



Coquille Valley Hospital

Thursday October 26th, 2023 at 7:30am

BOARD OF DIRECTORS MEETING MINUTES

Virtual Attendance Option Available

Attendance: Colleen Todd, Board Chairman; Dan Mast, Board Secretary/Treasurer; Dr. James Sinnott, Board Vice Chair; Mark Libby, Board Member; David Elmer, Board Member; Jeff Lang, CEO; Michelle Reyna, CFO; Terri Brandt-Correia, CNO; Linda Maxon, CDO; Becky Sanders, Quality & Risk; Shala Kudlac, Board Counsel; Dr. Brock Millet, Chief of Staff; Andrea Love, HIM/Privacy Manager; Dan Frein, CLA; Adam Roth, CLA;

Members Attending via Zoom: None

Visitors/Public Attendance: None

Call to Order 7:33am

1. New Board Member Oath of Office
 - a. **David Elmer was sworn in as a Director of Coquille Valley Hospital**
2. Public Comments and Correspondence - None
3. Approval of Minutes
 - a. Regular Board Meeting, September 28th, 2023

MOTION: To approve the minutes of the Regular Board of Directors meeting held on September 28th 2023; as presented.

ACTION: Dr. Sinnott/ Mast; Unanimous Approval

4. Audit Report - Clifton Larson Allen; Dan Frein / Andy Roth
 - a. Jeff explains the final audit report document is being finalized. The audit report document will be included at a later meeting for final Board approval.
 - b. Dan Frein confirms that the final draft will be submitted in about a week, we are still in compliance with all the deadline requirements. He explained how the audit was conducted and introduced himself and his role in the audit.
 - c. A Power Point presentation is reviewed. Audit of funds for PPP relief grant funds was completed. Oregon compliance for District Municipal Corp was included in the Audit and HUD loan requirements. New GASB 86 Implementation did not impact our statement except for recognizing these funds on the balance sheet.
 - d. Dan Frein explained no past adjustments were noted. He noted no subsequent events. No material weaknesses identified.
 - e. General IT control observations will be explained. There are a couple of observations Dab will explain to the Board later in the presentation, however, they were no material weaknesses identified.
 - f. We are not in compliance with HUD Debt ratios, but the OR Municipality requirements were in compliance.

- g. Jeff explained the HUD Bond Covenant requirement that when CVH does not meet the required financial metrics, we must submit a turn-around plan to HUD for approval. That plan was submitted and accepted without modification by HUD.
- h. Required communications included GASB 86, without any significant findings. Dan commends our CFO for the clean audit and good communications and readiness on both sides.
- i. IT Observations - Risk Assessment and Vulnerability Testing was conducted. Passwords are recommended to be strengthened as CVH does not meet current best practices. Dan also discussed USB port security and ensuring flash drives were issued only from IT.
- j. Dan Frein reviewed CVH's Financial Highlights in comparison to other hospitals.
- k. Dan updated the Board on the final adjustment made to the income statement related to finalization of the Medicare Model. The actual filed cost report had an estimated receivable of \$313K versus a payable of \$258K, which was booked at year end. Recording of this brought the facility loss in FY 2023 to \$1.3M.
- l. Michelle explained the Medicare Cost Report Model tool is overly conservative as this is our second year with a large favorable swing due to completing the cost report. Michelle will be working to narrow the swing from \$500K down to around \$100k.
- m. Jeff adds that there were not any significant adjustments except for the benefit of the Medicare cost report entry, this had the effect of lowering the net loss for the year from \$1.8M to \$1.3M.
- n. Director Sinnott questioned if CVH was in a position to complete a large building project given the operating losses in FY 2023. Dan stresses the importance of conducting an affordability analysis prior to starting a project and looking closely at the financial feasibility analysis associated with the final project to ensure the projections were consistent with the goals. Dan further indicated that his understating was that CVH had done and was doing all of those things.
- o. Jeff noted CVH adopted a strategy last year of factoring in the know loss in FY 2023 while not reducing staff or eliminating travel nurses in an effort to capture additional business and as a recruitment/retention tool. All indicators, as evidenced by the FY 2024 Q1 financial performance, show that the strategy is working. We are capturing more business and retaining and sourcing new employees ahead of the competition.

