



# Coquille Valley Hospital

July 27, 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; James Kamps, Surgery Manager; Andrea Love, HIM Manager; Linda Maxon, Special Projects; Becky Sanders, Quality & Risk; Terri Brandt-Correia, CNO;

Members Attending via Zoom: Garrett Smith, Compliance Manager; Abram Jenks, Kloth Group; Tom Schroeder, Special Counsel;

Visitors/Public Attendance: None

1. Call to Order 7:34AM
2. Public Comments and Correspondence - None
3. Approval of Minutes
  - a. Regular Board Meeting, June 29, 2023

**MOTION:** To approve the minutes of the Regular Board of Directors meeting on May 29th, 2023; as presented.

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

4. CM/GC Contracting Process Update – Abram Jenks, Kloth Group
  - a. Abram explained that the process for selecting a CM/GC followed the requirements of ORS 279C.335(2). Abram reviewed who the candidates were and who evaluated. Two candidates were invited to in-person interviews. Score chart was shown and explained with the high scorer being S&B James and the committee has recommended them to the Board for contract negotiation. Jeff asks for ETA to contract signature, Abram explains this process, December is the timeline.
  - b. Abram reaffirmed that the schedule currently has construction commencing in March 2024.
5. Compliance Qtr2 Report / Plan Review – Garrett Smith, Fox Group / Andrea Love, HIM and Privacy Officer.
  - a. Q2 Compliance Report
    - i. Garrett reviews the report given to the Board in the packet.
    - ii. Andrea reported 7 incidents were investigated during the last quarter with 7 cases closed without privacy breaches.
    - iii. She reviewed the HIPAA walk through results conducted in Q2.

**MOTION:** To approve the Q2 Compliance Report as presented.

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

- b. Annual Compliance training
    - i. Garrett provided annual compliance training to the Board regarding the elements of the compliance program.
  - c. Annual Conflict of Interest
    - i. Jeff reviewed the conflicts of interest policy with the Board. Each board member was asked to complete the conflict disclosure form associated with the policy – all forms were collected from the Board.
6. Department Reports
- a. Surgery Annual Report – James Kamps
    - i. James commended his staff on patient care and cohesiveness.
    - ii. Cataract service was discontinued, James explained reasons.
    - iii. James explains the increased volumes for Dr. El Youssef, 14 surgeries this month and he has done 159 so far this year - 66 cases more than last year.
    - iv. Dr. Johnson has done 71 cases himself, last year was a total of 65.
    - v. James is looking for more service lines and will explore expanding services.
    - vi. New Scrub tech is coming on board.
    - vii. Infusion service has increased by 100 visits so far this year. 40 a month, last year was 25.
    - viii. Questions were heard from the Board on types of infusion service and comments were made about the positive community feedback.
7. Medical Staff Report – Dr. Brock Millet
- a. Medical Staff Report - no significant issues to report. Two new providers attended the last meeting.
  - b. Credentialing
    - i. Dr. German Ferrer, Family Practitioner, New – Active MS
    - ii. Nicole Janke, FNP-C, New - Active AHP
    - iii. Dr. Morgan Grove, Optometry, Re-Credential, Courtesy MS

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

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

8. Patient Care Report – Terri Brandt-Correia, CNO
- a. Connect to Purpose
    - i. Terri shared a note from recent ER patient that had a good interaction.
    - ii. She reports that Dr. Ferrer’s wife is interested in the Clinical Educator position.
  - b. Clinical operations update
    - i. Trauma POC was accepted by the State of Oregon. The surveyors will be back in November.
    - ii. Joint Commission preparation is going well.  
Becky and Debbie are supporting manager who are working through their chapters/areas of responsibility. Prioritizing

chapters, such as National Patient Safety Goals and Provision of Care.

