



Thursday June 27th, 2024, at 7:30am
DISTRICT 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; Jeff Lang, CEO; Michelle Reyna, CFO; Terri Brandt Correia, CNO; Linda Maxon, CDO; Shala Kudlac, General Counsel; Pete Grindel, Plant Operations Manager; Brock Millet, CoMS; Members Attending via Virtual: Becky Sanders, Quality; David Elmer, Board Member.

Absent:

Visitors/Public Attendance: None

1. Call to Order 7:29am
2. Public Comments and Correspondence - none.
3. Approval of Minutes
 - a. Regular Board Meeting, May 23rd, 2024
 - b. Board Special Meeting Minutes, June 19th, 2024
 - c. Combined Board and Budget committee Minutes, June 20th, 2024
 - d. Public Comment meeting minutes, June 25th, 2024

MOTION: To approve the minutes of the Regular Board of Directors meeting held on May 23rd, 2024; the Special Board Meeting Discussion of June 19th, 2024; the Combined Board and Budget Committee Minutes of June 20th, 2024, and the Public Comment Meeting of the Budget on June 25th, 2024, as written and presented.

ACTION: Mast/Libby; Unanimous Approval

4. Quality Report – Medical Staff Quality – Becky Sanders / Jeff Lang
 - a. Presented by Jeff Lang
 - i. Jeff provided a review of the Medical Staff Quality program. Surgical volumes by procedure and surgeon were reviewed. Jeff highlighted that we no longer have cataract cases being done at the hospital and the colonoscopy case volume has declined since the loss of Dr. El Youssef as a CVH physician, however, Dr. Ferrer’s volumes are starting to increase.
 - ii. On the inpatient floor, discharges increased 11% over last year. Dr. Edwards and Dr. Millet carry the highest volumes. Jeff relayed he was worried about burnout for our top producers. The average length of stay has decreased over last year and is below the budgeted expectation. CVH has seen an increase in volumes lately – we had 5 admissions overnight a few nights ago, and we currently have 10 in the house.
 - iii. Closed chart audits were reviewed with most providers performing very well. The elements we audit are listed on the slide under each section and include physician and non-physician elements.
 - iv. Medication Reconciliation - Dr. Ravindran has greatly improved his performance. Dr. Davisson continues to struggle with getting charts done timely and medication reconciliation is struggling.
 - v. The Patient Satisfaction survey data was reviewed.
 - vi. Medical Staff meeting Attendance was reviewed with the same people attending as usual. Efforts to increase attendance have not produced the desired effects.
 - vii. CPOE trends are consistent, with strong performance. Inpatient protocol orders and pipeline pharmacy recommendations are still negatively affecting the results of the physicians. Peer review cases were rated as care appropriate.

- viii. The peer review process has evolved and committee meetings are well attended. Jeff expects the number of cases our providers review to increase as we integrate our Radiology group's peer review process into ours.

5. Monthly Departmental Reports:

- a. Facilities Maintenance / Safety & EOP – Pete Grindel
 - i. Pete reviewed the staffing wins and struggles on both Plant Ops and EVS. He hopes to hire more on-call employees, recruiting and he will be attending interviews today.
 - ii. Challenges with aging equipment, HVAC units that are 27 years old are now being replaced.
 - iii. The deionizer for Surgery has gone down 5 times this year and is a new machine, he discussed fixes with the company to remediate the problem.
 - iv. Safety is going well. Fire Drill today. The night shift fire drill went well, kudos to the house supervisor Carrie. All required audits are up to date. EOP is status quo - stocked up and ready for the next emergency.
 - v. Clinic interior painting is going well. Carpet is next, start date pending. The roof is done, went well. Will paint Clinic exterior in the next few months as well as Physicians house.
 - vi. Board question on MP Clinic exterior painting. Pete explained the painting is on hold until issues with the stucco are resolved. The building owner is responsible for the repairs.
 - vii. July 15th the Chiller Unit for the Kitchen Refrigerator and Freezer will be installed.
 - viii. Jeff explains that Pete has been in the position for a year, and he has been addressing the many items of differed maintenance. He referred to the previous stop gap fixes that are now being addressed.