5. Department Reports

- a. HIM Annual Report – Andrea Love
 - i. Andrea reviewed the HIM department: 3 total employees, reviewed the services and department measures. Releasing chart notes in 3 days or less was challenging and now she is continuing to facilitate compliance with providers. Andrea explained the paper document mitigation plan and that the goal of January 2024 will need to be extended. Her team

was working on paper document safe distribution tactics, presenting new workflows to providers.

- ii. Meeting all department Quality measures and will be focusing on new goals. HIPAA PowerPoint in Health Streams will be required annually.
 - iii. Board asks about destroy processes and Andrea reviews the procedures with our shred company.
- b. Compliance and Privacy Quarterly Report (Q3) - Andrea Love
Andrea explained there were 4 privacy investigations during the last quarter with no reportable breaches. Based on the issues identified in Q3, privacy training will be part of new hire process with the full training happening at new employee orientation. This change relates to 2 of the investigations previously noted were related to new employees accessing their own records.

Garrett Smith was not present for this meeting. Approval of Quarterly Report was postponed.

6. Medical Staff Report – Dr. Brock Millet

- a. Medical Staff Report
 - i. Dr. Millet reported on Medical Staff meeting and policy review/ approval process.
- b. Credentialing
 - i. Initial Appointment
 - 1. Barbara Zimmer, CRNA – Locum Tenens – Courtesy
 - ii. Re-Credentialing
 - 1. Rebecca Brisco, PA-C - Ortho – Active AHP
 - 2. Dr. Shaun Hobson, Ortho - Courtesy
 - 3. Dr. Steven Shimotakahara, ENT - Courtesy
 - 4. Dr. Ryan Pederson, Podiatry – Courtesy
 - 5. Dr. William Bennett, Podiatry – Courtesy
 - iii. Granting of Additional Privileges
 - 1. Tyanna Bergeron, FNP-C – Adding Wound Care procedures
 - Dr. Millet explained this additional scope – she has completed the Healogics courses and worked for them at a previous location.
 - iv. Resigned/No Response & Lapsed:
 - 1. Bradley Whyte, CRNA – Courtesy AHP

MOTION:

To approve the listed providers for membership to the CVH Medical Staff with the privileges requested as recommended by the Medical Staff.

ACTION:

Libby/Mast; Unanimous Approval

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

- a. Operational Report
- b. Joint Commission Accreditation Update - our chapter teams continue and work continues. Becky is developing a readiness guide for Joint Commission accreditation, Terri explained the benefits of this accreditation and the best practices that are associated with this. We are preparing for a November 1 arrival for these surveyors to assess our site. This partnership will allow access to resources that are cutting edge and a collaboration for analysis to standards.
- c. Jeff references the conditions of participation with Medicare and the Joint Commission exceeds these and we will be granted deemed status with this accreditation. CMS is more punitive and JACHO is more cooperative as well as a focus on standards and outcome in the adherence to policy of best practices.
- d. Oregon state survey has a long wait time from survey to POC. We are waiting on a survey from November 2022 now. Terri explains that the policies presented are being brought up to the new JCAHO standards.
- e. Readiness guide has been implemented and submitted to the managers for review. We have an anticipated itinerary for when they arrive and have pre-emptively assigned tasks for survey time.
- f. Michele Erickson's team will verify identification, and phone list for notifications and overhead scripting. Activities are continuing and chapter groups are moving along.
- g. Policy Approval
 - i. Diltiazem (Cardizem) Infusion Protocol – Revised- 2 pgs.
 - ii. (Use of) Patient Home Medication Policy – New – 2 pgs.
 - iii. Medication Administration – Revised- 3 pgs.
 - iv. Contrast Media Management – New – 2 pgs.
 - v. Patient Safety Monitoring Policy – New – 5 pgs.
 - vi. Patient Safety Monitoring Documentation- New – 2 pgs.
 - vii. Suicide Risk, Precautions, & Referral Policy – New – 5 pgs.
 - viii. Emergency Department Mental Health POC Checklist – New – 1 pgs.
 - ix. Mental Health Risk Reduction Checklist - New – 2 pgs.
 - x. Clinical Alarm Management - New – 2 pgs.
 - xi. Medical Equipment Failure – Revised -3 pgs.
 - xii. ROSC 2 (post resuscitation care – return of spontaneous circulation)- New 3 pgs.
 - xiii. Tobacco Free Campus/Smoking Cessation – Revised – 4 pgs.
 - xiv. MRI Safety – New – 11 pgs.
 - xv. Central Venous Access Device Policy – New – 5 pgs.
 - xvi. Initial Nursing Assessment and Documentation – New – 3 pgs.
 - xvii. CVH Animal Policy – New – 4 pgs.
 - xviii. Confidential Document Destruction – revised - 1 pg.
 - xix. Entries in the Medical Record – revised - 2pgs.
 - xx. Filing of Advanced Directives – revised - 1 pg.
 - xxi. Intentional Destruction of Medical Records – revised - 1 pg.
 - xxii. Medical Record Guidelines for Providers – revised - 6 pgs.
 - xxiii. Medical Record Content Policy - revised - 6 pgs.