1. Debbie Gorst and Becky Sanders are working on an evidence binder to present to the Surveyors when they arrive on site. This binder will have all the documents requested by TJC.
2. Overall impressed with the engagement of the managers.
3. Becky and Terri will be setting up a Joint Commission Steering meeting. The members of the committee, Jeff, Terri and Becky Sanders. Purpose to determine level of preparedness and who needs support.

c. Policy Approval

- i. Infection Prevention & Control Committee - Authority –1 page
- ii. Outbreak Investigation Policy – 3 pages
- iii. Water Management Policy – 5 pages

**MOTION:**

**The Coquille Valley Hospital Board of Directors moved to approve the 3 policies as presented and recommended by the Medical Staff Committee.**

**APPROVAL:**

**Sinnott/Mast; Unanimous approval**

9. Governance Design Work Session – Tom Schroeder

- a. Jeff explained the purpose for today's work is to review the bylaws and articles as it relates to the feedback given on them at the last meeting. The documents will be presented at a future meeting for further action
- b. New Corporation Articles of Incorporation Review
  - i. Oregon corporation charitable organization, principal officers are the same.
  - ii. Limitations are explained.
  - iii. Board are not named in the articles, but will for a time be the same board.
  - iv. Article 10 - power to amend is held by district; Tom explained purpose of that.
  - v. Question on Name - future task of naming, similar name must be approved by district and may need a name change.
- c. New Corporation Bylaws Review
  - i. Standard Board directed non-profit structure reviewed.
  - ii. Make up of directors explained. Composition restrictions were explained. 20% of directors would need to be clinical providers not employed. Selection, terms and resignation, appointment/election processes described.
  - iii. Meeting processes are reviewed. Notices, meeting requirements, attendance, quorum, action by board and provisions for remote communications and written consent on action statute reviewed.
  - iv. Non-profit assets restricted use and process for contracting is reviewed and explained by Tom.

- v. Committees are outlined as directors and officers, responsibilities, provisions, amendment process are detailed by Tom.
- vi. Question on director compensation - Tom notes that is done by Board direction, usually our size organization do not compensate except for reimbursement of out of pocket expense
- vii. Naming can be flexible and temporary until decided upon. Will meet soon for finalization.
- viii. Question on committees - do we need to do all of them? Several Time commitments for each Board members. Jeff explained the nominating committee will be instrumental. Will need to find members to populate the boards and committees - will not need to go through an election for the non-profit. District Board will ensure that the non-profit operating board of directors are fulfilling their commitments.
- ix. Jeff responds that the Finance and Quality committees that are in place now will stay, and a nominating committee will need to be formed for succession planning new appointees. Dan notes that outside of district members are now possible.
- x. Tom explained selection / election nomenclature.

#### 10. Quality Report – Becky Sanders

##### a. Report on Quality

- i. Becky reviews a PowerPoint included in the packet. Including detail on departments.
- ii. Question on clinic med reconciliation, explained by Jeff. Dr. Sinnott explains the frustration and limitations of the EHR systems around medication reconciliation.
- iii. Question on Medicare wellness visits metric – it's the number of patients per month, 45 is the threshold for our ACO requirement. Some examples of Informatics improvements to capture and report the data.
- iv. Becky noted the improvement of nursing order sets for Troponin collection.
- v. James will focus on improving PG scores.
- vi. Details on improvement measures by the managers were noted. Becky reviewed the 7 groups of measures that are being focused on.
- vii. Next report will include the patient safety dashboard. Dr. Sinnott noted the engagement by the managers. Becky commends the leadership team and the performance improvement measures. Jeff notes that the dashboard drives accountability.

#### 11. Myrtle Point Clinic Update

- a. Linda reported that she applied for the How-To grant which will allow us to give certificate by mentorship in the clinic in a training / apprenticeship program.
- b. She reviewed the project, integrated primary care, extended hours of operation, staffing, and programs / services.

