



Thursday May 23rd, 2024, at 7:30am
BOARD OF DIRECTORS MEETING MINUTES

Virtual Attendance Option Available

Attendance: Colleen Todd, Board Chairman; Dr. James Sinnott; Vice Chair; Dan Mast, Board Secretary/Treasurer; Mark Libby, Board Member; David Elmer, Board Member; Jeff Lang, CEO; Michelle Reyna, CFO; Linda Maxon, CDO; Shala Kudlac, General Counsel; Michelle Erickson, Revenue Cycle Director, Schon Schmidt, Imaging Manager; Brock Millet, CoMS;

Members Attending via Virtual: Becky Sanders, Quality.

Absent: Terri Brandt Correia, CNO;

Visitors/Public Attendance: None

1. Call to Order at 7:30am

2. Public Comments and Correspondence – None heard.

3. Approval of Minutes

a. Regular Board Meeting, April 25th, 2024

MOTION: To approve the minutes of the Regular Board of Directors meeting held on April 25th, 2024; as written and presented.

ACTION: Mast /Libby; Unanimous Approval

4. Quality Report – Becky Sanders

a. Becky reviewed the clinical quality, patient care and safety. Becky reviewed the quality dashboard for the Clinical Departments:

b. Cardiopulmonary

i. Documentation and armband scanning is meeting targets. A new performance measure was added - medication scanning.

c. Clinic

i. Medication Reconciliation is a focus area and wellness visits were explained. Jeff referred to the spreadsheet and commented that pulling specialists out of the data makes sense as an orthopedic PA shouldn't manage diabetes medication.

d. Laboratory

i. Contaminated blood cultures were explained, with employee education and increased focus, this rate is improving. The lab is achieving its goals on troponin orders and results in 60 minutes; Becky noted that the chest pain nurse protocols are improving this measure.

ii. Press Ganey results on courtesy were highlighted, continuing to work on ADIET communications.

e. Pharmacy

i. The new house supervisors are helping with the metric of reducing entry into the drug room. Scanning in departments and incorrect

codes are a focus; competition between departments was started to drive performance improvement.

- f. Imaging
 - i. Expired products improvement was noted. A patient's fall in radiology was noted; as a result, employee training was performed on identifying people who are at risk for falls.
 - ii. Press Ganey patient satisfaction rate was explained. The Radiology Manager is looking at resources in PG.
- g. Becky also reviewed the Medication Safety Metrics – 2024 Medication Errors across all the departments. Working on the survey items and the pharmacy is championing this effort; employee education is being performed. Becky reviewed the severity scale.
- h. Next month will be the medical staff report and other quality meetings.
- i. Jeff commented that he enjoyed seeing all the green and the improvements in scanning rates and focus on patient safety.

5. Monthly Departmental Reports:

- a. Revenue Cycle Annual Report – Michele Erickson
 - i. FTE's 27 currently, last year 21 – Michele has assumed oversight of ER admitting and added 2 billing positions. The department has 2 open billing positions and 1 admitting position for a floater open.
 - ii. Medicaid has certified 4 staff to perform hospital presumptive eligibility for Medicaid coverage, typically on a temporary basis. Patients can be educated in financial assistance & options to help their ability to pay the bill.
 - iii. Michele explained a tool that will assist with no shows and cancellations within Cerner. She noted the month over month call volume and managing no shows, cancellations and reschedules. Cerner is developing a new program to assist in this effort called uplift. Michele is also working on a solution to consolidate visit bills, instead of the current one bill for each service. Also looking for outside tools to help educate on coding, including a provider education series, with a meal (lunch or dinner) included to help answer questions on billing and collections, how to code for the best outcome. Developing training on how to collect co-pays in the clinic and hospital. For reference, Michele explained that Pacific Source developed an incentive for patients to visit their PCP that included a \$5 copay for the first 3 visits and \$10 after that, which is difficult to track. It has been challenging to identify the eligibility for each patient's benefits and this has resulted in more refunds. Michelle is exploring options to help with this as well as prior authorizations, coding, bundling and medical necessity. HB3320 involves financial assistance and taking the burden from the patient on applying for financial assistance, this makes the process less invasive with determining financial qualifications. It will only