- xxiv. Ownership of Medical Records – revised - 1 pg.
- xxv. Release of Medical Information – new- 4 pgs.
- xxvi. Privacy Manual Policies and Procedures – revised - 22 pgs.
- xxvii. Privacy Notice - revised - 3 pgs.
- xxviii. Violation of Confidentiality / Security of Organizational Information – rev - 2pgs.
- xxix. Hazard Vulnerability Analysis Policy –Revised- 11 pgs.

For the benefit of our new Board member and others, Jeff reviewed the process of approval for a policy and the Board requests further information on review responsibilities for these policies. He explained that this will be reviewed in-depth at Board Orientation. The current policy management system (MCN) was explained.

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

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

8. Quality Report – Becky Sanders

a. Department Quality Updates

- i. Becky reviewed the non-clinical department quality dashboards. She reviewed the progress highlights for all departments and provided information on the departmental improvement plans for goals below target.
- ii. Becky reported we have several goals that have exceeded targets for some time. She will be working with managers to retire those goals and to identify new ones.
- iii. The HR dashboard was significantly behind goal. Jeff reviewed for the Board a rapid cycle improvement plan to get the measures to goal prior to the Joint Commission survey.
- iv. Becky reviewed and explained the IT measures and challenges on the path to improvement.
- v. Becky and Jeff reviewed the Vital Links process and the patient safety meetings leading to the decision to discontinue this program.

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

a. Financial Results – September 2023

- i. Michelle reported that the question by the Board on where observation time is accounted for prompted an investigation resulting in Extended Recovery time and Phase II Recovery being implemented and billed. Outpatient-in-a-Bed will be a new charge capture item where a rate will be charged for post-surgical / non-medical patients staying before transition and after medical necessity. If an insurance denies the days after medical necessity, we can bill the patient in a self-pay lower rate. We can then enact charity care for self-pay balances. Michelle notes that there is a patient status huddle daily with utilization review, billing, nurse