- c. Question on insurance reimbursement for LCSW was noted.
- d. Linda reviewed the budget and pro Forma, packets included the detailed budget. She noted the potential for grants and fundraising and listed all grant applications recently submitted.
- e. Jeff noted that we are aggressive on our schedule, we will bring more information and ask the Board for a motion to proceed at the next meeting.

12. Finance Committee Report – Michelle Reyna, CFO / Dan Mast

a. Financial Results – June 2023

- i. On the Inpatient and Swingbed statistics - unfavorable MTD and YTD on all except acute and Swingbed average length of stay; as it has been for the last few months. IP average length of stay was 3.5 with an average daily census of 2.7. IP YTD average length of stay was 4.1 compared with a budget of 3.8 and the average daily census was 3.2. Swingbed average length of stay was favorable MTD and YTD, slightly higher than last year at 3.2% favorable.
- ii. Observation Admission and days do not include post-surgical overnight observation stays less than 24 hours or ED stays. 2 or 3 people usually stay after surgeries on active OR days, so Michelle will work with IT to capture that data to include in these statistics. Jeff notes that the limitations of the program and manual capture efforts for these statistics.
- iii. Total Admissions are 34 for the month which is (62.2%) unfavorable to the 90 budgeted for June. YTD total admissions were 449, which was (59%) unfavorable to the 1,095 budget for FY23, and (17%) unfavorable to PY.
- iv. MTD and YTD ER visits are favorable to budget by 1.7% and 8.5%, respectively. – we are averaging 17.1 patients per day for FY23; a 12.6% favorable increase over PY.
- v. We had 938 adjusted patient days in June, which was slightly unfavorable at (8.3%) and with 13,064 adjusted patient days YTD, we are favorable by 6.3% and favorable 29.0% over prior year.
- vi. We had 1,141 clinic visits in June, which was favorable to Budget by 2.8%. YTD Clinic visits of 12,589 were unfavorable to budget by (6.7%), with prior year also unfavorable at (4.8%).
- vii. Lab is unfavorable (3.6%) MTD, but favorable 3.5% YTD and 7.7% over PY; Michelle notes we budgeted for a 5% inpatient and 6% outpatient increase over PY as well.
- viii. Radiology is slightly unfavorable (5.4%) MTD, unfavorable YTD by (3.7%) and favorable over prior year 7.0%. We budgeted for an 8% increase in Radiological exams over prior year.
- ix. We are expecting inpatient surgeries to increase in FY24 with the additional of Dr. Johnson's cases. We are currently (83.5%) unfavorable YTD in IP surgeries.
- x. We had 43 Outpatient surgical procedures in June; slightly unfavorable MTD at (8.5%), but favorable YTD 14.5% with 646 procedures and over

prior year we are 31.6% favorable. 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.

- xi. We ended June with 158 FTEs compared with 144 FTEs in June 2022. We had 149 days Cash on Hand compared with 171 in June 2022. We will have a true comparison next month in day's cash on hand given our class action lawsuit was settled June 2022.
  - xii. Total days in A/R as of June 2023 was 49.2, a decrease of (20.6) days over PY.
  - xiii. Board noted radiology has increased, Jeff attributed this to increased volumes in ER.
- b. Statement of Revenues & Expenses & Change in Assets.
- i. Gross Revenue was \$4.55M for the month of June and is following the same trends as our volumes in each area. Inpatient and Swingbed gross revenues are unfavorable to budget both MTD and YTD, while all other areas are favorable with the exception of our ED MTD revenue. We ended FY23 with \$51.9M in gross patient revenue and budgeted \$50M, so we are favorable by 3.7% YTD and 8.4% favorable over prior year.
  - ii. In net patient revenue there was a net reduction in our Medicare payable after completing the model of \$61K. –
  - iii. Total contractual deductions from gross revenue were unfavorable for MTD by (4.1%) and favorable for YTD by 4.1%
  - iv. Our net patient revenue was favorable MTD by 12.1%, YTD at 8.8% and over prior year by 10.5%.
  - v. We have \$2.9M in total revenue in June 2023 and we are favorable by 13.2%, YTD we have \$33.9M in total revenue and are favorable by 5.7%, and we are 11% favorable over prior year.
  - vi. Contract labor will now start to decrease due to the conversations with managers, changes in scheduling, and direct hiring positions that were previously contracted. Food, Drugs & Supplies expense of \$693K in June includes \$268K in implants for the month. The revenues related to these expenses are more than offsetting these costs.
  - vii. Total operating expenses are (25.9%) unfavorable MTD with contract labor being the majority of the variance in budget to actual expense in June. Other expenses were researched and the larger items are fuel, advertising, and loan forgiveness. Total Operating expenses were \$36M YTD with \$31M budgeted, resulting in a YTD unfavorability of (15.7%).
  - viii. Total Net Loss for the Month of June is unfavorable at (\$343K) and YTD (\$1.8M).
  - ix. Jeff noted we are doing better than our planned transition away from contracted labor with 4 contracted nurses instead of the planned 5 in Med/Surg alone.
- c. Balance Sheet

