



Iron County Medical Center

Iron County Hospital District Board Meeting Thursday, October 20, 2016

Meeting was called to order by Board President Kevin Adams at 4:10pm. Board Members present were: Kevin Adams, Gary Boyer, Maxine Dettmer and Randy Matthiesen. Cynthia Chase and Norma Owens were absent. Guests included: Terry Nichols (CEO), Angie Nations (HR), Brantley Hickman (Financial Analyst), Kayla Chamberlain (Bookkeeper), and Christi Johnson was present to take minutes.

Adams asked if minutes from the September 15, 2016 board meeting had been received and if so, were there any objections, corrections, or additions. Boyer made a motion to approve minutes. Matthiesen seconded.

4 yeas. Motion carried.

Hospital & Board Administration/Operation Matters

a. Financial Report/Payment of Bills

Nichols stated a condensed copy of the FY17 budget was included in this month's board packet. The auditors were on site a full week and reported this was the best audit they have ever done. This was due to CLA working to get everything reconciled which resulted in a painless audit. A representative from Ander's and Josh Wilks, CLA, will present the audit findings at the November meeting. The FY15 cost report has undergone a desk audit resulting in an additional \$12K payback. Some items are being appealed and we should only expect to owe another \$5-7K. The FY16 cost report is being reviewed and expect to have it in hand in the next few weeks to present at November meeting. The EHR audit is complete and they have disallowed anything to do with finance resulting in a \$210K payback. The second Medicaid EHR payment of \$237K will be paid in the near future. A balance of \$115K will be paid next year as the final payment. Nichols introduced Kayla Chamberlain to the board. Chamberlain has an accounting degree and is in her second week as the Bookkeeper/Accountant 1. The AR continues to grow while AP has dropped due to several loans being paid off. Payroll has come into line and is less than last year. An efficiency study will be done but we believe payroll is spot on. August was a record month with GPR of \$2,109,000. Outpatient revenue is up and volume has been up causing supply cost to rise. A cash flow loss of \$119K and collections under \$900K were reported for the month. September had \$1.9M in GPR compared to \$730K two years ago. All services have continued to rise except inpatient. The first three months of FY17 recorded \$6M in GPR. September patient days were down as a result of a lack of admissions from the ED. The issue has been addressed with the ED providers. October has receipts of \$719K through the 19th which does not include billing for several completed surgeries for the month. The RHC



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is operating efficiently for the first time in a long time with staff working well together. The monthly meeting was held today and it was reported three providers saw just under 600 patients last month. All providers are seeing 16 or more patients on average per day and last month a positive cash flow of \$50K was reported. Several loans are being paid off with more coming to terms in the next few months. Currently we have been working to define financial roles of staff and creating job descriptions. The monthly billing for CLA has been running around \$12-14K and we should see a reduction as job duties are delegated to the financial staff.

(Brantley Hickman and Kayla Chamberlain left the meeting at 4:45 pm)

Nichols requested to pay bills as cash flow allows. Dettmer made a motion to pay bills as requested. Boyer seconded.

4 yeas. Motion carried.

b. CEO Report and Board Notifications/Approval Items

Nichols noted he is reviewing all specialists and their clinics profitability. The pulmonology and ortho clinics are not as successful as they should be. Nichols reported he has serious concerns with Dr. Berkgigler as he has taken over \$40K in surgeries out of the hospital to Farmington. The other clinics as a whole look very good. The annual staff leadership evaluations have been completed for the year. The Nurse Manager position has had a change and we have hired one of our PRN nursing staff to fill the position. Over the next few days all nursing staff are going through skills competency training. The current HIM Director, Vicki Burdin,, has gave her resignation and will be taking a job in Dexter. We are currently looking at options to fill the position. Currently reexamining pay scales as medium and max rates have gone up across the board on the recent salary survey. Meetings have been held with all employees in regards to employee health benefits giving the worst case scenario in rate increases. Currently the hospital pays 100% of employee coverage and 75% dependents. We have reached the point where we cannot continue to pay \$68K a month in premiums. United Healthcare originally came back with a 12% renewal rate but Angie Nations turned around and asked for 8%. They in return came back with a 9% rate increase for 2017 premiums. Going forward changes will be implemented for cost savings and we will offer two rate tiers. On the first level the hospital will pay 65% employee/35% dependents. The second level will be an incentive for non-tobacco employees with the hospital paying 90% employee/70 dependents. Enrollees of the non-tobacco plan will be required to test for tobacco. Also being added to the plan, if an employee has dual coverage and is covered by their spouse/domestic partner they will be charged a \$100 administrative fee each month. If an employee's spouse/domestic partner has access to coverage they will not be allowed to enroll in ours. Respiratory Director Chris Conway became certified through the American Cancer Society to teach smoking cessation classes which will be offered to employees.



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Continuing with the plan to help employees with healthier lifestyles plans will be implemented for weight loss, healthy eating and exercise programs.

The current IV pumps are the originals from when the hospital opened. They were rehabs and have become obsolete in repairing. Three bids were obtained and have gone through Med Staff, Exec. Team, and Finance Committee all of which recommend buying 12 pumps at a 5 year lease with Baxter for \$650.64 a month with a total cost of \$39,038.40. Boyer made a motion to proceed with the Baxter 5 year lease at \$650.64 a month and to authorize Terry Nichols to sign lease. Matthiesen seconded.

4 yeas. Motion carried.

On another note the hospitals current ultrasound machine is 10 years old and is down quite frequently resulting in four different clinics being cancelled. Two bids have been obtained with the first being a Phillips demo model at \$71,900 with an annual service contract of \$8400 a year for 5 years for a total cost of \$111,900. The second option is a new Fuji Sonosite in the amount of \$81,478 with the option to add an additional portable unit for \$27,000 for a total cost of \$107,000. We have not received the lease option for this equipment but when we do Nichols will send out an email to the board.

The new mammography machine is onsite and being assembled. Installation should wrap up tomorrow and mammo's will start back up on Tuesday.

c. Auxiliary Report

Dettmer reported the Auxiliary has not had a meeting since the fundraiser but unofficially \$7K was raised. Lots of hard work went into the event and everyone had a great time. Nichols noted the hospital is in need of a TV for the infusion room. The TV they have selected is \$169 and Dettmer will take to Auxiliary for approval.

d. Audit/Finance Committee

No report.

e. Governance Committee

Nichols reported he has spoken with Carl Strange and should have revised bylaws for board approval by the end of the year.

f. Approval of President's Signature on Hospital Documents

Boyer made a motion to allow Adams to sign all documents needing a Board signature. Matthiesen seconded.

4 yeas. Motion carried.



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Old Business

No report.

New Business

No report.

Dettmer made a motion for the Board to enter into closed session. Boyer seconded. The ICHDB entered into closed session as authorized by RSMo 610.021(1). Roll call vote as follows: Boyer-yea, Adams-yea, Dettmer-yea, and Matthiesen-yea. Motion carried. **The meeting entered into closed session at 5:32 pm.**

Boyer made a motion at to enter back into regular session. Dettmer seconded. Roll call vote as follows: Boyer-yea, Adams-yea, Dettmer-yea, and Matthiesen-yea. Motion carried. The regular meeting resumed at 5:54 pm.

The next board meeting will be held on Thursday, November 17, 2016 at 4:00 pm. With the holidays right around the corner the board has decided to combine the December 2016 and January 2017 board meetings and will meet Thursday, January 12, 2017 at 4:00 pm.

Boyer made a motion to adjourn the meeting. Matthiesen seconded. The meeting ended at 5:56 pm.