- consider the patient household income and a propensity to pay score with a credit company during prescreening, which will assist with automatic payment assistance.
- iv. Jeff mentioned that it is CVH's responsibility to determine whether a patient can pay and to apply the appropriate discount.
 - v. Michele continued to explain what limited items CVH can request to ascertain financial status from patients.
 - vi. Jeff explained that this new requirement won't likely have much of a change to the hospital's margin, we may see bad debt decrease and charity care increase.
 - vii. Michele reviewed the required price transparency and the process for the patient to research. Posting the charge-master on the website and patient understanding of this resource has not been as optimal as hoped. The estimate of service cost is a manual process now and CVH will need to purchase a tool to accomplish this in the future. Jeff suggested evaluating the system and assessing how useful this resource is for a consumer. This requirement costs CVH more than \$30,000 annually.
 - viii. Last year the PFS Department processed 44,000 bills per month. This year their average is 53,080 per month – volume of patient visits continues to increase. Access is a challenge, CVH is actively trying to fill the need for patients with new providers.
 - ix. The Board thanked Michele for her explanation and work on this process.
 1. Jeff noted that there has not been a scheduling complaint in quite a long time.
 2. Schon commends Michele's team as well as they are extremely helpful.
- b. Imaging Annual Report – Schon Schmidt
- i. Introductions made for the Board and Counsel. Schon reviewed her background for the Board noting her appreciation for small-town life. She has worked in the Radiology field for 36 years; her master's is in healthcare management. Currently in her department there are 5 FTEs, 1 PT, 2 contract CT travelers, as well as 5 high school students job shadowing this year. Services & volumes examined by modality, as well as the increase year over year were recapped. Equipment downtime and tech PTO have some effect on the volume.
 - ii. Growth areas include a new C-arm for orthopedic cases, while the new Siemens portable for ER has improved diagnosis time. The Imaging room has a growth opportunity, and an updated MRI would increase volumes, as well as dedicated, centralized scheduling. Another instrument in the capital could be a Light IR for General Surgery to identify access. ECT accreditation could help with our

commitment to quality. New services of breast MRI and cardiac MRI since we don't have ECHO, usually they are acute, and the MRI can accomplish the analysis for a decision to keep or transfer.

- iii. Schon would like to establish an externship program for 2 schools in Oregon.
- iv. The challenge is resetting expectations and there is a national shortage of radiology techs. A solution could be in helping current employees foster interested students. Schon has begun to review policies and appropriately manage employee expectations. MQSA recently surveyed the Radiology department – there were no items of noncompliance. The Joint Commission compliance item noted during their visit was addressed. The employees recently completed fall protocol training. Communication is also a focus, and the sharing of vital information was recognizably improved.

6. Medical Staff Report – Brock Millet, MD COS - Jeff Lang

- a. Medical Staff Report - addressed policy and procedures. Dr. Millet noted that not too much is going on. Dr. Millet noted that the General Surgeon interview went well.
- b. Credentialing Recommendations by Medical Staff - Alison Green
- c. Credentialing term: 5/23/2024-5/23/2026
 - i. Lina Dorfmeister, CRNA- Anesthesia & Pain Management- Courtesy-Reinstated
 - ii. Stephan Groth, MD- OB/GYN- changed from Temporary to Consulting status.

MOTION: **To approve the provider changes listed: Lina Dorfmeister, CRNA and Dr. Stephan Groth for membership to the CVH Medical Staff with the privileges requested as recommended by the Medical Staff Committee.**

ACTION: **Dr. Sinnott/Elmer; Unanimous Approval**

Discussion was heard regarding Suboxone & addiction level injections, it was noted that Lina is now offering this service.

7. Patient Care Report – Terri Brandt-Correia, CNO

- a. Operational Update - Jeff notes that Terri is unable to be with us today due to family illness.

8. Finance Committee Report – Michelle Reyna, CFO / Dan Mast

- a. Financial Results – April 2024
- b. Department Statistics
 - i. In-Patient Days – Admissions were favorable for both MTD and YTD, while Inpatient Days were unfavorable both MTD and YTD driven by a lower than budgeted ALOS. CVH had 27 IP admits from the ED in April and 9 admissions into Extended Recovery from surgery for a total of 10.9 days and an average length of stay of 1.2 days.

