



Iron County Medical Center

IRON COUNTY HOSPITAL DISTRICT BOARD MEETING Thursday, September 20, 2017

Meeting was called to order at 4:04 p.m. by Board President Kevin Adams. All Board Members, Kevin Adams, Gary Boyer, Bob Dunn, Norma Owens, and Randy Matthiesen, were present and answered roll call. Guests present included: Joshua Gilmore (CEO), Cindy Sadler (CNO), Brantley Hickman (Controller), Angie Nations (HR Director), and Mark Natale (IT Manager).

Adams asked if minutes from the August 24, 2017 meeting had been received and reviewed and if there were any objections, corrections or additions. Norma Owens stated that she had an addition, specifically, that it was not mentioned in the meeting minutes that she had objected to Bob Dunn voting over the phone because it is illegal to do that under the Sunshine Law. She handed out a copy of Section 610.015 of the Sunshine Law addressing “Votes, how taken” and asked that her objection be added to the agenda. Gary made a motion to add it to the agenda and Norma seconded the motion. All were in favor and motion passed. Since it was agreed that the roll call and motion to pass the cost control measures submitted by Board member Gary Boyer at the August 24, 2017 meeting was not legal, President Kevin Adams asked if the passage of that motion needed to be rescinded. Boyer asked for a discussion on the subject before moving forward with a motion to rescind. Boyer discussed his review of the rules regarding the required number of Board Members for an approval, and how that allows for flexibility for the Board regarding decision making. Following the discussion, the passage of the cost control measures was subsequently rescinded by way of a roll call: Norma Owens – yea, Randy Matthiesen – yea, Maxine Dettmer – yea, Bob Dunn – yea and Gary Boyer – nay. Motion to rescind carried with 4 yeas- 1 nay.

Hospital & Board Administration/Operation Matters

a. Financial Report/Payment of Bills

Gilmore reported August’s total net revenue of \$1.17 million and a Total Operating loss of \$20,020. He reported the FY net margin is \$112,933 which is a 4.8% net margin as of the end of August. He shared that there are still many changes taking place that will impact this number and that he does not foresee us maintaining the 4.8% margin. He does believe, however, that we will be able to end the year with a loss that is no more than the depreciation.

Gilmore than reported on where things were with the RHC move and shared that more research is being done on the numbers reported by the consultant after questions were raised by our revenue cycle staff. Our staff were right to question the numbers because there was an error in how our data uploaded into the consultants system for analysis. The bottom line is that plans to move the RHC will continue, but more information is needed before it can be determined if it is in the best interest of the facility to put the specialists under the RHC umbrella following the move. The question was then asked by Dunn what would happen to the building currently housing the clinic. Gilmore explained that for the short term the most likely outcome would be to move the Business Office to that location for two reasons – to eliminate the rental cost of the office space they are using now and to eliminate the potential for water damage to records if a flood should occur. Adams then asked how the move would impact cost report with records to square footage at current RHC building not being included once it is moved. Joshua addressed that issue and asked for input from the Board on future uses for the building and expansion of the hospital building 3-5 years down the road. It was agreed that he would review blueprints from the original construction to see if the plan for future expansion at that time is still a good fit.

Gilmore shared that the average daily census for August was 4 and that he believes there may ultimately be an uptick in admissions over time; increasing from the current average of 4 to perhaps as many as 6 due to bringing the new Hospitalist on. He reported that the RHC is seeing between 500-600/month and there may be some growth once they have moved to this facility depending on provider staffing at the time that occurs. If the clinics combine, then the addition of specialists, specifically ortho, urology and rheumatology, will also help improve numbers. He stated that Dr. Doerr, an Orthopedic Surgeon will be starting here soon as that contract has been signed and that he has entered discussions with another Orthopedist and ENT and a Urologists with hopes of getting them here within 60 days.

Moving back to financials, Gilmore reported that we have received the contract from BKD to do our annual audit and are anxious to start the preliminary work with them. He reported that the total cash collected for August was \$1.26 million with Medicare withholding \$25,000. Brantley Hickman reviewed the cash in/cash out report and stated that in the future he would include YTD numbers per Boyer's request. AP report was also reviewed and Gilmore shared that at the end of July we owed \$1.7 million for AP and in August they had reduced that to approximately \$1.5 million a reduction of approximately \$200K and we will continue to pay that down as revenues allow.

Boyer asked what our currently monthly cash commitment to the USDA is and Gilmore reported that they would begin taking payments again on October 15th and would be taking approximately \$19,000 until 2018 which is interest only. He reported that prior to this change we had been paying approximately \$38,000 for principal and interest.