- manager, charge nurse/house supervisor, and the patient unit secretary to ensure proper statuses for those in IP and SB, that all forms have been completed, and to discuss any challenges.
- ii. Jeff notes the identification and edits to the billing system in adding the additional statuses should impact gross revenue by about \$600K annually.
 - iii. Michelle reviewed statistics: Inpatient admissions are unfavorable MTD by (28.1%) and YTD (21.9%), but favorable 2.7% over PY. Our overall patient days for September are 75, which is unfavorable by (40.5%) and YTD unfavorable by (30.1%), Average Length of Stay was unfavorable MTD by (17.2%) we had 3.3 instead of the budgeted 3.9 and YTD was (10.5%) unfavorable. Average Daily Census was unfavorable MTD (40.5%) and YTD we had 2.9 and budgeted 4.1 for an unfavorability of (30.1%).
 - iv. Swingbed admissions are unfavorable MTD by (50%), unfavorable YTD by (25%), and unfavorable over PY by (10%). The Swingbed average length of stay is budgeted at 13.5 days and the average for the month is 25.5 days. Favorable MTD by 88.9%, YTD by 23.5%, and 65% over PY.
 - v. ED visits for September were 529, we budgeted 534 so very close to budget for MTD. YTD we had 1,588 visits compared with 1,600 budgeted, an unfavorability of (0.8%). We averaged 17.8 patients per day in the ER in September.
 - vi. Clinic RVU's were more realistic after the coding push last month we are (16.5%) unfavorable MTD and (5.7%) YTD.
 - vii. Lab test volumes are typically low this time of year, we expect more tests with the new providers coming on. We are unfavorable MTD (13.9%) and YTD (14.5%). We hired an ultrasound tech, interim radiology manger, and a permanent radiology manager as well. Radiology exams are close to budget with a (3%) unfavorability MTD and a (2%) unfavorability YTD.
 - viii. Michelle reviewed the surgical volumes, no inpatient surgeries, outpatient volumes were unfavorable MTD by (16%) and YTD by (18.5%) procedures per provider were: Dr. El Youssef had 29; Dr. Hobson were 4 (2 total hips and 2 total knees); Dr. Johnson had 10 (3 total hips and 5 total knees and 2 total shoulders); Dr. Pederson had 1.
 - ix. We ended September with 173.1 FTE's compared to 159.7 PY.
 - x. Days Cash on Hand was a total of 178 with 35 days restricted for capital, and in September 2023 we had 161 days.
 - xi. Days in AR have gone up and Michelle will renew the focus with the team. Will be working on this for next month, impacts have been employee vacation in billing/coding.
- b. Income statement
- i. \$5.2M in Patient Care Revenue for September, favorable to budget by 1.7% with \$15.2M YTD, which was flat to budget, and 22.3% favorability over PY.

- ii. The revenue contractual including SWOIPA accrual and Medicare model impacts were noted along with other operating revenue explained. Net patient revenue was \$9.4M for YTD; 11.8% favorable to budget.
 - iii. Jeff noted that the total gross revenue is 22.3% over prior year, even with the conservative model for the Medicare cost report.
 - iv. Michelle noted the total expenses are on budget both MTD and YTD, and contract labor spend has improved. Call outs include supplies expense, which is a positive expense increase given there is a corresponding increase in revenue for surgery; Pharmacy was based on last year and is dependent on when drugs are bought (timing issue).
 - v. Leases include \$32K right of use asset, the (Governmental Accounting Standards Board) GASB 87 and GASB 96, subscription-based information technology arrangement adjustments.
 - vi. Purchased services were explained, increase in Wound Care with added personnel, roof repair was also included.
 - vii. September had a \$494K net operating profit; \$562K YTD.
 - viii. Our total net income for September was \$566K and YTD \$938K. Noted the percentage variances should be positive (Michelle will correct).
- c. Balance Sheet
- i. \$1M offset in operating cash, driven by increase in A/R.
- d. Approval of Disbursements over \$25,000
- i. Nothing of note on this ledger.

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

ACTION: Mast/Dr. Sinnott; Unanimous Approval

- ii. Michelle will call out CIP, currently it is about \$939K.
- e. Review of scheduled cash and investments
- i. LGIP went to 4.8% and Mortgage reserve is now 4.83%.
 - ii. Jeff gave an explanation of the restricted and regular accounts.
- f. Capital
- i. Scopes & Hardware for GYN/Urology - \$34,289 / Stryker Scope for GYN for \$42,942.
 - ii. Terri noted the Capital expense recently for new ultrasound for bladder scan and the old bladder scanner was retired.

MOTION: To approve the Capital request for an upgrade of the Scopes and Hardware/ Equipment at a cost of \$34,289/\$42,942 as presented and recommended by the Finance Committee. To be paid out of restricted capital budget funds.

