



BOARD OF DIRECTORS MEETING MINUTES

Tuesday July 23, 2019

6:00 p.m.

MEMBERS PRESENT:

Mike Lewis
Kenny Aydt
Larry Rowland
Christina Epperson
Paula Hatfield
John Warner
Greg Muehlenbein

MEMBERS ABSENT:

Wayne Morris
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

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

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Topic of Discussion	Description	Action Taken
<p><u>Public Comment</u></p>	<p>No comments were made.</p>	
<p><u>Review of Minutes from June 2019 Board Meeting</u></p>	<p>Minutes were reviewed.</p>	<p>Paula Hatfield made a motion to approve the June 2019 Board of Directors Meeting Minutes. Kenny Aydt seconded the motion. Motion carried with all favorable votes.</p>
<p><u>June 31, 2019 Financial Statement Narrative</u></p>	<p>Justin Epperson, Controller, reviewed the June 2019 finances and statistics</p>	<p>John Warner made a motion to approve the June 31 ,2019 Financial Statement. Larry Rowland seconded the motion.</p>
<p><u>Balance Sheet</u></p>	<p><u>Current Assets</u> Cash – HMHD has an operating cash balance of \$5,912,068, which is a decrease of \$345K from the previous month. Accounts Receivables- The net patient receivable balance increased by \$4K over the prior month to \$2,648,559. Other Receivables- Increased by 52K over the prior month to \$52K Inventories and Other Assets- decreased by \$45K leaving a balance of \$527K. Property and Equipment- None <u>Current Liabilities</u> Accounts Payable- \$2.1305M is the total in Payables for June which</p>	<p>Roll Call Vote: John Warner-Yes; Larry Rowland –Yes; Christina Epperson-Yes; Greg Muehlenbein-Yes; Paula Hatfield-Yes; Kenny Aydt-Yes. Motion carried.</p>

<p><u>Balance Sheet (continued)</u></p>	<p>includes \$920K for regular business payables.</p> <p>Long Term Liabilities- Remained at \$18,015,000, the outstanding amount of bonds payable by HMHD.</p>	
<p><u>Income Statement</u></p>	<p><u>Gross Patient Revenue-</u> Total revenue was \$2,776M, which was \$112K above budget. This revenue is broken down into two areas: -\$2.6M Hospital Revenue (\$125K above budget) -\$151K Clinic Revenue (\$13K below budget)</p> <p><u>Deductions</u> Contractual adjustments and bad debt allowances are recorded at 50% of gross revenue.</p> <p><u>Operating Expenses</u> \$1,455,338 were the total operating expenses for June. This represents an increase of \$52K from the prior month and were \$108K above budget. Salaries are \$45K above budget and Employee Benefits were \$15K under budget.</p> <p><u>Net Income</u> The net loss of \$89K represents an increase of \$167K from the prior month and is \$109K above budget. Contractual allowances are</p>	

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<u>Income Statement (continued)</u>	the primary driver of the net income.	
<u>Final Adjustments to the Bottom Line</u>	<p>There were no adjustments made to the bottom line in June, but as this is year end, this close is a "soft close" awaiting further adjustment from inventory count, audit, and some year end processes. Any expenses over \$2K need to be updated by Sarah Luffman, staff accountant, and this will help take the volatility out of any expense that comes through that is related to the entire year.</p> <p>Discussion with auditors will take place in August concerning 3-pieces of cost reporting:</p> <ul style="list-style-type: none">- Increased spending on computer software should be reimbursed- Cost report reserve of \$50K could be added back in dependent on what Clifton Larson Allen (CLA) defines- National Government Services (NGS) have turned down \$100K for 2011 and 2012 open cost report adjustments. HMHD had reserved \$150K and this will likely be reversed into previous years.	

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<p><u>FY '19-'20 Union Collective Bargaining Agreement</u></p>	<p>Victoria Woodrow, CEO, answered questions from the Board concerning the Collective Bargaining Agreement for FY '19-'20 that was included in the Board packets.</p>	<p>Christina Epperson made a motion to approve the FY '19-'20 Union Collective Bargaining Agreement. Greg Muehlenbein seconded the motion. Motion carried with all favorable votes.</p>
<p><u>Annual Appropriations Ordinance #192</u></p>	<p>Justin Epperson, Controller, stated that the Annual Appropriation is based on the HMHD budget and that there were not any changes from last year. The required signatures were executed.</p>	<p>Larry Rowland made a motion to approve the Annual Appropriation Ordinance #192. Kenny Aydt seconded the motion. Roll Call Vote: Larry Rowland-Yes; Kenny Aydt-Yes; Christina Epperson-Yes; Paula Hatfield-Yes; Greg Muehlenbein-Yes; John Warner-Yes.</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 continues to struggle with ER transfers due to the lack of ambulance coverage. Victoria Woodrow, CEO, proposed to the Board that discussions need to begin with ambulance services outside the county to contract for HMHD transfers. This proposal will be added to the agenda for the August County Board meeting. HMHD will continue to assist Harre/Hamilton County Ambulance with placement in Region 5 EMS and will</p>	<p>Greg Muehlenbein made a motion to approve the Quality Report. John Warner seconded the motion. Motion carried with all favorable votes.</p>

