

Kit Carson County Health Service District
REGULAR MEETING BOARD OF DIRECTORS

February 28, 2018

Virgil George....Present
Bill Korbelik....Present
Brenda Rueb....Present
Casey McDaniel....Present
Garret Mitchek....Present
Tony Rodriguez....Present

Attendees: Udo Foreman, Melissa Hornung, Malaree Taylor, Jeanine Hornung, Melissa Nash, Hillary Dwyer, Stephanie Homm, Kindra Mulch, Jeanie Tracy, Virginia Mann, Richard Mann, Hal McNerney, Susan Vaughan, Karen Hooker, Marilyn Plomann, Vickie Cure, Megan Ehrlich, Colette Martin, Corey Fedie, Charlene Morgan, Alison Stone.

I. Call to Order at 6:01 p.m.

II. Amendments and Approval of Agenda

Ms. Martin requested that the board remove the Revenue Cycle Presentation from the agenda, and she will present it at the March regular meeting. Mr. George requested that Executive Session be held at 7:00 p.m. to accommodate legal counsel.

A **MOTION** was made by Mr. Mitchek to accept the agenda as amended, removing the Revenue Cycle Presentation from the agenda, and holding Executive Session at 7:00 p.m. This motion was seconded by Mr. Rodriguez.

Outcome:

All Aye-Motion Passed

III. Recognition of Special Guests and Announcements

IV. Approval of Minutes from Previous Meetings

a. January 2018

Suggested Motion: I move to approve the previous meeting minutes as presented.

A **MOTION** was made by Ms. Rueb to approve the previous meeting minutes as presented. This motion was seconded by Mr. Korbelik.

Outcome:

All Aye-Motion Passed

V. Approval of Bills and Appropriations

a. Vendor Check Registers/Credit Card Charges (Consent Items)

Board

Suggested Motion: I move to approve the Consent Agenda Items as presented.

A **MOTION** was made by Mr. Korbelik to approve the Consent Agenda Items as presented. This motion was seconded by Mr. McDaniel.

Outcome:

All Aye-Motion Passed

VI. Hearings

VII. Reports of Officers, Committees, Professional/Consultants

a. Chief Clinical Officer

Charlene Morgan

Ms. Morgan included her report in the packet. Ms. Morgan discussed that Anthem Blue Cross conducted a survey on February 9th. Due to the fact that the state has not completed their survey, it was required that Anthem conduct their own. Ms. Morgan stated that the hospital scored a 93.9. Ms. Morgan also discussed her provided fall prevention report, she states that this will be how data is reported moving forward. Ms.

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Morgan provided nursing staff data as well as included data for travelers. This information included end of contract dates as well as when new staff will be ending orientation and moving to the floor. Once new staff has completed their orientation process, they will then take the place of a traveler on the floor. Ms. Morgan also discussed that she is working with Mr. Fedie to continue looking into hyperbaric services for the hospital. They will be visiting the Swedish Hospital in the coming weeks to view the setup for their hyperbaric services. Mr. Fedie will discuss this further.

b. Chief Operations/Compliance Officer

Corey Fedie

Mr. Fedie updated on the election proceedings. As of today there have been 10 nomination forms returned and there have been 14 handed out so far. Fedie updated on compliance, stating that there has been an EMTALA violation. Fedie states that the district has self-reported and have taken the proper steps to address the violation. Ms. Morgan stated that it would depend on the types of violations and the severity as to what the maximum fines would be. Mr. Fedie stated that there has been an OB case that they are investigating. Patient care was not an issue, but procedural issues. Mr. Fedie stated that the handbook policies have been updated, and will be rolled out at the end of March. Mr. Fedie stated that the hospital is currently participating in a food drive for Prairie Family Center. The district will also be participating in the Tour De'Kit bicycle ride for the Rotary Club Lose it for life program. Mr. Fedie stated that they have presented the organizational chart to the district staff, but upon presentation realized that there were some errors that Mr. Fedie and Mr. Charlene will review. Mr. Fedie stated that he would present the Org Chart at the next board meeting for the board to review.

c. Chief Financial Officer / NSide Consulting

Colette Martin

Ms. Martin provided her report to the board. She states that they are working really hard to compile a contract data base. Stephanie Clemans has been working very diligently to put the data base together. Ms. Martin stated that Ali Stone is working on a new project called Position Control, this is a compilation of total employees and hours worked. Ms. Martin stated that Ms. Ehrlich is doing an incredible job in her role as controller and the auditors have been very pleased with her work. The audit will be completed in March. She states that the board should expect to be contacted about an exit presentation. Ms. Martin will expect to provide a revenue cycle presentation in March. Ms. Martin updated on Patient Financial Services and Health Information Management, she states that hard work continues to ensure that proper documentation is completed for all charts. The charge master project continues, but there have been some issues with Prognosis. She states that they have received valid data and it will take about 2 more weeks to finalize the reports.