ACTION: Elmer / Libby; Unanimous Approval

- a. Michelle reviewed the Bond Covenants, we are all in compliance.

10. Strategic Projects Update – Linda Maxon

- a. Myrtle Point Clinic Update
 - i. Linda reviewed the progress on this project, 2 RFPs have been received for remodel. Signage on the building was discussed. Outreach to Myrtle Point City Council, City Manager, The School District and Head Start program. Dr. Heidi Hanst is building her practice at the Clinic.
- b. Fundraising Update
 - i. Ford Family foundation for \$50,000 was awarded specifically for the development of the building. Linda notes the importance of this first step in our grant program. OCF application will be resent and are waiting for responses from Cow Creek, Weyerhaeuser and Ingram foundations. Linda's goal is to fund 30%-40% of the construction.
- c. Retail Pharmacy Update
 - i. RFP has been put out to the Public. Building is vacant and ready, we have word of mouth and will put banners up at a later date. We are working on urban renewal grants with the City of Coquille.
- d. Clinic
 - i. Working on workflows and improvements with electronic medical records and opportunities for improvement and efficiencies. Working on policies for our Allied Health Workers and MA/Community Health Workers, we will expand in the front office to assist patients to assist with paperwork. 3 new providers are integrating in the clinic. Linda shared that a family will need home visits and Dr. Ferrer will attend that, team came together to assist with that effort. Dr. Hanst has a following of patients from Port Orford.
 - ii. New providers are building practices are going well. NP Janke is working with the School District.
 - iii. Turrell group is doing work here with video and photo capture for future marketing on Facebook and website. Patient's stories were captured for each provider, next 4 – 6 weeks those videos will be on the website and on Facebook.
 - iv. Board asks if new patient paperwork can be done online. It is planned for the future we are working on that. We are supporting patients with one-on-one Medical Assistants who are Community Health Workers.
 - v. Board notes that there is an area need and if we advertise, we could capture more of the market. Linda discusses the newspaper articles that have been written by Dean Brickey. Direct mailer strategy will be utilized. Board notes that the competitors are advertising.

11. Administrators Report – Jeff Lang, CEO

- a. Building Project Update

- i. Financing - USDA loan application is progressing, handling in-house now - Feasibility study is being updated to reflect revised project and rolled forward due to closing out FY 23. PAR draft updated. USDA questions on the initial feasibility draft were clarified in second draft. Operating costs and future costs needed to be broken out and we will review and send to USDA by November 4th. Narrative for the need for new facility will be complete by Monday.
 - ii. USDA asked for comparisons in our market and competitors, USDA is including Gold Beach in that review.
 - iii. Will do a public hearing - will hopefully incorporate this into the next Board meeting. Rate increase of 3.875% and will rate increase will jump again after 1.1.2024.
 - iv. Board notes the delay in getting the funding obligated by USDA may impact rates. Jeff explained the rate is projected to increase to 4-4.25% after the first of the year. Any governmental shutdown that may happen will impact our ability to advance the USDA process forward.
 - v. Not much work has occurred on the interim financing plan as we have been busy getting the audit finalized. A draft Sources and Uses based on our most likely financing plan will be incorporated into the feasibility analysis and will reflect those items important to USDA, namely the use of the debt service reserve fund to pay down the HUD loan balance and CVH funded project interest costs.
 - vi. The project budget is back in-line, 4th floor reflects light storage without build out. Jeff relayed that a generator will need to be part of the project which will impact budget and will cost \$150K. Will be calling for a propane generator.
 - vii. Construction Related documents - Architects are working on these now at our expense – there is risk if CVH is unable to secure financing.
 1. Long lead time items will need to be ordered as a 12 month to 24-month lead time for essential items such as electrical.
 2. One benefit to the review of our current plans was a cost savings on the exterior was not enough to warrant the change, design elements will stay.
 3. East Wing Removal – HUD, Colliers and USDA are comfortable and we need an environmental study and to involve the tribe and will provide a mitigation plan for finding relics. Delay from 4-8 weeks on demolition.
- b. Governance Transition Update
- i. Then new corporation (Coquille Valley Health) has been established. Tom S. is working on getting the 1023 application submitted for tax exempt status.
 - ii. Healthcare Market Oversight law: We have engaged local council to work with Tom S. regarding this review. We believe the transaction does not meet the definition of a transaction requiring review. We have reached