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<p><u>Reports (continued)</u></p>	<p>facilitate discussion with the County Board to ensure understanding of the transfer issues. Essentially, Hamilton County Ambulance can respond to 911 calls and deliver patients to HMHD, but often do not have the staff to take emergent patients to tertiary care, and this is a concern for when Air Evac cannot fly.</p> <p><u>Compliance Report</u> Glenna Sutton, Interim Compliance Officer, went over the June Compliance Report and noted there were no changes. Quarterly Compliance meetings will continue.</p> <p><u>Quarterly Safety Report</u> Victoria Woodrow, CEO, reviewed the Quarterly Safety Committee Summary. The Safety Walk-through/ Inspection was performed on July 10th at the Hospital, Hospital Clinic, off-site Clinic and Senior Enrichment. Minimal issues were noted and all issues have been addressed.</p>	<p>Paula Hatfield made a motion to approve the Compliance Report. Christina Epperson seconded the motion. Motion carried with all favorable votes.</p> <p>Larry Rowland made a motion to approve the Quarterly Safety Report. Greg Muehlenbein seconded the motion. Motion carried with all favorable votes.</p>
<p><u>Annual Environment of Care Program Evaluation</u></p>	<p>Victoria Woodrow, CEO, explained that the Annual Evaluation of the Environment of Care (EC) Program is prepared for hospital leaders in</p>	<p>Paula Hatfield made a motion to approve the Annual Environment of Care Program Evaluation. Kenny Aydt seconded the motion.</p>

<p><u>Annual Environment of Care Program Evaluation (continued)</u></p>	<p>compliance with Illinois Department of Public Health (IDPH). Three years ago, HMHD was the first hospital in the state to be surveyed for the Emergency Preparedness Plan.</p>	<p>Motion carried with all favorable votes.</p>
<p><u>Policies</u></p>	<p>Hospital Policy #155– <u>Outbreak Investigation Influx Infectious Patients</u> This is state required for the emergency preparedness plan. Purpose: To control, obtain and report infectious patients.</p>	<p>Paula Hatfield made a motion to approve Hospital Policy #155 Outbreak Investigation Influx Infectious Patients. John Warner seconded the motion. Motion carried with all favorable votes.</p>
	<p>Hospital Policy #156- <u>Forensic Photography for Sexual Assault Medical Forensic Examination</u> This is required due to the new sexual assault laws in Illinois. Purpose: To take and preserve digital photographs to archive and maintain documentation of injuries and visible evidence findings before they are disturbed and collected.</p>	<p>Larry Rowland made a motion to approve Hospital Policy #156 Forensic Photography for Sexual Assault Medical Forensic Examination. Greg Muehlenbein seconded the motion. Motion carried with all favorable votes.</p>
<p><u>Board of Directors FY '19-'20 Officer and Committee Elections</u></p>	<p>Mike Lewis, Board President, announced the committees and the updated committee members. A handout reflecting the changes were distributed to the Board members.</p>	<p>Kenny Aydt made a motion to approve the Board of Directors FY'19-'20 Officer and Committee members. Christina Epperson seconded the motion. Motion carried with all favorable votes.</p>

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<p><u>Executive Session Recordings</u></p> <p><u>CEO Report</u></p>	<p>Discussion and/or Action to destroy Executive Session recordings for the months prior to January 2018 under 2.06 Section C of the Open Meetings Act.</p> <p>Victoria Woodrow, CEO, reviewed the statistics for the month of June.</p> <p><u>Surgery Volumes for June</u> -Scopes and General Surgery 22 -Eye Surgery - 15</p> <p><u>Key Statistics</u> -Days Cash on Hand – 142 -Debt Service Coverage – 1.47 Goal is to stay above 1.2. -Net Days in A/R – 65 Slower claims submissions due to previous clinic EMR conversion issues. Now that issues have been resolved, days in A/R should start decreasing.</p> <p><u>Statistics for the month of June:</u> --Hospital admissions up to 46 from 43 --Transitional Care up 6 to 16 --Revenue driven/ER visits down from 423 to 400 --CT scans up to 181 from 176 -- Imaging 795 --Clinics combined had</p>	<p>Paula Hatfield made a motion to destroy Executive Session recording prior to January 2018. Christina Epperson seconded the motion. Motion carried with all favorable votes.</p>
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CEO Report (continued)

1171 patient visits which is normal for summer months.
--Labs had a significant decrease to 6563 from 6814.

Victoria Woodrow, CEO, reviewed the HMHD project matrix, focusing on Long-term Debt Financing, conferring that the October bond maturity is quickly approaching. An extension to bridge the loan to a potential longer-term agreement is in the works with approval from one lender. The credit committee of the second lender is debating whether a field audit of revenue cycle claims is required before approving a longer-term loan. The primary driver of the potential field audit is due to third-party biller write-offs in January. This company is no longer affiliated with HMHD. If a field audit is requested, HMHD will not be penalized for not meeting the October deadline.

The McLeansboro Weekend Clinic started July 20-21. Weekend hours, for Saturday and Sunday, are 10:00 a.m. to 2:00 p.m. with times being re-evaluated as cold and flu season begins.

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<p><u>CEO Report (continued)</u></p>	<p><u>Project Update</u></p> <ul style="list-style-type: none">- Phone system installation in progress; go-live August 21- Roof discussion will begin with Building and Grounds committee in October- Report to the Community August publication- Cardiac Monitoring System project is near completion- New Oxygen tank site inspection and plans in progress- Employee health plan update next month on MVP- Congressman John Shimkus will visit HMHD on August 9th to discuss Surprise Billing legislation- Paula Hatfield has a weekly radio segment and she will be added to the HMHD press release list	
<p><u>Meeting Adjournment</u></p>		<p>John Warner made a motion to adjourn the meeting at 7:40 p.m. Greg Muehlenbein seconded the motion. Motion carried.</p>

HAMILTON MEMORIAL HOSPITAL DISTRICT

John Warner, Secretary
Board of Director

