



Thursday January 4th, 2024, 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; David Elmer, Board Member; Dr. James Sinnott, Vice Chair; Jeff Lang, CEO; Michelle Reyna, CFO; Terri Brandt-Correia, CNO; Dr. Brock Millet, Chief of Staff; Shala Kudlac, Board Counsel; Pete Grindel, Plant Ops Manager; JR Edera, HR Manager; Andy Hoyle, IT Director.

Members Attending via Zoom: None.

Visitors/Public Attendance: None

1. Call to Order 7:30am
2. Public Comments and Correspondence - None.
3. Approval of Minutes
 - a. Regular Board Meeting, November 30th, 2023
 - b. Public Meeting – CVH MOB Project Funding/Financing Plan
USDA Loan Details, December 22nd, 2023

MOTION: To approve the minutes of the Regular Board of Directors meeting held on November 30th, 2023; as presented.

ACTION: Dr. Sinnott/Mast; Unanimous Approval for Regular meeting minutes.

MOTION: To approve the minutes of the USDA Financing Public meeting held on December 22nd, 2023; as presented.

ACTION: Elmer / Dr. Sinnott; Unanimous Approval for Special Public meeting minutes.

4. Department Reports
 - a. Safety/Disaster – Pete Grindel
 - i. The Plant team is working on several projects: cleaning out the East Wing, building project items, and the West Clinic. West Clinic moves are happening now.
 - ii. The new washer and sterilizer will need new electrical circuits installed to handle the requirements. Lloyd Electric is working on that this morning.
 - iii. The chiller in the kitchen has a leak in the freezer line – which has been leaking for some time. We are looking at relocating the chiller from the roof to placing it just outside the kitchen area on the ground.
 - iv. Pete relayed that the Joint Commission Accreditation process has taught us a lot. We have found things and fixed them while also meeting some good contacts to work with.
 - b. Human Resource Quarterly Report– JR Edera

- i. JR showed a PowerPoint on HR statistics for the 4th Quarter. CVH currently has 199 employees; we are trending up in hiring. 9 separations to 19 hires in the last quarter. JR reported we are bringing in new, out of the area employees versus local employees only. JR reviewed metrics on separations with type, length of service, and exit interview data. Key positions filled were highlighted. Current open positions were reviewed. 4th quarter recruiting & retention activities were noted as very well received.
- ii. Pay and benefit increases for nurses were noted and we will see if there are any hires due to comparison of other area competitors.
- c. IT Annual Report – Andy Hoyle for Ava Petley
 - i. Andy provided an overview of his department, personnel, and changes that have occurred over the past year.
 - ii. Cyber security incident response plan was implemented. Used during Tuesday's bomb threat, we will be counting this work as a drill. Critical insights: connected with OHA and FBI to work through the email that 77 other hospitals received. We contacted CPD as we worked through our bomb threat policy.
 - iii. Question on computer security with thumb drives. Sophos checks the USB by sandbox isolation, and we then can shut down the computer's connection.
 - iv. Andy reviewed the EMR work with training and workflow support. PharmWatch helped identify the freezer in dietary was malfunctioning. JCAHO likes input such as PharmWatch.
 - v. Cerner e-ticket volumes were reviewed. 1148 tickets opened and 1014 were closed. IT Work order volumes were also reviewed 1321 tickets open and 1238 closed. Call volumes were noted as reduced from 100 to 49 in off hours.
 - vi. Completed 13 projects; 6 current and 7 Future projects were reviewed. Core switch upgrade completion by the team and Kyle's help was highlighted. Andy explained the Nuance DAX scribe service that is being piloted by Dr. Holland now. Cerner has just bought a new dictation service that we will have to implement in the future.
 - vii. Andy reviewed the challenges with moving to Windows 365.
 - viii. Question on wire management and the new project. Andy explained the closets that are needed in the clinic and lab, to house the switches – although we are trying to reduce servers onsite.
 - ix. Future projects were outlined briefly. Converting to MindRay from Welch Allen; this upgrade was explained. We will need a new

- badge reader system in 6 months or earlier. We selected Vercatta it will run everything, badge, camera and notifications.
- x. Growth areas / new equipment and new services were reviewed. 5 new Expansion projects were explained. Trying to standardize and align new contracts with ITIL for best practice.
- xi. Integrating the new accounting software was reviewed. 37 new computers and 400 workstations now, new clinic and pharmacy.
- xii. Challenges were noted - 6 IT employees tackling the new projects and several big projects happening all at once.
- xiii. JCAHO was appreciative of the IT Director being involved. Strategies were reviewed.
- xiv. Question on staying with Cerner. Yes, not hearing good things with Epic implementations. We will review in 2 years Cerner.

