



# Coquille Valley Hospital

June 29, 2023 at 7:30am

## BOARD OF DIRECTORS MEETING MINUTES

Virtual attendance option available

Attendance: Colleen Todd, Board Chairman; Dan Mast, Board Secretary/Treasurer; Mark Libby, Board Member; Dr. James Sinnott, Board Member; Jeff Lang, CEO; Michelle Reyna, CFO; Shala Kudlac, Board Counsel; JR Edera, HR Manager; Pete Grindel, Plant / EVS Manager; Dr. Brock Millet, COS; Members Attending via Zoom: Becky Sanders, Quality & Risk; Terri Brandt-Correia, CNO; Visitors/Public Attendance: None

1. Call to Order 7:35AM
2. Public Comments and Correspondence - None
3. Approval of Minutes
  - a. Regular Board Meeting, May 25, 2023
  - b. Combined Budget and Board Meeting June 13, 2023
  - c. Public Hearing of the Budget Meeting June 21, 2023

**MOTION:** To approve the minutes of the Regular Board of Directors meeting on May 25th, 2023; Combined Budget and Board Meeting Minutes of June 13<sup>th</sup>, 2023; and the Public Hearing of the Budget meeting minutes of June 21, 2023; as presented.

**APPROVAL:** Mast/Dr. Sinnott; Unanimous Approval

4. Department Reports
  - a. HR Quarterly Report – JR Edera
    - i. JR presented a PowerPoint slide presentation covering Human Resource statistics for the quarter. He detailed the turnover, separations and new hires of the quarter in departments including nursing. Reason for employee separations, length of service, and exit interviews data was reviewed. Key additions were highlighted as well as key positions that are still open and recruitment efforts continue.
    - ii. National Hospital Week festivities were noted, tee shirts given to the Board.
    - iii. JR and Terri noted the annual Daisy Award was presented to Julie Daniels. Julie will have her nomination submitted for consideration as a national Daisy award.
    - iv. Terri commented on the hiring trends - supervisory roles at CVH are hands on and this is in many cases welcomed by people filling open positions. An example is a former instructor who preferred to come back to the patient bedside recently joined our team.
  - b. Bi Annual Safety / Disaster Report & Annual Facilities Report – Pete Grindel

- i. Pete reports that all positions are filled now in both EVS and Plant Ops – currently doing cross training. There are ongoing infection control testing for EVS.
- ii. Working towards Joint Commission requirements. There is a new focus for Plant Ops, team is dividing into areas to have main responsibility for. Also, doing pressure washing and repainting on high visibility areas.
- iii. The Clinic HVAC System rebuild noted as positive. He explained that there was deferred maintenance and a “bush fix” that was hindering performance of the system, it has been corrected.
- iv. Clinic fire alarm system is being replaced will be installed in July.
- v. Clinic Roof bids are coming in in six figures, 2 to 3 week turnaround, slated for September; still waiting for quotes.
- vi. Pete noted that the new building CM/GC interviews went well.
- vii. Fire safety and life safety systems are up to par for the year. All annual inspections occurred as are required – no outstanding issues.
- viii. Joint Commission question - Pete will be writing a lot of policies; he commends Becky who has been a very helpful resource.
- ix. Jeff noted Pete is finding and fixing issues, notably the Fire system in the West Clinic and the HVAC system.
- x. Question on the OR HVAC system, Pete commends the Surgery manager on their communication and explained of the issue of provider’s personal preferences on temperature. Pete also explained the Clinic HVAC revamp in detail and the limitations of that system.

5. Medical Staff Report – Dr. Brock Millet

- a. Medical Staff Report - Jeff and Terri noted nothing significant to report, attendance will be a focus.
  - i. Dr. Millet explains Medical Staff meeting functions, committees and recent focus on Quality committee - Complaint types are reviewed; findings show that level of care was appropriate on all instances.
  - ii. Dr. Millet notes that invitation to medical staff meetings are being extended and the steady demeanor of medical staff.
- b. Re-Credentialing
  - i. Dr. Raphael El Youssef, General Surgery – Active MS
  - ii. Dr. Megan Holland, Family Practitioner – Active MS
  - iii. Dr. Brock Millet, Family Practitioner/COS – Active MS
  - iv. Matthew Morris, CRNA – Courtesy AHP