Ms. Ehrlich presented the December financial statements (provided to the board). She states that there was a loss of \$772,000. This puts the district at a 2.3 million dollar loss for the year. Ms. Ehrlich discussed the impact that Medicaid billing had on the financial standings. Ms. Martin stated that every week timely filings are reviewed, and new policies are put in to place to ensure timely filing. Ms. Ehrlich stated that there is a credit in December from the 2013 and 2014 cost reports of \$349,000. Ms. Ehrlich stated that the district did end up with a profit in January of \$218,000. She states that day's cash on hand has come up, although this is a year to date number. AR days have also gone down, this is a six month rolling number. Ms. Ehrlich stated that the Debt Service Ratio is at 3.49 to start the year, it is required to have a 1.25 for Wells Fargo. Ms. Martin provided an analysis of Emergency Department call time. Ms. Martin determined that the district was paying, without extra shifts, 46 days of call a month. This is an annual cost of \$713,000. Ms. Martin stated that there was also 5 extra days paid per month, totaling 51 days paid per month with an actual cost of approximately \$791,000. It was Ms. Martin's recommendation that we reduce a position because we are paying an unnecessary expense. No action was taken on this explicit request, due to other circumstances. Ms. Martin wanted to inform the board of this information as to how she came to this conclusion. Ms. Martin presented information on Stratton Medical Clinic and Seibert Clinic. She states that in 2012 Stratton had a loss of \$233,000 in 2013 a loss

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of \$96,000, 2014 a loss of \$49,000, and 2015 a loss of \$98,000, 2016 a loss of \$105,000 and 2017 a loss of \$102,000. Ms. Martin states that Stratton has been non profitable since 2012. Mr. McDaniel inquired what the number of patients treated was, versus just the revenue. The average monthly census is 75-80 patients per month. Ms. Briegel stated that the clinic is open less than they used to be, currently only 4 half days, and therefor see less patients.

Ms. Martin made a point of order at 6:55 p.m. regarding the time. A recess was called by Mr. George

Ms. Martin resumed her discussion on the rural clinics. She states that there was an obligation entered into in 1998, with the Stratton Foundation. There has been some discussion about assuming ownership of that space. At minimum, Ms. Martin would recommend staying the course so the district can better understand the expectations regarding the facility. Ms. Martin stated that Seibert also had losses in preceding years. The Seibert clinic was opened in 2016 therefore there is less data. Ms. Martin will provide a break even analysis on both facilities at the next meeting. There were concerns voiced from some of the community about whether or not the clinics will remain open. Ms. Martin stated that this is only an analysis, the clinic will remain open.

d. Quality Report C.R.S § 25-3-109

Karen Hooker

Ms. Hooker presented the provided Quality Report for January. Ms. Hooker reported several positive statistics with the Board regarding patient safety and care. There was a reduction in falls from 2016 to 2017, and additionally, there were no healthcare associated infections during 2017.

VIII. Unfinished Business

a. Hologic Contract / Mammography Analysis

Corey Fedie

Ms. Ehrlich discussed the provided analysis on mammography services for 2016 and 2017, as well as projected 2018. Currently the hospital only provides mammography services one day a week. Mr. George inquired as to whether we could make this service more viable. Ms. Dwyer, Radiology Manager, stated that if somebody else were hired or trained to provide this service and utilize it 5 days a week, the volume could definitely be increased. Ms. Dwyer stated that there would be some initial education requirements that would need to be completed before staff could provide this service. The cost is approx. \$375.00. The current machine has a life expectancy of another 5 years. A new machine would be approx. \$300,000 with a trade in offer. The group reviewed the service contract options. Mr. McDaniel would like to see information about doing either a ten year lease or a 5 year lease.

b. CD Term Review

Megan Ehrlich

Item was tabled until after discussion on Capital Budget item.

c. CFO Recruitment

Board

Mr. Fedie updated on the ongoing CFO Recruitment efforts. Fedie states that there is some independent interest in the position. Mr. Korbelik and Mr. McDaniel will need to review the current 5 applications and present their recommendations to the board.

IX. New Business

b. Capital Budget

Megan Ehrlich

A **MOTION** was made by Mr. Mitchek to accept the \$425,000.00 expenditure as presented for the first half of fiscal year 2018. This motion was seconded by Ms. Rueb

Outcome:

All Aye-Motion Passed

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A MOTION was made by Mr. Mitchek, to approve the use of the funds from the expired CD towards the capital investment as just approved (the \$425,000.00 expenditure for the first half of fiscal year 2018). This motion was seconded by Mr. Rodriguez.

Outcome: All Aye-Motion Passed

c. New Credit Card Vendor

Megan Ehrlich

A MOTION was made by Mr. Korbek to change the credit card vendor to Merit Card Solutions. This motion was seconded by Mr. McDaniel.

Outcome: All Aye-Motion Passed

X. Executive Session

A MOTION was made by Mr. Korbek at to enter into Executive Session under C.R.S § 24-6-402(4) (b). This motion was seconded by Mr. Mitchek.

Outcome: All Aye-Motion Passed

A MOTION was made by Mr. Mitchek to exit Executive Session. This motion was seconded by Mr. Rodriguez.

A MOTION was made by Ms. Rueb to Re-enter executive session under C.R.S § 25-3-109. This motion was seconded by Mr. Rodriguez.

Outcome: All Aye-Motion Passed

A MOTION was made by Mr. McDaniel at 9:10 p.m. to exit executive session. This motion was seconded by Mr. Rodriguez.

Outcome: All Aye-Motion Passed

XI. Next Regular Meeting

March 28th, 2018

XII. Adjournment

A MOTION was made by Mr. McDaniel to adjourn. This motion was seconded by Mr. Rodriguez.

Outcome: All Aye-Motion Passed

Respectfully Submitted,
Brenda Rueb
Secretary, KCCHSD Board of Directors



Approved 3/28, 2018