5. Medical Staff Report – Dr. Brock Millet

- a. Medical Staff Report
 - i. No significant issues were brought forward by the medical staff, everything is functioning well right now.
- b. Credentialing
 - i. Re-Credentialing
 - 1. Dr. Patrick Edwards, Family Practice, Active

MOTION: To approve the listed provider, Dr. Edwards, for membership to the CVH Medical Staff with the privileges requested as recommended by the Medical Staff Committee.

ACTION: Dr. Sinnott/ Mast; Unanimous Approval

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

- a. Joint Commission Accreditation Survey Results
 - i. Our final plan of correction is due next week. Response has some caveats, tickets in Cerner to change the clinic orders and so far, Cerner has really stepped up and gotten the need filled. We have one ticket outstanding on pain management that was explained on how complex this item is, we are progressing this forward. The POC will be submitted and then we will be accredited after approval. Very happy with the experience with the Joint Commission and it elevates us in our community.
 - ii. Our revisit went very well and were impressed with our accomplished items in 45 days. She gave an example for the ANA designation on moderate sedation.

- iii. Jeff noted there were 23 revisit items and the 6 that were still outstanding were addressed by companies working that week to work on the items.

b. Policy Approval

Terri reviewed the reason and need for update on these policies. She related that we will also have a trauma survey on the 14th for our trauma level IV accreditation.

- i. *Reprocessing Flexible Endoscopes, Surgical Services – 6 pgs.*
- ii. *Operating Rooms–Temperature, Humidity & Ventilation, Surgical Services- 2 pgs.*
- iii. *Loaner Instruments, Surgical Services 2 pgs.*
- iv. *Cleaning Surgical Services and Operating Rooms, Surgical Services – 4 pgs.*
- v. *Sterile Storage Shelf Life, Surgical Services – 2 pgs.*
- vi. *Processing of Instrument and Procedure Trays, Surgical Services – 2 pgs.*
- vii. *Steam Sterilization Guidelines, Surgical Services – 3pgs.*
- viii. *Malfunctioning Sterilizer, Surgical Services – 1 pg.*
- ix. *Sterilizer Cleaning and Maintenance, Surgical Services – 2pgs.*
- x. *Sealed Sterilization Container One Tray, Surgical Services – 4 pgs.*
- xi. *Loss of Compressed Gas – Cardiopulmonary Services – 4 pgs.*
- xii. *OPPE/FPPE – Medical Staff – 4 pgs.*
- xiii. *Operating Rooms – Temp. Humidity and Ventilation – OR – 2pgs*

MOTION: To approve the listed Policies as written and recommended by the Medical Staff Committee.

ACTION: Dr. Sinnott/Libby; Unanimous Approval

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

a. Financial Results – November 2023

- i. IP – Days slightly unfavorable in November driven by lower IP admissions but offset by a longer average length of stay of 4.8 days per patient. YTD our IP Admissions, Days, and ALOS are all slightly unfavorable which led to an unfavorable ADC of 3.2.
- ii. Michelle explained the longer length of stay and the average daily census the admits from ED were noted and in 2021 we averaged 23 per month and in 2022 it was 17; 2023 was abnormally low at 11 per month.
- iii. SB – Days unfavorable in November driven by lower ALOS of 8 days per patient. We did have 5 SB admissions in November, which was favorable to budget. YTD our SB days were unfavorably driven by decreased SB admissions combined with a lower than budgeted ALOS of 12.9 days per patient.
- iv. Total Days (IP + SB) – Same story as the IP and SB days with YTD unfavorability of (29%) in total admissions. Our Total ADC YTD was 4.6 patients per day. Michelle noted that the extended recovery statistic yielded an increase of .5 to the total average daily census

to the inpatient floor. We are now capturing that statistic.

Question from Board on adding a statistic separately. Michelle will add to the inpatient next meeting.

- v. ED Visits – slightly unfavorable both MTD and YTD. We averaged 16.9 patients per day in November and 17 YTD.
- vi. Adjusted Patient Days – Favorable in November by 9.5% and slightly unfavorable YTD by (1.2%) driven by OP volumes both MTD and YTD.
- vii. Clinic Visits/RVUs – While Clinic Visits were favorable in November, RVUs were unfavorable driven by the acuity of the patient seen. YTD both Clinic Visits and RVUs were unfavorable to budget. Dr. Simmonds began practice in late November and Dr. Hanst had her first full month of seeing patients in November.
- viii. Lab – Unfavorable both MTD and YTD. We budgeted for a 23% increase in IP and 28% increase in OP volumes over PY. Jeff noted that we budgeted aggressively in lab so, while it might not look like it, we are having a great year with a 14% increase over last year.
- ix. Radiology – Slightly unfavorable for both MTD and YTD. You can see that the MRI and CT procedures were both favorable to budget and those are our highest cost procedures. We budgeted for a 15% increase in OP volumes over PY. It was noted that we are now performing double the MRIs over 5 years ago.
- x. IP Surgeries – We did not have any IP surgeries in November and are unfavorable YTD by almost (86%). This is because surgeries previously performed as IP are now performed as OP due to insurance guidelines.
- xi. OP Procedures – Unfavorable both MTD and YTD driven by the decrease in Ophthalmology services that are no longer performed. We budgeted for a 5% increase in OP Procedures over PY. Dr. Ferrer completed his first surgery day in November, discussion was heard on training and experience and future service lines for Dr. Ferrer.
- xii. Extended Recovery – We had 7 patients who were moved from surgery to the IP floor from mid-November to the end of November when the code was set up resulting in 9 days. Considering these 9 days, our IP ADC was 4 compared to the 4.2 budgeted, but that does not include the first few weeks in November.
- xiii. FTEs – We ended November with 170.7 FTEs compared to the 157.7 this time last year.