**MOTION:** To approve the providers for Re-Credentialing as presented and recommended by the Medical Staff.

**APPROVAL:** Mast/Libby; Unanimous Approval

6. Patient Care Report – Terri Brandt-Correia, CNO

- a. Connect to Purpose

- i. A patient's wife reported the good result from an ER visit for her husband by note. The cardiac event was well treated and she credited the team for lifesaving efforts and quick, caring response.
  - b. Joint Commission Accreditation Update
    - i. Gap analysis' by chapter are complete and are now working on the Joint Commission (TJC) Steering Committee, first meeting to be determined.
    - ii. Leadership team is working closely together and supporting each other on this effort. Jeff notes the patient care and safety meeting was very collaborative. There is a great deal of cross-departmental work being done around policy writing/revision and defining best practices
  - c. Operational Report
    - i. EMTALA survey has not been completed by the State – Plan of Correction (POC) was received by the State.
    - ii. Trauma Survey POC was submitted to the State - Trauma status was retained. Terri is confident on this being accepted.
    - iii. Nurse Staffing Survey POC was returned by the State and will need more work - meeting on July 14th, HB 2657 will effect that as well. Jeff explained the bill changes that will take effect in September. POC is due August 26th.
    - iv. Chaplains service statistics were shared, including 320 patient visits and after hour's chaplain services for critical incidents. He is planning to take a short leave of absence in November instead of moving to full time travel, returning in January. He has found the work very fulfilling and wants to return.
  - d. Policy Approval
    - i. CVH & Clinic Quality Assurance Plan 2023 – 6 pages
    - ii. CVH Safety Plan WVP Program – 8 pages
    - iii. Trauma Program PI Plan – 3 pages
    - iv. Trauma Committee Escalation Criteria – 1 page

**MOTION:** The Coquille Valley Hospital Board of Directors moved to approve the 4 policies as presented and recommended by the Medical Staff Committee.

**APPROVAL:** Dr. Sinnott/Mast, Unanimous approval

- 7. Quality Report – Becky Sanders
  - a. Report on Quality – Will be addressed in the Administrator Report.
- 8. Finance Committee Report – Michelle Reyna, CFO / Dan Mast
  - a. Financial Results – May 2023
    - i. On the Inpatient and Swingbed statistics - unfavorable MTD and YTD on all except Average length of stay. As it has been for the last few months. Total Patient Days and Total Average Daily Census unfavorable MTD and YTD. The Finance committee clarifies that this does not include post-surgical overnight stays less than 24 hours. 2 or 3 people usually stay after surgeries on OR active days

- ii. ER visits are favorable to budget MTD and YTD – we are averaging 17.2 per day for the month of May.
  - iii. Adjusted patient days are favorable MTD and YTD and favorable over prior year by 32.9%. Outpatient volumes are increasing.
  - iv. Clinic visits are favorable to Budget MTD by 17.1% and unfavorable YTD by (7.6%).
  - v. Lab is favorable 9.7% MTD, 4.2% YTD and 9.0% over PY (prior year); Michelle notes we budgeted for a 5% inpatient and 6% outpatient increase over PY as well.
  - vi. Radiology is favorable 1.3% MTD, unfavorable YTD by (3.6%) and over prior year is 6.9% favorable. Our Echo Tech new hire will help with the increase in volumes.
  - vii. We are expecting inpatient surgeries to increase, currently (85%) unfavorable YTD. Dr. Johnson is budgeted to perform some inpatient surgeries in FY 24.
  - viii. Outpatient procedures are slightly unfavorable MTD at (4.3%), but favorable YTD 16.6% and YOY 36.4%. Dr. Johnson performed 17 procedures last month and will have more this month. Michelle commends James and the OR department for growing the surgical business over the year.
  - ix. We ended May with 166 FTEs and 169 days Cash on Hand We will have a true comparison next month in days cash on hand given our class action lawsuit was settled June 2022.
  - x. Total A/R decreased by 4.6 days over PY.
  - xi. Michelle commends Lisa in billing, she is assuring correct billing of all surgical items to include in the correct month charge capture of implants.
- b. Statement of Revenues & Expenses Change in Assets.
- i. \$4.3M for the month of May - Inpatient and Swingbed are unfavorable to budget YTD and other areas are favorable, including outpatient and CVH Clinic. YTD we have \$47.3M in gross patient revenue and budgeted \$45.8, favorable by 3.3% YTD and 10.3% favorable YOY.
  - ii. Work RVU capture at the Clinic has improved with specialized coders in billing and use of outsourced coders. Lynette in billing is a certified coder with 20 years of experience and has taken on the role of provider educator for coding.
  - iii. Michelle noted contractual and the true up in line with the Medicare Model. Total deductions from revenue are favorable to budget with a 0.3% variance YOY.
  - iv. In net patient revenue we are favorable MTD at 8.2%, YTD at 8.5% and YOY favorable by 17.4%.
  - v. Expenses in salaries include severance to a departed provider. Contract labor will now start to decrease. Food, Drugs & Supplies include \$268K of the total are implants for the month.

