



BOARD OF DIRECTORS MEETING MINUTES
Tuesday May 28, 2019
6:00 p.m.

MEMBERS PRESENT:

Christina Epperson
Paula Hatfield
Wayne Morris
John Warner
Greg Muehlenbein

MEMBERS ABSENT:

Mike Lewis
Kenny Ayd
Larry Rowland
Katie Folden

OTHERS PRESENT:

Victoria Woodrow, CEO
Justin Epperson, Controller
Patty Blazier, Chief Nursing Officer
Bryan Russell, Quality Director
Glenna Sutton, Interim Compliance Officer
Sheila Thompson, Director of Revenue Integrity
Bobbie Hamblin, Human Resource Director
Holly Hubele, Administrative Services Coordinator

Paula Hatfield, Board Vice President, called the meeting to order at 6:00 p.m. Roll call taken and with a quorum present, the meeting proceeded.

Victoria Woodrow introduced Bobbie Hamblin, Human Resource Director, to the Board.

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Topic of Discussion	Description	Action Taken
<u>Public Comment</u>	No comments were made.	
<u>Review of Minutes from April 2019 Board Meeting</u>	Minutes were reviewed.	Wayne Morris made a motion to approve the April 2019 Board of Directors Meeting Minutes. Christina Epperson seconded the motion. Motion carried with all favorable votes.
<u>April 30, 2019 Financial Statement Narrative</u>	Justin Epperson, Controller, reviewed the April 2019 finances and statistics	Financial Statements for the month of April were reviewed. John Warner made a motion to approve the Financials. Greg Muehlenbein seconded the motion.
<u>Balance Sheet</u>	<p>Current Assets</p> <p>Cash – HMHD has an operating cash balance of \$6,268,748 which is a decrease of \$233K from the previous month. HMHD has paid the National Government Service for Domestic Claims in 2015-2016. 2014 is on the Cost Report and 2013 will be paid in June. The NGS has declined to open the years 2011 and 2012 so HMHD will not be responsible for pay back of \$200K for that period.</p> <p>Accounts Receivables- The net patient receivable balance increased by \$289K over the prior month to \$2,655,544. It was noted that</p>	<p>Roll Call Vote: John Warner-Yes; Greg Muehlenbein-Yes; Wayne Morris-Yes; Christina Epperson-Yes. Motion carried.</p>

<p><u>Balance Sheet (continued)</u></p>	<p>this is increase is due to surgeries.</p> <p>Other Receivables- Increased by 51K over the prior month to \$52K</p> <p>Inventories and Other Assets decreased by \$14K leaving a balance of \$578K.</p> <p><u>Current Liabilities</u></p> <p>Accounts Payable- \$2.33M is the total in Payables for April which includes \$818K 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>Income Statement</u></p>	<p><u>Gross Patient Revenue</u> Total revenue was \$2,875M, which was \$212K above budget. This revenue is broken down into two areas:</p> <ul style="list-style-type: none">- \$2.7M Hospital Revenue (\$234K above budget)- \$142K Clinic Revenue (\$22K below budget) <p>Victoria Woodrow stated that the clinic has been affected more than anticipated by the RCM and CPSI conversions and that the clinic revenue will start increasing.</p>	

<p><u>Income Statement (continued)</u></p>	<p><u>Deductions</u> Contractual adjustments and bad debt allowances are recorded at 52% of gross revenue. This 2% change can make a huge impact per Justin Epperson. Surgery Payer Mix is being managed and contractual adjustments will be affected.</p> <p><u>Operating Expenses</u> \$1,437,171 were the total operating expenses for April. This represents an increase of \$36K from the prior month and were \$88K above budget. Salaries are \$18K above budget and Employee Benefits were \$20K over budget. There were numerous factors for April that included:</p> <ul style="list-style-type: none">-Membership Dues- Paid \$13K buy-out of membership dues from NextGen.-Patient Supplies- included costly mesh for upcoming surgeries performed by Dr. Miller.-Supplies Sold – 340B had expenses in April but the revenue will not be seen until May. <p><u>Net Income</u> The net income of \$32K represents a decrease of \$4K from the prior month and is \$54K above budget.</p>	
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<p><u>Income Statement (continued)</u></p>	<p>Contractual allowances, as well as new revenue from surgery and clinic, were the primary drivers.</p>	
<p><u>Final Adjustments to the Bottom Line</u></p>	<p>The initial net income was \$132K. With the end of year approaching, and the interim Cost Report not yet complete, it was decided to reserve \$50K for the year-end Cost Report. \$50K has been reserved for the April/May expense of an employee Stop-Loss on health insurance.</p>	
<p><u>Capital Budget</u></p>	<p>Victoria Woodrow, CEO, reviewed the Capital Schedule that totals \$931,000. HMHD Fiscal Year 2019-2020 Capital Schedule: July 2019 – Mobile Cardiac Telemetry \$73K August 2019 – Stress Testing Equipment \$29K October 2019- IT Refresh \$150K November 2019 Ultrasound \$110K March 2020- Replace '98 Roof \$473K May 2020- CPSI Hardware Upgrade \$75K June 2020- ER Flooring \$21K</p>	<p>Christina Epperson made a motion to approve the Capital Budget for the FY 2019-2020. Greg Muehlenbein seconded the motion. Roll Call Vote: Christina Epperson-Yes; Greg Muehlenbein-Yes; Wayne Morris-Yes; John Warner-Yes. Motion carried.</p>