- xiv. Days Cash on Hand - We had 188 Days COH at the end of November with 35 days restricted for future Capital compared with 187 Days COH this time last year.
 - xv. Total Days in A/R – 57.3 compared with 87.2 this time last year. There was a (\$900K) decrease in A/R in November. This is more in line with where we should be.
- b. Income Statement:
- i. Gross Revenue – We ended November with almost \$5.3M in Gross Revenue and \$26M YTD, both favorable to budget. This was driven by our Clinic and OP. Michelle was excited to share that the Clinic contributed over \$900K to the bottom line in November.
 - ii. Contractual Deductions – We did not book anything for our payable/receivable position in November awaiting our Cost Report Model update in December by CLA. Other contractual adjustments were favorable both MTD and YTD.
 - iii. Other Operating Revenue – Unfavorable for both MTD and YTD driven by timing differences of grant revenue received.
 - iv. Operating Expenses – Favorable MTD and on budget YTD. Other expenses include an unbudgeted \$31K to The Turell Group for marketing in November and YTD \$109K.
 - v. Net Operating Margin - \$369K in November and \$869K YTD
 - vi. Non-Operating Revenue and Expense includes \$460K in bed tax – revenue was accrued in November as it was received in the first week in December. Non-Operating Revenue also includes \$68K in interest income and \$71K in Property Tax Revenue.
 - vii. Net Profit for November was \$437K and YTD we have a Net Profit of almost \$1.4M
 - viii. Discussion was heard from the Board commending that expenses have stayed relatively the same year over year while revenue is significantly higher.
- c. Balance Sheet
- i. Cash increased by \$800K driven by collections in A/R of \$900K.
 - ii. Estimated 3rd Party Payor Receivable - The updated YE 6/30/23 TB was input after the audit was finalized beginning in the November financials. Estimated 3rd Party Payor Receivable of \$524K is related to the Medicare recoupments not considered in the original receivable from Medicare estimate booked at 6/30/23.
 - iii. Other Receivables – Accrual of \$460K for the bed tax plus the additional \$140K for the two SWOIPA accruals.
 - iv. Deferred Revenue – Related to Property Taxes Receivable
 - v. Net Position PY – Amount should look familiar as it is the Estimated 3rd Party Payor Receivable amount from the 2023 Medicare Cost

Report related to the recoupments that were not considered when booking the YE Medicare Receivable.

- d. Approval of Disbursements over \$25,000
 - i. Question on Marketing was heard. Linda assured the Board that she had reviewed each line item. There are new videos on Facebook and the website. Suggestion on including articles in the local newspapers. The website might be helpful if there is some focused geolocated ads. Jeff noted the bulk of the expense is video, portrait and collateral as well as Facebook, blog, and website. We will have Turrell advertise in the newspaper.
 - ii. Suggestions were heard of putting floorplans in the windows for the pharmacy. The waiting list at NBMC is 700 people looking for Doctors. Dr. Ferrer should speak at HS graduation. Instagram exposure was also suggested.
 - iii. The Direct mailer to Port Orford was discussed.

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

ACTION: Mast/Elmer; Unanimous Approval

- e. Review of scheduled cash and investments Not reviewed.
- f. Capital Request – Hematology Analyzer

MOTION: To approve the Capital request for the listed Analyzer for \$21,950 plus shipping of \$3,000 (total \$24,950) as presented and recommended by the Finance Committee. To be paid out of restricted Reitman Trust capital budget funds.

ACTION: Mast/Libby; Unanimous Approval

- g. Capital Request – Midmark three Exam Tables

MOTION: To approve the Capital request for the listed Analyzer for \$20,744) as presented and recommended by the Finance Committee. To be paid out of restricted Reitman Trust capital budget funds.