- ii. Swing-Bed Days - Unfavorable MTD and YTD driven by lower admissions compared to budgeted. Jodie McCollum is working on these volumes.
 - iii. Total Days (IP + SB) and Total ADC were both – Unfavorable MTD and YTD.
 - iv. ED Visits – CVH had 502 ED visits in April and averaged 16.7 patients per day. Making this metric unfavorable to budget for both MTD and YTD, flat over prior year.
 - v. Adjusted Patient Days – Favorable MTD and YTD. 31.3% favorable over PY.
 - vi. Clinic Visits/RVUs – Clinic Visits and RVUs were both unfavorable in April for both MTD and YTD. But CVH Clinic volumes are 51.5 and 57.3 percent favorable over PY, respectively.
 - vii. Lab – Unfavorable MTD by (1.7%) and unfavorable YTD by (8.2%). Lab volumes are over 17.7% favorable to PY.
 - viii. Radiology –Favorable MTD by 8% & flat YTD. Favorable 13.6% over PY.
 - ix. We budgeted for a 15% increase in CVH OP total volumes over PY.
 - x. IP Surgeries – We did not have any IP surgeries in April.
 - xi. OP Procedures – Unfavorable MTD (44.6%) and unfavorable YTD (28.8%). This is driven by the decrease in Ophthalmology services that are no longer performed and a decrease in the number of procedures performed by Dr. El Youssef (who was averaging 25 procedures/month, December he performed 11, January was 4, February was 6, March was 14)
 - xii. April Surgical volumes: El Youssef 7; Ferrer 8 (8 colonoscopies); Hobson 2 (1 hip/1 knee); Johnson 12, and Simmonds had 2.
 - xiii. CVH budgeted for a 5% increase in OP Procedures over PY.
 - xiv. FTEs – CVH ended April with 188.9 FTEs compared to 160.7 this time last year.
 - xv. Days Cash on Hand - CVH had 187 Days COH at the end of April with 36 days restricted for future Capital compared with 167 Days COH this time last year.
 - xvi. Total Days in A/R – 62.2 compared with 73.7 this time last year.
 - xvii. The Board observed that the Clinic visits are not increasing as well as the RVU's, and that the increased RVU's are the real key to success.
 - xviii. Jeff noted the mutual aid of the MRI tech from SCOA on Monday.
- c. Statement of Net Position
- i. Gross Revenue – CVH ended March with \$5.8M in Gross Revenue and \$53.9M YTD. CVH is favorable to budget both MTD and YTD driven by the OP Services and Clinic Operations. CVH is currently 25.3% favorable in Gross Revenue over PY.
 - ii. Contractual Deductions – The CVH Medicare model is current as of April, but a true-up to the March PS&R shows a YTD payable of (\$1.6K) for FY 2024. We booked another \$500K in April to bring the

- 2024 payable to \$1.9M and will pull another PS&R in May and true-up the payable again in November.
- iii. There are still several moving pieces and the receivable from SWOIPA was initially expected to be \$900K and it was \$500K, accruing that shortfall monthly at about (\$100K). the Advanced Health risk contract anticipated payment was less than budgeted; Advanced Health was also expected to pay around \$1M and the actual was \$500K with an overpayment of \$200K that was withheld, the expected \$300K is still to be realized on the balance sheet. Michelle noted that our accrual amount was adjusted. Jeff informed the Board that he encouraged Adv. Health to now send quarterly forecasts on estimated payments so that we will be able to budget appropriately.
 - iv. Other Operating Revenue – Unfavorable YTD because the bed tax revenue was budgeted here, this will be corrected with the new budgeting cycle.
 - v. Operating Expenses – Unfavorable MTD and flat YTD.
 - vi. Contract Labor: Apr fav \$251K – \$333K was reclassified to professional fees for Radiology Assoc. so that they are properly accounted for in the cost report. Please note that you will see that as an increase in Purchased Services for April.
 - vii. Net Operating Loss in April of (\$315K) and YTD Net Operating profit \$685K
 - viii. Non-Operating Revenue includes BABB interest of \$133K in April (\$269K/yr.) and \$512K in Bed Tax for calendar Q1/2024.
 - ix. Net Loss for April was (\$90K) and YTD CVH had a \$1.7M profit.
- d. Review of Schedule of Cash and Investments
- i. Cash increased by \$40K primarily driven by the \$400K decrease in A/R partially offset by the \$330K increase in A/P.
 - ii. Net Position Temporarily Restricted YTD reflected the amount of restricted grant funds of the \$142K left to spend.
 - iii. Jeff commented on our strong performance and huge improvement over last year. Which will impact our cost report with Medicare resulting in a payable. This movement will probably be realized as a decrease in cash next month. We expect volumes to go over \$6M for CVH receivables soon.
- e. Approval of Disbursements over \$25,000
- i. Michelle reviewed the contract staff late invoices. We are holding our managers to account in getting the timesheets from contractors timely.