<p><u>Reports</u></p>	<p><u>Quality Report</u> Medical-Surgical and Emergency Quality Dashboard was reported by Bryan Russell.</p> <p>HMHD staff is receiving monthly HCAHPS training to better serve patients. Several new PIC teams are being created to help improve Quality and address any issues that arise. Christina Epperson stated that she would like to see how patients rate HMHD compared to other hospitals. Administration will create a report.</p> <p>Victoria Woodrow indicated that the meeting for the EMS Collaboration project to address HMHD difficulties with ambulance transfers was held. The tax levy is being looked at and more discussion will take place.</p> <p><u>Compliance Report</u> Glenna Sutton, Interim Compliance Officer, specified that Medical Staff By-law updates regarding appointments and verbal orders, were voted on and approved at the May Medical Staff meeting.</p>	<p>Wayne Morris made a motion to approve the Quality Report. John Warner seconded the motion. Motion carried with all favorable votes.</p> <p>Christina Epperson made a motion to approve the Compliance Report. Wayne Morris seconded it. Motion carried with all favorable votes.</p>
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<p><u>Policies</u></p>	<p>HR Department Policy #59- <u>Background Check Policy and Procedure</u> Purpose: To provide a safe and respectful environment for patients, employees, volunteers and visitors and to fulfill its mission, vision and values, HMHD shall perform background checks on all candidates.</p>	<p>Christina Epperson made a motion to approve HR Policy #59. Wayne Morris seconded the motion. Motion carried with all favorable votes.</p>
<p><u>Medical Staff Appointments and Reappointments</u></p>	<p>Victoria Woodrow explained that currently medical staff providers are appointed privileges for an Initial 6-months followed by an additional 6-months, one-year and then two-year. This by-law has been updated and states that Providers will now be appointed 2-year privileges once credentialed and approved by the Medical Staff Board. The by-law change was approved at the quarterly Medical Staff meeting. This will save time and money for HMHD.</p>	<p>Wayne Morris made a motion to approve the 2-year appointments of medical providers. Christina Epperson seconded the motion. Motion carried with all favorable votes.</p>
<p><u>Executive Session Recordings</u></p>	<p>Discussion and/or Action to destroy Executive Session recordings for the months prior to November 2017 under 2.06 Section C of the Open Meetings Act.</p>	<p>Wayne Morris made a motion to destroy Executive Session recording prior to November 2017. Greg Muehlenbein seconded the motion. Motion carried with all favorable votes.</p>
<p><u>CEO Report</u></p>	<p>Victoria Woodrow announced that HMHD has aligned with a new Board</p>	

<p><u>CEO Report (continued)</u></p>	<p>Certified Internist starting in August. Dr. Schwarm will see patients with chronic conditions at both clinics and will lead nursing home strategy.</p> <p>Surgery and Surgical Clinic Volumes are up in April from the prior month due to the addition of a surgeon. Managing Medicaid surgical schedule, ensuring managed care plan credentialing and pre-authorizations before scheduling will insure that volumes increase over the next several months. Payer Mix is working well for general surgery and scopes and continues to be managed.</p> <p><u>Surgery Volumes for April</u> -Surgery Clinic Visits - 52 -Scopes and General Surgery 25 -Eye Surgery - 14</p> <p><u>Key Statistics</u> -Days Cash on Hand – 152 -Debt Service Coverage – 1.57 -Net Days in A/R – 66 Slower claims submissions due to the clinic EMR conversion has been the cause. -Upfront Collections are up due to patients meeting deductibles.</p>	
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<p><u>CEO Report (continued)</u></p>	<p>RCM Conversion has been completed and Clinic and Hospital data is now being reported together. HMHD is keeping a close watch on denial rates, first time clean claim submission rates and charge lag-hospital days. Sheila Thompson stated that improvements will be seen with first time clean claim submissions within the next several months.</p> <p><u>Statistics for the month of April:</u></p> <ul style="list-style-type: none">--Hospital admissions up to 34 from 33--Transitional Care down 4 to 7--Revenue driven/ER visits up to 427 from 386--CT scans up to 163 from 160--Imaging up to 1000 due to new mammography unit. Dr. Miller can perform breast biopsy if needed and this will add to volume.--Clinics combined are down to 1065 from the prior month of 1337 and is due to the impact of the Conversion. Carmi had 340 clinic visits and McLeansboro had 725 clinic visits.--Labs had a significant decrease to 6931 from 7547.	
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<p><u>CEO Report (continued)</u></p>	<p>Victoria Woodrow stated in the near future a Bond Counsel will be engaged for legal opinion.</p> <p>John Warner asked how pricing transparency worked for HMHD patients. Victoria Woodrow explained that on the HMHD website, www.hmhospital.org, there is a link to view the standard charge of procedures. These costs are the ChargeMaster listings of cost for items and procedures. This was a regulation requirement as of January 1, 2019.</p> <p>Financial questions can be addressed by calling 618.643.2361 ext. 2073.</p> <p>Financial planning will be done on-site with surgery patients prior to scheduling surgery and will cover costs and financial help if needed.</p>	
<p><u>Executive Session</u></p>		<p>Christina Epperson made a motion at 7:18 p.m. to enter Executive Session. Wayne Morris seconded the motion. Motion carried.</p> <p>Christina Epperson made a motion at 7:29 p.m. to exit the Executive Session. Wayne Morris seconded the motion. Motion carried.</p>

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<p><u>Meeting Adjournment</u></p>		<p>Christina Epperson made a motion to adjourn the meeting at 7:30 p.m. John Warner seconded the motion. Motion carried.</p>
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HAMILTON MEMORIAL HOSPITAL DISTRICT



John Warner, Secretary
Board of Directors