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

- a. Operational Update
 - a. Radiology Update – Radiology did have 3 employee separations and one employee utilized FMLA in the last three weeks. Terri discussed the issues that lead to these separations. Radiology Manager Schon has been working double shifts and covering calls. CVH has had to go on divert 6 times in the last 2 weeks. We hope to recruit one of our current travelers. Also, our part-time Ultrasound Tech is hoping to work full-time. Radiology techs are highly sought after and hard to recruit. We have cast a wide net over several agencies to secure traveling staff. We have secured 2 travelers coming soon. We would prefer more experienced people; however, those are even rarer. Traveling Radiology tech wages have increased and are higher per hour than an RN. We are adjusting our posting for these positions and Terri will be working with Schon as we onboard new staff to adjust a balanced and equitable schedule.
 - b. The Board asks what the factors in the Rad Tech shortage are. The COVID pandemic did place a barrier to entrance into the radiology field. We are not producing techs as we once were. We have a younger more “life-balanced” traveling workforce who have expectations of a flexible work schedule. Travelers start with a list of expected days of vacation.
 - c. Terri commends Schon for upholding the department during this difficult time.
 - d. The Joint Commission comes in September for the Laboratory inspection.
 - e. No word on the EMTALA survey that took place over a year ago,
 - f. Successful Trauma survey – conditional as IV level. We will have a revisit at the end of the year.
- b. Policy Approval
 - a. *Treatment of Nausea & Cyclical Vomiting – Pharmacy – 2 pages*
 - i. *Colleen would like high dose to be defined.*

MOTION: To approve the policy of Treatment of Nausea as written and presented.

ACTION: Mast/ Libby; Unanimous Approval

7. Finance Committee Report – Michelle Reyna, CFO / Dan Mast
 - a. Approval of Budget FYE 2025 by resolution
 - i. FY 25 Operating Budget
 - ii. FY 25 Capital Budget & 5-year capital plan

MOTION: To approve the Resolution of the FY 2025 Operating Budget, Capital Budget and 5 Year Capital Plan and impose a property tax rate of \$1.5299 per \$1000 of assessed value as written and recommended by the Finance Committee and presented.

ACTION: Dr. Sinnott/Mast; Unanimous Approval

- b. Financial Results – May 2024
 - a. Department Statistics
 - i. IP – Admissions were favorable for both MTD and YTD, while IP Days were unfavorable for both MTD and YTD driven by a lower than budgeted ALOS (YTD budgeted ALOS 3.9 and actual YTD 3.0). CVHD had 30 IP admits from the ED in May and 21 admissions into Extended Recovery from surgery for a total of 24.2 days and an average length of stay of 1.2 days.
 - ii. SB Admissions – Favorable by 25% for May; Unfavorable (15.9%) YTD, but just over 12% favorable over PY.
 - iii. SB Days - Unfavorable MTD and YTD driven by lower than budgeted admissions.
 - iv. Total Admissions YTD are slightly favorable to budget, while they are almost 60% favorable to PY.
 - v. Total Patient Days (IP + SB) and Total ADC were both – Favorable MTD and Unfavorable YTD.
 - vi. ED Visits – CVHD had 566 ED visits in May and averaged 18.3 patients per day. Favorable MTD, but unfavorable YTD by (1.1%)..9% fav over PY.
 - vii. Adjusted Patient Days – Favorable MTD, YTD, and PY.
 - viii. Clinic Visits/RVUs – Clinic Visits and RVUs were both unfavorable in May for both MTD and YTD. But are 48.5 and 54.8 percent favorable over PY, respectively.
 - ix. Lab – Fav MTD by 4% and unfavorable YTD by (7%). We are almost 19% favorable to PY.
 - x. CVHD budgeted for a 23% increase in IP and 28% increase in OP volumes over PY.
 - xi. Radiology – Favorable MTD by just over 13% and Fav 1% YTD. Favorable just over 13% over PY.
 - xii. CVHD budgeted for a 15% increase in the OP volumes over PY.
 - xiii. IP Surgeries – CVHD OR did not have any IP surgeries in May and were unfavorable YTD by (89.1%). This is because surgeries previously performed as IP are now performed as OP due to insurance guidelines.
 - xiv. OP Procedures – Unfavorable MTD (21.4%) and unfavorable YTD (28.2%). 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 (was averaging 25 procedures/month, for the month of May El Youssef 8). Ferrer 9; Hobson 5 (1 hip/3 knee/1 shoulder); Johnson 18, and Simmonds had 4.
 - xv. CVHD budgeted for a 5% increase in OP Procedures over PY.
 - xvi. FTEs –CVHD ended May with 196.4 FTEs compared to 166.4 this time last year.
 - xvii. Days Cash on Hand – CVHD had 179 Days COH at the end of May with 36 days restricted for future Capital compared with 196 Days COH this time last year and 34 of those restricted for future capital.
 - xviii. Total Days in A/R – 69.3 compared with 50.9 this time last year.
 - ii. Jeff noted that the stats are admissions are up 60% over last year. 35% favorable over last year - Clinic is 54% over PY and Lab at 18% over PY will create challenges with the MC reimbursement. 12 M of gross rev over PY and expenses are up \$2M over PY so our payable will go up.
 - iii. The Board asks about plans for IM attrition. Jeff responds that we have a plan for that.