- out to OHA to gain clarification. We have given the Oregon AG's office notice of this as well.
- iii. Transition plan and clean up items were noted. CHOW, new health insurance, new tax established for corp. notification letters for assignment et al.
- c. NBMC
- i. NBMC's John Kinna has been sent a new lease format with a reduction of space, to be finalized on January 1st, 2024. We have been on a month-to-month lease since 2018. CVH will be moving forward with securing additional space as discussed at the last meeting.
 - ii. Jeff provided NBMC notice we would be recruiting for a general surgeon. NBMC provided a 30-day notice to us to terminate the PSA with Dr. El Youssef. Dr. Ferrer will pick up CVH patients requiring colonoscopies. We will evaluate bringing in a locum general surgeon and will work to fill the permanent position. Jeff will also look at the feasibility of having a CVH employed general surgeon fill in the call rotation at BAH.
- d. Operational Update
- i. CVH Clinic Space
 1. Floorplan reviewed by Jeff and discussion occurred related to the ability to share the procedure room on the NBMC side. The feelings of the Board are that CVH must have access to the procedure room with NBMC's need's secondary.
 - ii. Pro-Forma reviewed for new provider GYN Service feasibility study, expecting an increase of \$600,000 in gross revenue and a lower contractual rate. Expecting \$1M in OR revenue and write off of \$460K with a net benefit of around \$116K. Net pickup of \$400K -\$450K. Jeff explained this current study doesn't take into account the ancillary procedure uptick associated with this new service line.
 - iii. ONA negotiations.
 1. The negotiations are done, changes in the current year are that nurses are in high demand, and had more control in these negotiations.
 2. Language changes - employee to nurse. Would like protections from call offs and utilization of travel staff, which we left out of the contract, explained. Professional Nurse Leadership committee and our Labor Management committee and we will work on getting nurses more involved in PNLC.
 3. Initial proposal was 22% increase, we ended up with 7%, 6% and 4% for year 1,2,3 - we increased some differentials such as on call, overall we made necessary concessions. Higher BSN/MS differentials was requested, Paid Leave Oregon Tax is included. 20,000 claims or \$22M in first week of PLO. Capped our tax at .6% with the state. Retro pay - only on regular hours from July 1st through the date of ratification.

4. Changing 403b from 3% of wage and 1.5% match 25 cents on the dollar. Extremely low participation in employee contribution. 4 people over the base amount. We are changing to a 1.5% contribution base and up to a 6% full match. Assignment will change to Coquille Valley Health with lease to new corp. without negotiations. True 3-year agreement 11.01.26 expiration.
5. Terri noted the change in conversations after taking over the negotiations in-house with Jeff. She commended his teaching and explanation of financial aspects made a significant difference in the negotiations.

e. Policy Approval for ACO

- Participant Oversight of ACO Providers – 2 pages
- ACO Marketing & Beneficiary Notices -3 pages
- ACO Record Retention – 2 pages
- Prohibited Referrals in the ACO – 3 pages
- Prohibition of Beneficiary Inducements 2 pages

MOTION: The Coquille Valley Hospital Board of Directors moved to approve the ACO policies as presented.

ACTION: Dr. Sinnott/Mast; Unanimous approval

Jeff would like to set a date for the 2024-2027 Strategic Planning Session - would like to have a discussion around this soon. First of the Year, will send out potential dates. Possibly at the January 4th meeting.

12. Board Chair Report - Colleen hands out articles from AHA; AI, Cyber Security and Women's health.

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

Dr. Sinnott will be absent, out of the state may attend by Zoom.

14. Adjourn Board Meeting 10:50am

Respectfully submitted:



Dan Mast, Secretary/Treasurer

Attested to:



Colleen Todd, Chairman