- vi. Total expenses are (29.7%) unfavorable MTD and YTD was unfavorable by (14.9%).
- vii. Total Net Loss for the Month of May is unfavorable at (\$523K) and YTD (\$1.47M).
- c. Statement of Net Position
  - i. Michelle noted a decrease in other receivables of (\$869K) from SWOIPA and all has been received there, so that receivable was relieved.
- d. Approval of Disbursements over \$25,000
  - i. Michelle noted the extra payment to IRS for the severance payout

**MOTION:** To approve payment of the disbursements over \$25,000 for the month of May 2023 and those that will accrue before the next meeting; as recommended by the Finance Committee.

**ACTION:** Mast/Dr. Sinnott; Unanimous Approval

- e. Review of scheduled cash and investments
  - i. Rate increase on LGIP to 4.05%, as per last meeting we have split part of our investment into restricted account as instructed by last month's motion.
  - ii. Michelle has asked Umpqua Bank to research the low interest rate on the Mortgage reserve.
- f. Capital
  - i. New Computers for PacU \$28,572.12
  - ii. Arthrex system - Arthro/Laparo camera \$43,571.09
  - iii. Radiology C-Arm - \$146,777.00

**MOTION:** To approve the Capital request as presented and recommended by the Finance Committee.

**ACTION:** Libby/Mast; Unanimous Approval

#### 9. FY 2024 Budget

- a. Operating / Capital Budget

**MOTION:** To approve the Operating / Capital Budget for FYE 2024 as presented and recommended by the Budget Committee.

**ACTION:** Mast/ Dr. Sinnott; Unanimous Approval

#### 10. Approval of FYE24 Budget Resolution & Levy

- a. Resolution

**MOTION:** To approve the Budget Resolution and Levy of \$1.54 per 1k for FYE 2024 as presented and recommended by the Budget Committee.

**ACTION:** Dr. Sinnott / Mast; Unanimous Approval

#### 11. Administrators Report – Jeff Lang, CEO

- a. Medical Staff Quality Dashboard

- i. Utilization review - comparison of surgical cases. 22% increase over last year in volumes in the OR. Types of cases, GI leads with 254 cases, volumes doubled over last year with the PSA with Dr. El Youssef.
- ii. Review of surgical case type statistics, Ophthalmology service has been discontinued. General Surgery cases have increased; Dr. El Youssef would like to devote more time here.
- iii. 379 patient discharges so far, discharge and patient days by provider statistics reviewed. Discharge volumes are up from last year. Average length of stay and corona virus emergency change for rules around length of stay requirements were noted. We are unfavorable to budget, but volumes increased from last year. Jeff noted the good distribution between the providers. Jeff explained how one long stay patient can change the numbers, discharge issues have lessened with the end of the pandemic. ALS: under 4 day requirement and there is no penalty during pandemic.
- iv. CPOE report will need to be revised for accuracy, Ava in IT is working with Cerner to refine the calculations for CPOE. Jeff explained the protocols around CPOE and the correction to the program will take time.
- v. Medication reconciliation statistics are explained and Clinic providers have been formally trained for the Cerner program; workflow is easy to follow and 2 clicks are associated with this task.
- vi. Closed Chart Audit details and statistics were reviewed, tracking for ACO measured items.
- vii. Patient satisfaction still has low volumes for survey returns will work on that, celebrating that the scores look good now.
- viii. Attendance to Medical Staff were reviewed and will make personal invitations.

b. Clinic Services Expansion Update

- i. Myrtle Point project: hoping to meet with the building owner. Question from the Board on permits and parking - parking is adequate for clinic, zoning or use. The Board expects the new clinic will be well received.
- ii. Intergovernmental Agreement
  1. Jeff attended a meeting of the Myrtle Point Health district, they were very accepting of the MOU terms in the letter in the BOD packet and those terms were approved unanimously. Board Chair to sign the MOU today. This satisfies the requirements in ORS 440.320(1)© giving permission for services including an outpatient primary care clinic with an initial term of 25 years. Jeff reviewed the meeting highlights with the MP Health District. CVH is excited to bring improved healthcare to the MP community and explained our commitment to be a good community partner.

2. Jeff noted that each provider brings \$1M+ in economic development.
3. Contract signed with PCP for MP. As well as good prospects for a nurse practitioner and clinic staff.

