



Iron County Medical Center

Iron County Hospital District Board Meeting Thursday, May 3, 2017

Meeting was called to order by Board President Kevin Adams at 4:00 pm. Board Members present were: Kevin Adams, Bob Dunn, and Randy Matthiesen. Gary Boyer, Maxine Dettmer, and Norma Owens were absent. Guests included: Joshua Gilmore (CEO), Cindy Sadler (CNO), Angie Nations (HR), and Christi Johnson was present to take minutes.

Adams asked if minutes from the April 6, 2017 board meeting had been received and if so, were there any objections, corrections, or additions. Matthiesen noted the date for the next board meeting was listed as May 25th and it should be May 18th. Minutes will be changed to reflect change in date. Matthiesen made a motion to approve minutes. Dunn seconded.

3 yeas. Motion carried.

Update Regarding Financial Impact of the Interim Cost Report Rate Adjustment

Gilmore reported he wanted to bring the board up to speed as to where the hospital stands financially. The last several months finances have shown a running loss with March having a Total Operating Loss of \$143K. The long term goal would be to aim for a 3% net margin. In looking at the year to date the hospital is losing \$60K a month after depreciation is taken out. In April Medicare made a reduction in rates to recoup the anticipated overpayment. Rates have dropped from 53% to 46% to a current rate of 29%. The overpayment is a result of an uptick in visits. With the hospital being tight financially already, the rate cuts have resulted in AP falling behind. Gilmore noted he continues to work with CLA and has hired Michael Bell, cost report specialist. Bell was onsite last week and reviewed past cost reports. Suggestions were made on how to report going forward that will result in savings for the hospital. Bell met with several staff members and provided training to Leadership Team members. Currently the hospital is paying Medicare \$56K a month which is driving a big portion of our loss. Going forward we will look at areas to cut costs and drive revenue. Due to the decrease in reimbursement, revenue for the month did not clear \$700K and payroll taxes were delayed in being paid timely. Gilmore also noted that some specialists are 60 plus days behind in being paid. The hopes are at the end of the next 18-24 months the hospital should see some stabilization. The Business Office has been working with HRG to collect as much outstanding cash as possible.

Gilmore reported he has been working with the USDA in regards to the \$38K bond payment due each month. Last week Gilmore met with Clark Thomas, USDA, and explained the hospitals financial situation. Gilmore will be writing a letter to the USDA asking for up to 24 months deferred payments and waiving interest accumulated during such period. In return this will free up funds to pay providers and help in the survival of the organization.

Gilmore asked for the boards support in going out into the community and asking for an additional 1% to the already ½ cent sales tax. He believes he can be successful and will be transparent with the community. A suggestion was made to hold community meetings and get answers to the public. Gilmore noted they must be clear with the facilities services offered and how it impacts this region.



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If another entity takes over ICMC becomes part of their system and loses the ability to control its future. The extra sales tax would result in an approximate \$60K each month.

Gilmore noted the reality of ICMC's financial challenge is urgent. The community needs to understand we are struggling. Adams noted Gilmore has the boards blessing to proceed with aforementioned plans.

The next board meeting will be held on Thursday, May 18, 2017 at 10:00 am. Matthiesen made a motion to adjourn the meeting. Dunn seconded. The meeting ended at 5:06 pm.