- iv. The Board noted the effect of PTO in billing and Michelle and Michele are working on that. We are looking back in 3 day increments instead of a 10 day look back. She is analyzing productivity and is considering going back to 5, 8-hour days. The board suggested a 9-hour day with every other Friday off.
- v. The Board worries about on-call demands in the Clinic, now with fewer providers to handle that. Jeff is working on a plan with Locums and call to address the issues anticipated in the Clinic.

ii. Statement of Revenues

- i. Gross Revenue – CVHD ended May with \$5.8M in Gross Revenue and \$59.6M YTD. Favorable to budget both MTD and YTD, which is driven by the OP Services and Clinic Operations. Making CVHD 26% favorable in Gross Revenue over PY.
- ii. Contractual Deductions – The CVHD Medicare model from CLA as of May was showing a payable of \$2.4M, an increase of \$400K over April making a \$2.9M shift to payable. Accounting will book a \$500K payable in April and another \$500K payable in May and are sitting at a payable of \$1.85M.
 - i. Jeff noted generally in years past our model gets more accurate and turns out better for us by the end of the year. Although this is the first year of a large payable, it is always difficult to predict, even with this tool as good as it is, it's never going to be completely accurate.
- iii. Other Operating Revenue – Unfavorable YTD because the bed tax revenue was budgeted here.
- iv. Operating Expenses – Unfavorable MTD and YTD driven by more surgical volume.
 - i. Salaries & Wages:
 - b. 3 pay period month – bonuses paid to providers in May. Salaries flat YTD.
 - c. Net Operating Loss in May of (\$526K) and YTD Net Operating profit \$160K
 - d. Net Loss for May was (\$444K) and YTD CVHD had a \$1.3M profit.

a. Statement of Net Position

- iii. Cash decreased by (\$724K) primarily driven by the \$657K increase in A/R.
- iv. Other Receivables decreased by (\$510K) related to the bed tax that was accrued in April, reversed in May. It was received in May.
- v. A/P decreased by (\$634K) driven largely related to stale Medical Solutions invoices booked in April and paid in May.
- vi. Payroll Liabilities decreased by (\$470K) related to the number of accrual days at month end. In April CVHD accrued for April 14-30th (paid May 3rd and May 17th – 17 days) and in May we accrued for May 26-31st (paid June 14th – 6 days).
- vii. Estimated 3rd Party Payor Payable \$500K of that increase is related to the Medicare cost report payable.
- viii. Net Position Temporarily Restricted YTD reflected the amount of restricted grant funds of the \$69K left to be spent

c. Approval of Disbursements over \$25,000

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

ACTION: Mast/Libby ; Unanimous Approval

a. Review of Scheduled of Cash and Investments

a. Nothing of note.

b. Project Expenditures

a. \$2M in CIP annotated on list to the Board.

- c. Grants Tracking
 - a. \$69K in Restricted. Nearly \$150K overall.
- d. Policy Approval
 - a. Health Resources & Administration (HRSA) Reporting and Approval
 - 1. Michelle explained the purpose of the policy required by the auditors.

MOTION: To approve the Policy as written and presented and recommended by the Finance Committee.

ACTION: Elmer/Dr. Sinnott; Unanimous Approval

The board asked if CIP can be used to increase our Medicare cost-based reimbursement balance. Jeff explained that the CIP won't count, until the building is put into service and depreciation starts. We are in debt right now \$14M, an additional \$20M will be added with the project for a \$34M total. The board asks why the larger hospital has \$100M in debt. Jeff briefly explains debt service coverage ratio, with a summary of not enough income to cover the expense of operations and debt payment. The larger hospital has more long-term debt and they are required to hold cash reserve in a default position. The board noted that the larger hospital's debt is not related to their building expense, it is technology expenditure and the impacts involved in their limited cash flow.