- i. Michelle noted the (\$933K) decrease in cash in June was due to 3 pay periods in June combined with \$400K in prepaid insurance. Colliers mortgage monthly payment increased from \$150K/mo to \$170K/mo, which was caused by an increase in escrow account for insurance.
- ii. Michelle explained the bond covenants and she has had discussion with Zahra; Jeff is submitting a turn-around plan to Zahra in July /August as required under our HUD regulatory agreement.
- d. Approval of Disbursements over \$25,000
  - i. Michelle noted the extra pay date in June.

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

**ACTION:** Sinnott/Libby; 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 reported that Umpqua Bank after researching the low interest rate on the Mortgage reserve has increased it to .52% and will note that on next month's statement.
  - iii. Dan reports that we have spent a little over \$800K on the construction project so far. Which will be attributed in the loan funds.
- f. Capital
  - i. New US Machine

**MOTION:** To approve the Capital request for a new GE Ultrasound machine at a cost of \$189,834 as presented and recommended by the Finance Committee.

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

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

- a. Building Project Update
  - i. Jeff presents a PowerPoint outlining the recent changes in the financing plan with the loan total from the USDA of \$33.2M at the higher interest rate of 4.2%. We shifted to a 90/10 split to mitigate some of the higher interest, increasing the yearly payments by \$500K.
  - ii. Jeff explained the appraisal and additional equity needed.
  - iii. S&B James initial meeting on construction, will need to make decisions for cost savings. Equipment savings will make up part of this. Capital Budget is \$600K per year. Jeff explains the project is do-able there is little room for any additional expense.
  - iv. Deanna of USDA noted the excitement for the project and Jeff noted that there is some misunderstanding on the refinance portion.
- b. A motion of approval for the MP Clinic Budget will be sought next meeting.

14. Board Chair Report

a. AHA Leadership Summit Thoughts

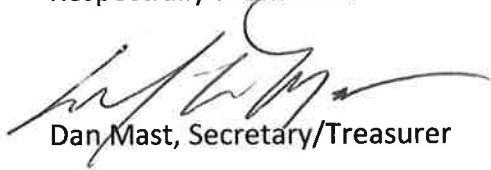
- i. Learned that the hospitals of larger size have the same problems.
- ii. Sky Lakes is willing to put out a presentation on cyber-attack procedures. They were shut down for 29 days. They can help draw up action plan.
- iii. Rural conference. In Orlando in February, AHA summit in San Diego.

b. Chairperson noted at next meeting we need to swear in all elected BOD.

15. Next Regular CVH BOD Meeting: Thursday, August 24, 2023 at 7:30 AM

16. **Adjourned meeting at: 10:51am**

Respectfully submitted:



Dan Mast, Secretary/Treasurer

Attested to:



Colleen Todd, Chairman