Gilmore reported that inpatient totals for August were acute – 23 days, swing bed 75 days, 8 observations, ER saw an average of 12.5 patients per day and total RHC visits was 512.

Gilmore discussed the current budget and his concerns with some of the assumptions that projections were based on from years past. With the number of operational and financial changes being made this year he does not have a high level of confidence in it. He also reiterated that as previously discussed with the Board that the goal for this fiscal year was to decrease the Hospital Districts losses to no more than Depreciation and that hopefully we would end this fiscal year having funded at least a portion of depreciation. He also noted that ultimately this Hospital District must make a net profit if it is to survive and become financially viable for the long term. His goal is to first get us to a break-even point and then move us to a net margin of 1 to 3% for sustainability.

Adams asked for a motion to pay bills. Dettmer made the motion and Owens seconded. All were in favor and motion carried. Adams then asked for a motion to accept the financial report. Owens made the motion to accept, Dunn seconded, all were in favor and motion carried.

b. CEO Report and Board Notifications/Approval Items

Gilmore reported that the new Hospitalist is doing well and that we have signed an agreement with a firm to provide ortho services. Reiterated that we are working toward getting a urologist and an ENT and researching whether dermatology would be a good fit. He announced that we are also looking at the possibility of endocrinology via telemedicine and will be meeting with a candidate for this the first week in October; and that we are still in discussions with an internal medicine doctor.

Gilmore reviewed where things stood with research being done on the Athena EMR system. Mark Natale spoke to the improvements it would bring and shared many of the features and Hickman shared the financial aspect. Gilmore reported that we have until September 27th to enter into an agreement with them to qualify for their discounted rate. He shared that the system would go live on July 1, 2018. Adams entertained a motion to allow us to proceed with pursuing an agreement with Athena; Owens made the motion, Matthiesen seconded, all were in favor and motion carried.

c. Auxiliary Report

Dettmer reported that the Auxiliary members are gearing up to sell cookies, beverages, chili, chili dogs, chili frito pie, and crafts at their Battle Re-Enactment Booth on Saturday, September 23rd. She also reported that they will be holding a dedication for their healing garden on Thursday, October 5th from 2:00 – 3:00 p.m. and all were invited to attend.

d. Audit/Finance Committee

Nothing to report at this time.

e. **Governance**

Owens reported that while Christi Johnson did get an e-mail back from Carl Strange, attorney, when she asked him about his progress with finalizing the Board by-laws, he still had not sent anyone the document. She suggested that we get someone else on the committee since former board member Cindy Chase had left and that the committee approach Bryan Parker about serving as the attorney-at-large for the governance arm of the board. She stated that while Strange had reported that he had the by-laws 90% changed and wanted to give them one last review, no one had been able to get him to share the document in the last several months. She asked if someone else would volunteer to replace Chase on the governance committee. Dettmer agreed to serve in that capacity. Owens agreed to call Brian Parker to see if he will agree to serve. If he does, she will call John Cullinane, Attorney, and ask if there is anything else they need to do with regard to making a motion or getting a document signed.

f. **Approval of President's signature on hospital documents**

Adams entertained a motion to be made for him to approve hospital documents. Dettmer made a motion and Dunn seconded. All were in favor and motion carried.

g. **New Business**

Gilmore shared the hospital employees had stepped up in a big way to help with the Auxiliary booth at this weekend's Battle Re-Enactment and asked that all visit the booth in support of the Auxiliary. He also invited all to attend the Healing Garden dedication on October 5th from 2:00 – 3:00 p.m. here on the grounds. He announced that a USDA representative would be here on October 3rd at 10:00 a.m. to award us a \$44,000 grant that we will be utilizing to replace the cooling tower. He shared that he will be working with ICEP to try to get a grant from them for all or a portion of the remaining \$35,000, will be meeting with Bryan Parker, Attorney for that organization, to discuss this possibility, but if that does not happen the vendor has agreed to set up a payment plan for the remaining \$35,000. He reported that we have learned that for an increased cost of \$4,000 we can get a stainless steel liner vs. the galvanized which would increase the life of the cooling tower substantially and that we would like permission to proceed with that extra cost.

Owens made a motion that we be allowed to move to a stainless steel liner at the extra cost, Dettmer seconded, all were in favor, motion carried.

Gilmore announced that the next series of Town Hall Meetings will be held in October – October 10th at Thee Abbey in Arcadia at 6:30 p.m., October 12th at the Community Building in Annapolis at 6:30 and on October 17th at 6:30 p.m. at the Viburnum City Hall. He encouraged Board members to attend at least one of the meetings.

Adams entertained a motion to go into closed session at 5:30 p.m. to discuss details of the CEO's contract. A roll call was taken with all yeas and board entered closed session.