- 8. Medical Staff Report – Dr. Brock Millet arrival at 8:30am
 - a. Medical Staff Report - Dr. Millet reports on the new radiology read process. The Board asked how the impending departures of Dr. Pradeep and Dr. Ravindran will go. The call schedule will be handled between the remaining team members. Dr. Millet departed at 8:35am.
 - b. Capital Requests
 - i. Hillrom Baxter Volera OLE – RT- \$8750.
 - ii. Hoshizaki Ice Machine – Med/Surg - \$5282.
 - iii. Comfort Flow Heat Pumps/ Air Handler – Clinic - \$55,868.
 - iv. EnterpriseRX Pharmacy POS equip. – Retail Pharm - \$42,967.

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

ACTION: Libby/Mast; Unanimous Approval

- 9. Strategic Projects Update – Linda Maxon
 - a. Myrtle Point/Coquille Projects
 - i. CVHD is making a lot of improvements in the clinic. We are improving front counter responsiveness and implemented a process to call patients on the wait list for input into canceled appointment times.
 - ii. Kimberly Talley, FNP; will join the team in the Myrtle Point Clinic. Laura Franklin, FNP; has accepted our offer. Linda is doing a risk stratification and will assign a new provider to the IM providers patient panels appropriate to the level of care needs for each patient. Also working recruitment of new providers in Family Practice and Internal Medicine. She will source Locums if necessary for both NP and IM/FP. She is expecting quick results and placement in 30 days.
 - iii. Linda shares a PowerPoint presentation, no major change orders in Myrtle Point, no surprises in foundational structure of the building. Working with S&B James to save on costs. Timeline is on schedule - opening date on August 6th. The exterior north wall of the building will need repair, this will be under the building owner purview. The Board asked about windows in the exam rooms. Linda responded that it windows would require cutting into the steel plate of the building which is a cost prohibitive barrier. Jeff noted that we could reassess our options when the current construction

- project is complete. The HVAC system was discussed; the wall is very robust with steel plate efface exterior stucco that will be re-adhered. No change to construction costs. Linda mentioned that we will be changing the locks on the doors ourselves.
- iv. Dr. Hanst is preparing for the move. The Turrell group will be onsite in July. Press releases starting in August. Pictures of construction in progress at the Clinic are shown to the Board and explained.
 - v. Linda remarked that we are using salvaged items from the building when possible. The vault door and safety deposit boxes have been successfully removed. The Board suggested that we get the pictures and stories into the local papers. Linda will do a walk through with the mayor and school superintendent.
 - vi. Linda reports that Senator David Brock Smith visited yesterday and walked around the worksite.
 - vii. The Board asks if NBMC will continue in Myrtle Point. Linda reached out to the NBMC NPs and has not heard back yet. She noted the recent marketing from NBMC.
 - viii. The pharmacy build-out was reviewed. The Pharmacy team anticipates growth quickly with hours of operation from 8am to 6pm. They are open to consider 7pm and as well as a Saturday shift. Linda has been contacted by pharmacy techs from the local pharmacy. Zane will be onsite for a few months to hand-off to the permanent pharmacist. We will start educating patients in the next week and are currently accepting prescriptions for day one/week one. She anticipates reaching 100 scripts a day in the first month; the Pharmacy will staff appropriately for this volume.
 - ix. Construction is progressing well, abatement was completed ahead of schedule, electrical panel installation went well, concrete was ahead of schedule and all permits and inspections have been approved. The Pharmacy interior build-out will be quick. Billing and payor credentialing is going well. The Pharmacy team expects a pharmacy inspection in first 6-9 months after opening. IT components will be ready in mid-July to set up POS system. Preparing for racking and the first drug procurement order.
 - x. Pictures were shown and using the existing carpeting will be a cost savings. The Board asked about handicap parking. Linda will stage the application for parking during construction and then request ADA. She expects we will have the same allocations as the other pharmacy. Zane can deliver prescriptions to a car parked outside if needed. Linda asked what would benefit the community regarding access and utilization of the rooms in the back of the pharmacy. The Board suggested dietary counselling and group classes.
 - xi. Linda noted the DME Distributor is yet to be determined. We will have a few approvals to go through to make this happen. The Board remarked that DME is very needed, and we have assured the public that we would provide that.
- b. Grants & Fundraising
- i. Linda reviewed the slide for marketing and branding. Our patient load has filled some of the providers panels, so we are holding back some of the planned provider advertising.
 - ii. The Board comments that the flu vaccines are now expected at the pharmacy by consumers as a convenience.
 - iii. The Board asks about the benefits of 340b prescriptions. They worry about people going to an outside regular provider and expecting a discount for scripts. Linda sees this as an avenue for market capture. The Board suggests that a cash price for out-of-pocket expense patients should be available. We will participate in the Good RX program as well. Linda explains that Zane will build a relationship with all area providers. The Board asks for talking points on why anyone should change to our pharmacy. Linda explains that the quality of care improves with providers having a direct line to the pharmacist and we will have better customer service. Jeff expands that we will eventually have our outer clinics be certified as rural health clinics, which will encompass more of the 340b savings for patients. Linda briefly explained some of the