ACTION: Elmer/Mast; Unanimous Approval

8. Strategic Projects Update – Linda Maxon absent - Reviewed by Jeff.

- a. Myrtle Point Clinic Update - reviewed floor plan, curved walls for lobby. Utilizing most rooms as- is will addition of the plumbing. Discussion on provider office space, procedure rooms, acoustics. Wall insulation for sound isolation. 3000 sq feet
- b. Retail Pharmacy Update- floor plan is reviewed and jeff explains the changes and what remains. Question on electronic systems or if it will be manual. Jeff will invite Zane to a meeting.

- c. Discussion was heard on utilizing an urban renewal grant to update the sidewalk structure in front of the building.
- d. Fundraising Update - will wait for Linda's report.
- e. SLS Policy Manual Changes
 - i. *Program Content – 5 pgs.*
 - ii. *Scope of Service – 8 pgs.*
 - iii. *Requirements for the Telepsychiatry process – 3 pgs.*
 - iv. *SharePoint Provider Folders – 2 pgs.*

MOTION: To approve the listed SLS Policies as written and recommended by the Medical Staff

ACTION: Mast/Dr. Sinnott; Unanimous Approval

9. Administrators Report – Jeff Lang, CEO

- a. Interim Project Financing Plan
 - i. Interim Financing
 - 1. A proposal regarding the use of bond anticipation notes for our interim financing vehicle was explained. USDA loan funds will be used at construction end to “take out” the interim financing.
 - 2. We will need \$33.050M in fixed rate revenue notes. This will be a tax-exempt non-bank qualified note sold through private offering. It is anticipated the bonds would be sold at rates of 5.7% on a 25-month maturity, 25 to 27 months later.
 - 3. BAN's allow for the hospital to earn interest earnings during the construction period. It is anticipated the funds would earn 5%. This interest income is expected to bring the actual interest rate down to just over 4% during the term of the bonds.
 - 4. legal fees are low \$35K -\$55K; CVH will need to engage bond council as well.
 - 5. The finance committee reviewed the proposal from Colliers Securities at the last finance committee meeting. Utilizing BAN's has a significant interest rate savings over traditional construction financing. The finance committee were comfortable with utilizing BAN's but had a few remaining questions on the proposal that they would like to have answered before moving forward. The finance committee questioned how they should proceed forward.

MOTION: To authorize the CVH Finance Committee and CEO to negotiate, finalize, and execute a Letter of Engagement and acceptable associated terms with Colliers Securities to utilize Bond Anticipation Notes as an interim financing vehicle for CVH's Medical Office Building Project.

ACTION: Dr. Sinnott/Elmer; Unanimous Approval

ii. Building Project Update

1. The USDA loan process is slowly progressing forward. Timing is critical with events on construction progressing. The financial feasibility analysis was recently updated as was the preliminary architect review.
2. The Environment and Cultural Survey report was slow to progress, however, is now finalized. Once approved, we may be able to see an early removal of the East Wing. This would have to be completed by CVH (if approved by USDA, HUD, and Colliers) and CVH would be at risk for the costs associated with the removal if the financing/project didn't progress forward for some reason.
3. HUD has been updated on the status of the project and our intention to pay off our loan in April/May.
4. USDA has indicated they will need an appraisal updated due to the changes in the PAR and FFR. This is a risk area for further delay if the appraisal can't be updated in time.
5. Bid packets for contractors are being sent out.
6. OHA plan approval continues - comments received and we continue to work through them. We were able to include an ED infectious room with negative pressure in the same space as the ED behavioral health hold room.

iii. Operational

1. CVH received a bomb threat recently. Implemented the policy - conducted a search, no suspicious items located. 77 Hospitals in Oregon received the threat. Our policy requires that we keep the bomb threat confidential until we analyze it. We can use this as a drill for our yearly requirement.
2. Joint Commission – Jeff relayed the entire staff did an excellent job with our Joint Commission preparation. Everyone involved in the survey and correction plan has been positive about the experience and appreciates the way the JC requires us to look comprehensively at each of the standards.
3. Dr. Simmonds' practice is ramping up nicely. We expect further growth to continue to occur due to the additional space in the West Clinic. Dr. Simmonds has completed her first surgical cases and plans to begin to add major cases toward the end of the month after we have a few minors under our belt.

4. Vanessa Mohrbacher will be moving to Coos Bay. NP Tyanna Bergeron will take over in Wound Care, having prior Healogics experience and certifications.
 5. Securing Orthopedic and General Surgery providers will be a focus now.
- b. Board Self Evaluation/ CEO evaluations and closed session were Postponed.
10. Board Chair Report
 - a. 2024 Calendar Review – dates look compatible with the Board.
11. **Next Regular CVH BOD Meeting: Thursday, January 25th, 2024, at 7:30 AM**
12. Adjourn Board Meeting 10:12pm

Respectfully submitted:



Dan Mast, Secretary/Treasurer

Attested to:



Colleen Todd, Chairman