



Iron County Medical Center

**Iron County Hospital District
Board Meeting
Thursday, December 21, 2017**

Meeting was called to order by Board President Kevin Adams at 4:02 pm. Board Members present were: Kevin Adams, Norma Owens, Randy Matthiesen, and Eddie Kelley. Guests included: Joshua Gilmore (CEO), Cindy Sadler (CNO), Angie Nations (HR), Bill Thompson, and Christi Johnson was present to take minutes.

Adams asked if minutes from the November 16, 2017 board meeting had been received and if so, were there any objections, corrections, or additions. Matthiesen made a motion to approve minutes. Owens seconded.

3 yeas. Motion carried.

Hospital & Board Administration/Operation Matters

a. Financial Report/Payment of Bills

Gilmore reported November was a rough month with Gross Patient Revenue of \$2.25M and Net Revenue of \$898K. Cash collections for the month were \$1,150,000 with a Total Operating Loss of (\$230K). Gilmore noted the contractual adjustments continue to be extremely high and as such are generating an unsustainable financial future for ICMC. The lack of net payments creates an environment in which ICMC is insolvent going forward. He informed the Board that Anthem had responded earlier this morning that they were not willing to renegotiate the current contract despite being informed that we were being paid less than Medicare which results in us being paid less than cost for the services we are providing. He noted that CLA had prepared a current 5-month comparison to the same period from a year ago that showed we have seen the significant Key Performance Indicators of Operating Margin, Net Margin and EBIDA Margin raised by 80%, but these improvements are not sufficient to resolve our financial problems. Looking down the road, Gilmore stated he is very concerned about our short and long term financial viability. Gilmore recommended to the Board ICMC reach out and see what other options may be available to ensure hospital care continues to be available here in Iron County. Options included a merger with a larger system, or a management contract with another entity like Mercy. Adams noted he preferred to explore options other than management contracts first and the rest of the Board was in agreement. Gilmore went on to note that it continues to be a day to day struggle with vendors as we are not solvent with keeping up with liabilities. He also noted despite everything being done he fears it may be insufficient to get ICMC out of the financial hole they are in. Gilmore noted that our volumes are there but the contractual adjustments are devastating with our commercial payers. November resulted in ICMC only getting paid 39 cents on the dollar (net to gross) which is not sufficient to make ends meet.



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Gilmore also reported there are changes coming down the pipeline at the State and Federal levels that may ultimately be detrimental to rural hospitals. On a positive note Gilmore reported the DRA/HRSA Grant was awarded yesterday for technical assistance. No dollars are awarded with grant but it can be used as a resource over the next 3 years. Gilmore went on to state that it is his responsibility to raise red flags about ICMC's viability and that is what he is doing.

November inpatient days were 35 for acute and 75 for swingbed. The ER saw an average of 13.2 patients per day and a total of 7 observations for the month. The RHC saw 479 patients which was down from the previous month.

Gilmore requested to pay bills as cash flow allows. Owens made a motion to pay bills and approve financials as requested. Matthiesen seconded.

3 yeas. Motion carried.

b. CEO Report and Board Notifications/Approval Items

Gilmore stated the short term financial plan is to maintain the hiring freeze for non-essential positions. All overtime must be approved by the Exec. Team and it would be impossible to get rid of all overtime. The cost of meals provided to staff is being looked at with the cost being increased to cover food costs. We terminated our contract with HRG effective the end of November to cut costs. We are negotiating cost savings with vendors and got a \$5K reduction on our iCAD that was funded by the Edgar Nolner Foundation Grant. We continue our push for Grant opportunities. We are also looking at a potential change to our supply vendor (GPO). He noted he has also met with the Leadership Team to get their ideas for cost savings. The pursuing of a family practice physician for the RHC hasn't panned out yet and continues to be a priority with recruitment efforts underway. We continue to review the cost benefit of the various specialty providers and anticipate making some changes. McKesson came to the table with the assistance of Congressman Jason Smith's efforts and will allow the setup of the 340b pharmacy program. Gilmore asked for a resolution to pursue the additional 1/2 cent sales tax which would need to be filed by January 16th at the latest. Owens made a motion to get the 1/2 cent sales tax placed on the April ballot. Matthiesen seconded.

3 yeas. Motion carried.

Sadler stated the QAPI Committee had met yesterday and discussed the 3 hospital wide projects of Expired Supplies, Preventive Maintenance, and Hand Hygiene. Hand hygiene has improved to 82% compliance, Expired Supplies are at 97%, and Preventive Maintenance is 100% compliant. The Antibiotic Stewardship Program is being put in place to monitor prescribing practices of antibiotics and to educate the public. Owens made a motion to approve the QAPI report as presented. Matthiesen seconded.

3 yeas. Motion carried.



c. **Auxiliary Report**

No report.

d. **Audit/Finance Committee**

No report.

e. **Governance Committee**

No report.

f. **Approval of President's Signature on Hospital Documents**

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

Matthiesen seconded.

3 yeas. Motion carried.

Old Business

No report.

New Business

It was noted the Election Notices have ran in the Mountain Echo for 2 weeks in regards to the Pilot Knob and Belleview District openings. Gilmore asked if it would be possible to move the monthly Board meetings to the last Thursday of each month. This will allow more time for the financials to be reviewed each month. Owens made a motion to move monthly Board meetings to the last Thursday of each month at 4:00 pm. Kelley seconded.

3 yeas. Motion carried.

Kelley asked the question regarding the RHC moving back to the hospital location and noted it had been mentioned in the community meetings. Gilmore stated they had looked into the move but it needs to retain its segregation from the specialty clinic and it would be too costly to remodel to accommodate both at this point in time.

Gilmore noted that Nations had found approximately \$257K listed in the notification for unclaimed property in the Mountain Echo. The funds stated they were allocated to the AV Building Fund through the old hospital's information, which SSM originally owned. SSM was notified of the finding and we believe they filed for the funds. Gilmore also noted he is pursuing around \$462K in potential cost report settlement funds for the RHC for years 2013-2017. The State has historically been paying out funds several years behind.

Owens made a motion to end the meeting. Matthiesen seconded.

3 yeas. Motion carried.

The meeting ended at 5:07 PM.