complexities of the place of prescribing for each patient. We will need to explain to patients carefully how the scripts may not be cheaper for retail insurance versus Medicare. Linda is working carefully on scripting.

- iv. Linda reviewed the status of grant writing.

10. Administrators Report – Jeff Lang, CEO

a. Building Project Update

i. Financing Update

- 1. Jeff reviewed the latest project budget and highlighted the recent changes. Eliminating the fourth-floor saves \$2M after redesign fees.

ii. USDA Update

- 1. Jeff reported on the recent update call with USDA regarding the PAR and FFR comments. There were many comments that were already addressed in the previous version of the PAR and some new ones as well. Jeff reported a new issue that has arisen relates to the 4th floor and determining if it will be approved to be part of the project considering its now light storage. USDA is also requesting a 5-year capital plan as well as other information.
- 2. On the FFR Jeff was able to get all the questions he had answered. He also understands what they are looking for in terms of updating the projection made a year ago in the report to current actuals. USDA is requesting more details on the management services agreement, and they have also requested additional explanation as to why CV Hospital will be utilizing this strategy (a management agreement with CV Health).
- 3. Jeff explained USDA has capped the direct loan funds at \$30M, however, he has asked if a guaranteed loan could be part of the financing package. The local office will ask the question to the National Office.
- 4. Jeff also explained USDA is again asking about delaying the payoff of the HUD loan until the end of the project.
- 5. Jeff reported USDA is going to require we roll forward the FFR to reflect FY2024 as our base year and FY2025 is year one. USDA agreed to allow us to update based on our unaudited financial statements to get the update moving forward sooner.
- 6. Jeff relayed we tentatively agreed on a construction start date of April 2025 – which is a realistic estimate. This date will drive the construction/financing costs and changes in the updated FFR.
- 7. Debt Capacity Analysis – working on updating with our financial advisor. With minimum DCOH requirements we are not able to meet the 90 days cash on hand with the current project budget.
- 8. The Board asked if USDA would allocate our financing before the end of the fiscal year. Jeff responded that they are not able to do anything before the first of the year. The Board would like Jeff to look at alternate financing sources. Jeff reviewed the cost implications to using a lender other than USDA and the impact to the project with higher debt service costs.

b. Operational Update

i. Provider Recruitment

- 1. General Surgery - 3 candidates
- 2. Primary Care - 3 NP in the next quarter.
- 3. Emergency Med visit in July - Resident In Nebraska
- 4. Ortho offer will be made to a Sports Medicine provider soon.
- 5. Need 2/3 Providers and 2 CRNAs are needed.

ii. 2024-2027 Community Health Needs Assessment

1. Jeff reviewed the proposed 2024-2027 community health needs assessment.
2. Jeff noted the work CVH has done on the previous CHNA.

MOTION: **To approve the 2024-2027 Community Health Needs Assessment as written & presented.**

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

11. Board Chair Report
 - a. AHA Rural Health Conference Reservation Paperwork with travel information.
 - b. CVH District Board Officer Elections July meeting

12. **Next Regular CVH BOD Meeting: Thursday, July 25th, at 7:30 AM**

13. **CVHealth Meeting via Teams or in person on July 8th at 11am.**

14. Adjourn Board Meeting At 10:14am.

Respectfully submitted:


Dan Mast, Secretary/Treasurer

Attested to:


Colleen Todd, Chairman