MOTION: To approve payment of the disbursements over \$25,000 for the month of April 2024 and those that will accrue before the next meeting as recommended by the Finance Committee.

ACTION: Mast/Libby; Unanimous Approval

- f. Statement of Accounts
 - i. Not a lot of change there.
- g. Grants Tracking – presented to the Board for review. No further comments.
- h. Project Expenditures - presented to the Board for review. Commented that the projects of Clinic building, and Myrtle Point Clinic/Downtown Pharmacy are in two categories.
- i. Capital Requests
 - i. Cerner Infection Prevention Mod. \$49,920.
 - ii. Skylight interior finishing for the Clinic \$10,000.

MOTION: To approve the Capital request for the items listed as presented and recommended by the Finance Committee.

ACTION: Dr. Sinnott/Elmer; Unanimous Approval

9. Strategic Projects Update – Linda Maxon

- a. Myrtle Point/Coquille Projects
 - i. Linda reviewed a power point presentation on the primary care Clinic in Myrtle Point. The S&B James contractor will be on site starting in June. Pete will be facilitating the exterior work done late June to early July. We expect to have the Certificate of Occupancy on 08/02/2024 – a tour on 08/07/2024 and the grand opening 08/09 with a community celebration.
 - ii. Scope change and value-based engineering reduced costs by \$4709. The walk through yesterday had an elevated level of detail.
 - iii. Coquille Pharmacy milestones were summarized in bullet points. The past building issues have been resolved. There have also been some cost savings in scope changes. Project total cost reduced by \$16,405. We have also garnered a \$32,000 discount for adding both projects together with the same contractor.
 - iv. Work starts in earnest on 06/21/2024. Linda anticipates a similar opening date and expects the pharmacy to be busy from the first day open.
 - v. The West Clinic enhancements are on-going.
 - vi. Linda commends Michele on her provider education and quality measures.
 - vii. The Board asked if our pharmacy will be closing for lunch. Linda responded that her understanding is that the pharmacy will be open continuously between the stated hours and lunch will be accomplished without closing. The Board suggested that the

windows should be advertising the new pharmacy by vinyl wrap, Linda will work with Turrell for that.

10. Administrators Report – Jeff Lang, CEO

a. Building Project Update

i. Financing Update

1. USDA application Restart

- Jeff updated the Board with a PowerPoint presentation outlining the future operating structure involving the use of a MSO through CV Health for management services. Jeff reviewed the current state of the PAR & FFR for the Board. USDA initially committed to provide feedback on May 14 -15 - now the week of 20th and comments are yet to be received.
- USDA updated their anticipated schedule noting construction likely to start just before the end of the year.
- USDA affirmed project funding at \$30M and there is not the ability to increase.
- Appraisal update - USDA suggested that we hold off on that until the PAR/FFR completion.
- USDA informed us we are unable to remove the East Wing prior to the start of construction.