**MOTION:** To approve the Intergovernmental Agreement MOU as presented & to authorize the Chair Person of the Board to Execute the Memorandum of Understanding for the Provision of Hospital Services within the Myrtle Point Health District by the Coquille Valley Hospital District.

**ACTION:** Dr. Sinnott/Mast; Unanimous Approval

- c. Orthopedic Service Line Update
  - i. Jeff noted the volume bulk is done by Dr. Johnson; offered PSA for one clinic day to add on to his 2 OR days. Hope to finalize that soon.
  - ii. Jeff reviews the challenges of independent Ortho practices in our area and Hospitals compete to capture a share of ASC Cases.
  - iii. He reviews the inability to address outmigration, need for after hours on call work for Trauma, school sports programs and athletic training.
  - iv. Jeff explains the strategic planning for the Ortho service line in our area and hospitals are competing and need to work together for coordinated strategic planning to reverse our current outmigration of 42%.
  - v. SCOA is currently trying to sell their building assets and lease them for a period of time, until the current partners retire.
  - vi. Jeff discussed potential strategy utilizing a joint approach between the hospitals and the IPA relative to orthopedics as a way to assist in the current group meet their goals and provide for strategic positioning of the service line into the future.
  - vii. Jeff met with SWOIPA, BAH and SCHHC to workshop orthopedic solutions asking the question could we partner and provide action. Loss or significant reduction in orthopedic services for any hospital would put them at significant risk. Jeff is hoping to that by working together we can improve the service offering in the area and grow market share. Jeff will bring Tom Schroeder into the conversation to assist in the development of a legal structure that might provide for this type of collaboration.
- d. 340b Contract Pharmacy Update
  - i. Jeff reviewed how the 340b program came to be, why it was put in place, and how it works
  - ii. Jeff provided a high level overview of a Contract Pharmacy relationship and how the funds flow works.
  - iii. Jeff explained that we have unexpectedly lost money since 2021 on this program. After investigating the issue we learned Safeway dispensing fees are higher than normal. This generated a loss of \$400,000 in FY 23.
  - iv. We reviewed 12K in 340b qualified prescriptions, we collected \$709K through the program with drug expense of \$109K. Our loss is around \$400K so the dispensing fees for this time period are over \$1M.

- v. Our other contract with Walgreens is showing a small net income for the 340b account although fewer transactions
- vi. CVH has identified a partner with experience in starting and staffing 340b retail pharmacy operations. The partner has established 8 340b pharmacies in the last 7 years in our area.
  - 1. Jeff reviewed with the Board a financial proforma for a retail pharmacy in Coquille. Conservatively, the proforma showed a break even in 7 months. From operations (not including startup costs of roughly \$200,000) we expect first year net income of \$275K, and on-going net income of \$400,000 to \$800,000.

**MOTION: Approval by Board to enter into contract with consulting partner, lease building, obtain the DEA and NPI number needed and advance forward the opening of a retail pharmacy in Coquille.**

**ACTION: Dr. Sinnott/ Mast; unanimous approval.**

- e. Building Project Update
    - i. CM/GC Selection Update
      - 1. Interviews have been conducted with 3 finalists. Final selection scheduled for tomorrow morning. Once company is selected owners rep will begin discussion and will negotiate a contract. Contact will then be brought to Board for approval. We will likely need to have a special meeting to approve the contract.
    - ii. Financing Update
      - 1. Jeff discussed disappointments he has had with our financial partner, Straudwater through the process. Communication and follow through on obligations have been disappointing. Recent problems with the appraisal and the need for CVH to put in \$2M of additional equity were not handled well. The Board asks if there is an alternative to move to another financing partner. Jeff recommended not being that drastic yet and working with our partner to get back on track. Jeff also shared the finance committee will be reviewing the change history of our financing plan.
  - f. Governance Transition Update
    - i. Bylaws and Articles of incorporation update – will need a BOD meeting around July 10-17th for a combined CM/GC contract review and bylaws and articles of incorporation approval meeting.
12. Board Chair Report
- a. Leadership Summit July 15-18,2023
  - b. **Reminder: Gathering for Clay Davis on Saturday July 22<sup>nd</sup> from 1pm to 3pm, 1<sup>st</sup> floor of Coquille Valley Hospital.**

13. **Next Regular CVH BOD Meeting: Thursday, July 27th, 2023 at 7:30 AM**



**14. Adjourned meeting at: 10:47am**

Respectfully submitted:



Dan Mast, Secretary/Treasurer

Attested to:



Colleen Todd, Chairman