



Iron County Medical Center

Iron County Hospital District Board Meeting Thursday, July 27, 2017

Meeting was called to order by Board President Kevin Adams at 4:02 pm. Board Members present were: Kevin Adams, Maxine Dettmer, Norma Owens and Randy Matthiesen. Gary Boyer and Bob Dunn were absent. Guests included: Joshua Gilmore (CEO), Cindy Sadler (CNO), Brantley Hickman (Controller), and Christi Johnson was present to take minutes.

Adams asked if minutes from the June 22, 2017 board meeting had been received and if so, were there any objections, corrections, or additions. Gilmore noted under the Financial Report/Payment of Bills section, he would like the Radiology charge increases to read \$2.7M. Owens made a motion to approve minutes. Matthiesen seconded.

4 yeas. Motion carried.

Hospital & Board Administration/Operation Matters

a. Financial Report/Payment of Bills

Gilmore reported that Brantley Hickman had recently been promoted to Controller and added as a member of the Executive Team.

Gilmore noted that a corrective billing process was in the works for an incorrect Medicare code that was being used across the board for all payers. The rebill should net at least \$100K and possibly more. Processes are being put in place to rebuild the revenue cycle and the entire process should take around 24 months. FY2017 had net patient revenue of \$11.5M which was (\$562K) short of budget. The total operating income was a \$1.6M loss, \$900K of which was due to depreciation. Gilmore noted the goal for FY2018 is to have a loss of no more than depreciation. Dettmer made a motion to approve financials as presented. Owens seconded.

4 yeas. Motion carried.

Hickman presented the FY2018 budget and noted it is a conservative budget. The CDM, revenue cycle changes, and insurance negotiations will have a large impact overall. The budget slowly eases back into adding more providers throughout the year. Owens made a motion to accept FY2018 budget as presented. Matthiesen seconded.

4 yeas. Motion carried.

Gilmore reported that June was a slow month with lower utilization of services due to vacations. Collections to date are over \$600K with an anticipated end of month ranging from \$700-\$850K. Medicare has agreed on a graduated repayment plan with restructured



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payments that would result in payments going from \$56K to \$25K for the first 12 months of plan. Afterward payments will slowly graduate up and a plan will be put in place to pay going forward. Owens made a motion to accept Option 1 of the Medicare repayment plan as presented. Dettmer seconded.

4 yeas. Motion carried.

Gilmore stated he has spoken with the USDA who will be drafting a new bond agreement that will result in payments of interest only for 18 months starting in October. After 18 months payments will return to normal. The USDA has grant funds available through leftover funding. The paperwork is due tomorrow with funds going towards the cooling tower and HVAC improvements. Owens made a motion to allow Board President Kevin Adams to sign all grant documentation. Matthiesen seconded.

4 yeas. Motion carried.

Gilmore reported the Cardinal Health Pharmacy account balance continues to grow. His plan is to reach out to Cardinal and see if they will write off a portion. This in return is affecting the 340b Pharmacy Plan. Gilmore has approached FSCB about setting up a clearing account for the plan which is expected to bring in an estimated \$250K net profit to the organization. The plan to bring the RHC back in house is still being pursued with Charles James, RHC expert, being engaged to see what end result will be. BKD is still being pursued as ICMC's audit firm and a meeting has been set up for next week.

Gilmore reported June had a total revenue of over \$1M. The month saw 49 acute days and 54 swing bed days. The ER averaged 17.1 patients per day and the month ended with 11 observations. The RHC saw 625 patients an increase over May.

Gilmore requested to pay bills as cash flow allows and for approval of his financial report for the month of June. Matthiesen made a motion to pay bills and approve financials as requested. Dettmer seconded.

4 yeas. Motion carried.

b. CEO Report and Board Notifications/Approval Items

Gilmore reported they are in the process of hiring a new nurse practitioner to serve as hospitalist. An anticipated start date is early September. Dr. Justin Roberts, ENT, has gave notice due to his Farmington clinic becoming busy. The search for a ortho is still underway with a couple of prospects Gilmore will be meeting with in the near future. The Ellington hospital recently had an equipment auction. Several pieces of equipment were purchased at considerable savings for the hospital. Gilmore passed out a NRHA handout regarding the Save Rural Hospitals Act being brought to Congress.



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Sadler presented the Periodic Program Evaluation for board approval. She noted that part of the conditions for participation in Medicare require an annual evaluation of services. She noted this was not being done in the past. Part of the program requires a review of all departmental policy and procedures. To conform to the policy a Patient Care Policy Committee has been formed. Gilmore read aloud the Comparative Analysis of ICMC's Utilization. (See attached report) Dettmer made a motion to approve PPE as presented. Owens seconded.

4 yeas. Motion carried.

Sadler presented the June QAPI meeting minutes for approval. She reported on the three hospital wide projects-Hand Hygiene, Preventive Maintenance, and Expired Supplies. (see attached report) Owens made a motion to approve as presented. Matthiesen seconded.

4 yeas. Motion carried.

Sadler presented the HR Policy Hiring Practices and Procedure Policy with the change to the language regarding when an employee changes departments/positions they must stay in position for 6 months before applying for other positions. Dettmer made a motion to approve as presented. Owens seconded.

4 yeas. Motion carried.

c. Auxiliary Report

Dettmer reported the Auxiliary will be selling cookies, brownies, crafts, drinks and will sell raffle tickets at the upcoming Battle in September. She noted they will be looking into having a booth at Freedom Fest to recruit members from the southern end of county. A dedication ceremony for the Healing Garden will take place at a future date.

d. Audit/Finance Committee

No report.

e. Governance Committee

No report.

f. Approval of President's Signature on Hospital Documents

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

4 yeas. Motion carried.

Old Business

No report.



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New Business

Gilmore noted the August Board meeting date will be moved to August 24th.

Owens made a motion for the Board to enter into closed session. Dettmer seconded. The ICHDB entered into closed session as authorized by RSMo 610.021(1). Roll call vote as follows:

Adams-yea, Dettmer-yea, Owens-yea, and Matthiesen-yea.. Motion carried. **The meeting entered into closed session at 6:03 pm.**

Closed Session

Addendum to CEO's Employment Agreement was reviewed and approved. Roll Call vote as follows:

Adams-yea, Dettmer-yea, Owens-yea, and Matthiesen-yea. Addendum was approved.

The closed session meeting ending at 7:00 pm.

The next board meeting will be held on Thursday, August 24, 2017 at 4:00 pm.