2. Budget:

- The projected budget is currently over an additional \$5M. If we inject equity to make up the difference in the project costs, it would bring down DCOH to under 90 days. When CVH first considered the project, 120 days cash on hand was established as a floor.
- Jeff is concerned about the appraisal value.
- Value engineering efforts reduced the expense by \$600K - delay will probably see an escalation of \$600K.
- Jeff has begun to explore the option of deleting the 4th floor, although there would be a cost for redesign, we may need to consider this.
- Plans for future build would have to be focused on the hospital 2nd floor.
- The Board noted that our options seem limited. They asked if we could make the Clinic able to hold another floor in the future. Jeff responded this would not be without significant building expense now likely not yielding the desired cost reduction. Additionally, future building of a floor would cause operational problems as it is difficult and costly to construction on top of an occupied building. The Board voiced the concern that

the new clinic is not large enough for growth for the future. The Board suggests that our \$5 million over budget now might cost \$20 million later.

- The Board observed there has been a significant time delay on the USDA loan.
- The Board observed that the real opportunity for growth is to increase the Clinic capacity, there is almost unlimited need for new providers, there will be business for as many providers as we could attract. This may help us be able to afford more debt. Jeff warned that having too much debt is an issue, we need to match volumes with cost.
- Jeff responded that clinic growth in other markets (i.e. Myrtle Point and Coos Bay) might make 12 providers in our clinic an appropriate amount. We have the possible attrition for 2 providers currently and that reduces the current provider count to 9. We won't want to build too much and over leverage our position. If we lost 3 providers, it would be catastrophic to our revenues.
- The Board concluded that we need to determine if the loan can increase by \$5M.
- Jeff indicated he will work with the design team to find the amount that eliminating the fourth floor will gain for the project. He will also update the debt capacity analysis to determine affordability.
- The Board proposed that the fourth-floor new services could increase CVH profitability as well. The Board suggested not relying on USDA and focusing on increasing our Clinic profitability.
- Jeff summarized that the Board suggested that the CVH project keep the fourth floor and continue to try and work with USDA.

b. Operational Update

i. Provider Recruitment

1. General Surgery – a provider candidate visited yesterday - currently practicing in Salem, interested in our offer. He is touring the area and looking at property, he will decide at the end of June. He is also looking at a position in New Zealand.
2. Emergency Care - 2025 resident in Ohio looking for a small rural facility in the PNW.
3. Primary Care - Looking for FP/NP/IM
4. Coquille Senior Center – Jeff reviewed the senior center proposal provided to the Board in their packet. The proposal calls for CVH to become partners with the senior center. The building would be donated to CVH and CVH would provide a

long term lease to the senior center for \$1.00 per year. CVH would act as the senior center's fiscal agent if requested and would provide ongoing normal operating funding. This partnership ensures there is a senior center in Coquille well into the future.

Motion: To Approve the proposal set forth by the CEO for our support of the Senior Center.

Action: Elmer/ Mast - Todd abstained; Approved.

c. ACO Assignment

- i. Jeff reviewed the interim results from our participating in an ACO. The ACO saw a reduction in cost to Medicare and is projecting a 1.83% to 3.00% overall reduction. CVH will be entitled to share in the savings if the savings exceed 2%. Final results should be known in June or July.
- ii. The ACO has recommended CVH upgrade from basic ACO (no risk) to the enhanced tier for 2025 based on our performance. The enhanced tier has downside risk (meaning if the costs for care exceed the expected rate, CVH may be at risk to reimburse Medicare at the end of the year.) Jeff explained we can receive a higher distribution payment in an enhanced ACO and there is a lower hurdle of 1% to be eligible for payments. There is some risk exposure up to \$48,000-\$107,000 payback. The ACO has never in its history had an ACO have to pay Medicare back.
- iii. Linda attended the ACO meeting and has high confidence that we have good processes and will improve on our results for our 2nd year.

Motion: To Approve CVH Authorize a move from the basic ACO to an enhanced ACO for the next contract year.

Action: Dr. Sinnott/ Mast; unanimously approved.

11. Board Chair Report

12. Next Regular CVH BOD Meeting: Thursday, June 27th, 2024, at 7:30 AM

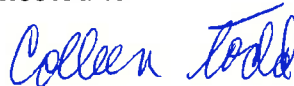
13. Adjourn Board Meeting 10:50am

Respectfully submitted:



Dan Mast, Secretary/Treasurer

Attested to:



Colleen Todd, Chairman