Micro 3D billing improvement</li><li>- Employee Prescription Program</li><li>- Software Vendor Change</li><li>- IVP Medication Safety</li><li>- Quick PIP- ED Omnicell Addition</li><li>- Quick PIP- Do not cut alert</li><li>- Patient Handbook</li><li>- Assessment and Treatment Planning P&amp;Ps</li><li>- FEMA IC Training</li><li>- Sleep Study Turn Around Time</li><li>- IV Fluid Vendor Change</li><li>- Maintenance Tickets</li><li>- QA Checks</li><li>- IC Plan Creation</li><li>- Therapy Units</li><li>- Weekend RHC Clinic Ops-</li></ul> <p><b>Compliance Report:</b> Staci Frank, Quality/Risk Director reviewed the Compliance report for the 3rd quarter that includes January, February, and March.</p> <p><b>January:</b> Two HIPAA breaches noted, with one deferred to the following quarter. The other was a Workman's Comp document that was sent to the wrong employer with zero to low risk of harm to the patient.</p>	<p>Kelly Karcher made a motion to approve the Q3 Compliance report. Jason Waier seconded the motion. Motion carried.</p>
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<u>Q3 Reports (continued)</u>	<p>Zero calls were received to the Compliance Hotline</p> <p><b>February:</b> One HIPAA breach was investigated regarding an invoice. The burden lies with Integritas per the BAA as the billing department is their third-party vendor.</p> <p>Zero calls were received to the Compliance Hotline</p> <p><b>March:</b> Two HIPAA breach investigations took place. Neither were determined reportable to the OCR.</p> <p>Zero calls were received to the Compliance Hotline.</p> <p><b>2024 HIPAA Updates:</b> Two HIPAA breaches, one for November 2024 and one for December 2024, were investigated. Both were determined not reportable to the OCR.</p> <p><b>Safety Summary:</b> Victoria Woodrow, CEO reviewed the 3rd quarter Safety Summary that includes January, February, and March.</p> <p><b>Items of Note:</b></p> <ul style="list-style-type: none"><li>- In person de-escalation training is on-going</li><li>- A policy for the use of and distribution for personal safety alarms is in progress</li><li>- Hospital survey on Patient Safety Culture was completed. The survey had a 66% response rate from employees.</li></ul> <p>*95% positive for supervisors/manager</p>	<p>Carrie Ragan made a motion to approve the Q3 Safety Summary. Kenny Aydt seconded the motion. Motion carried.</p>
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<u>Q3 Reports (continued)</u>	<p>expectation &amp; actions promoting safety</p> <ul style="list-style-type: none"><li>*95% positive for communication openness</li><li>*94% positive for teamwork and Organizational learning and continuous improvement</li><li>*94% rating for “good, very good and excellent” for overall patient safety rating</li><li>*0 surveys rated HMHD as “poor” for overall patient safety</li></ul> <p><b>Risk Management:</b></p> <ul style="list-style-type: none"><li>- 125 Unusual Occurrences with 5 AMAs</li><li>- 3 Security Events</li><li>- 1 Equipment/System Failures</li><li>- Quarterly safety walk-throughs of the hospital/clinic, SEC, and the Carmi Clinic took place with all noted issues being addressed.</li><li>- All fire doors and exit signs were checked to ensure proper operation, no issues noted.</li><li>- Fire drills were completed.</li></ul> <p><b><u>HIPAA Investigation and Breach Risk Assessment</u></b></p> <p>Purpose: The Health Insurance Portability and Accountability Act (HIPAA) imposes certain obligations on Hamilton Memorial Hospital District (HMHD) as a CE when PHI in its possession or control is subject to unauthorized access, acquisition, use, or disclosure. Under HIPAA, HMHD must notify individuals whose PHI was or may have been subject to unauthorized access and provide</p>	<p>Jason Waier made a motion to approve the new Compliance policy, HIPAA Investigation and Breach Risk Assessment. Kenny Aydt seconded the motion. Motion carried.</p>
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<p><u>Q3 Reports (continued)</u></p>	<p>notice to the United States Department of Health and Human Services, Office of Civil Rights (OCR). (See Compliance Policy "HIPAA Breach Notification and the OCR")</p> <p>This policy outlines the steps HMHD may undertake as part of a HIPAA Breach Investigation and HIPAA Breach Risk Assessment to determine if an impermissible use or disclosure constitutes a reportable breach. This policy was approved by HMHD legal counsel.</p>	
<p><u>Policies</u></p>	<p><b><u>HIPAA Breach Notification and the OCR</u></b></p> <p>Purpose: The Health Insurance Portability and Accountability Act (HIPAA) imposes certain obligations on Hamilton Memorial Hospital District (HMHD) as a CE when PHI in its possession or control is subject to unauthorized access, acquisition, use, or disclosure (See Compliance Policy "HIPAA Breach Investigation &amp; Risk Assessment"). When a breach is discovered, the Breach Notification Rule<sup>1</sup> requires HMHD to notify affected patients, HHS, and potentially the media.</p> <p>This policy outlines the specific requirements for notification to individuals and the steps taken to notify the Secretary of the Department of Health and Human Services (HHS), the "Secretary," through the Office</p>	<p>Carrie Ragan made a motion to approve the new Compliance policy, HIPAA Breach Notification and OCR. Christina Epperson seconded the motion. Motion carried.</p>

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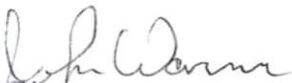
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<u>Policies (continued)</u>	for Civil Rights (OCR) breach reporting portal if a breach at HMHD or a BA is discovered.	
<u>Annual Board Self-Evaluation Review</u>	<p>Wayne Morris stated that the board self-evaluations had been completed and returned by all member with a cumulative score of 3.4 out of a 4.0.</p> <p>The evaluation is broken down into three sections:</p> <ul style="list-style-type: none"><li>- Board Meeting &amp; Committee Work</li><li>- Information Provided to the Board</li><li>- Relationships &amp; Guidance</li></ul> <p>Under these three sections there are a total of seventeen questions.</p> <p>Each question is to be scored using the below options:</p> <ul style="list-style-type: none"><li>•Exceeds Expectations (4)</li><li>•Successful (3)</li><li>•Requires Improvement (2)</li><li>•Unsatisfactory (1)</li><li>•No opinion/unsure(*)</li></ul>	
<u>Executive Session Recordings</u>	Discussion and/or Action to destroy Executive Session recordings for months prior to May 2023 under 2.06 Section C of the Open Meetings Act.	Jason Waier made a motion to destroy Executive Session recordings prior to May2023. Kenny Aydt 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.	<p>Jason Waier made a motion to enter into Executive Session at 7:22 pm. Christina Epperson seconded the motion. Motion carried.</p> <p>Greg Muehlenbein made a motion to exit Executive Session and return to Regular Session at 8:05 pm. Marilyn</p>

<u>Executive Session (continued)</u>		Cross seconded the motion. Motion carried.
		Jason Waier made a motion to approve the letter of resignation of CEO, Victoria Woodrow, who will exit on July 24, 2025. Kenny Aydt seconded the motion. Motion carried.
<u>Meeting Adjournment</u>		Carrie Ragan made a motion to adjourn the meeting at 8:10 pm. John Warner seconded the motion. Motion carried.

HAMILTON MEMORIAL HOSPITAL DISTRICT

  
John Warner, Secretary  
Board of Directors