

***Cascade Medical Center Board Minutes***

**October 21<sup>st</sup>, 2020**

**CMC Conference Room**

**12:00 pm – 3:25 pm**

**Trustees present in person:** None

**Trustees attending remotely via Zoom:** George Greenfield, Lesa Becker, Jacque Zemlicka, Rachel Smith, Mary Tracey, and David Gough

**Members absent and excused:** Anthony Henry

**Others present:** Tom Reinhardt, David Donnahoo, Teri Coombs, and Sarah Hasbrouck

**Call to Order:** Meeting called to order by George Greenfield at 12:02PM

**Approval of Agenda:** Motion to approve the agenda was made by George Greenfield; all in favor, motion passes.

**BOT Minutes:**

There were two grammatical errors on pages 4 and 5 of the September 2020 Board of Trustees meeting minutes that were identified and corrected.

A motion to approve the minutes once corrected, was made by Jacque Zemlicka, seconded by Rachel Smith; all members were in favor, motion passes.

**Operations Report:**

**Medical Staff Minutes:**

Teri presented the Board with the October 13th, 2020 Medical Staff Minutes, which include the Utilization Report and Volume Trends, for review.

Teresa Donnahoo is a licensed forensic nurse who is now available to perform SART exams, as an independent contractor, based out of our hospital. This will allow patients to be examined without having to travel to Boise. This is also a benefit to local law enforcement as it is more immediate and preserves evidence.

Tom touched on the HRSA Grant being written to assist with Healthy Aging in Place. The grant is currently in the research and writing phase.

Tom is working to redraft the contract with Valley County Sheriff Department to continue providing medical services for inmates. It was suggested a provision is made as to who pays for PPE and other supplies when CMC provides services to inmates.

The Utilization Review and Volume Trends for the month of September 2020 were as follows:

**Utilization Review:**

- Total ER Visits: 142 (135 September 2019)

- Total OP Visits: 17 (21 September 2019)
- Total Physical Therapy Visits: 269 (269 September 2019)
- Total Clinic Visits: 507 (486 September 2019)
  - Dr. Ellsworth: 81
  - David Hill: 70
  - Dr. Camarata: 35
  - Heather Lewis: 49
  - Dr. Dardis: 66
  - Courtney Hill: 102
  - Louise Michels: 47
  - Jamie Coffey-Kelly: 57
- Total Laboratory Visits: 335 (266 September 2019)
- Total Radiology Visits: 98 XR's, 61 CT's and 12 US's (135 XR's, 55 CT's, 11 US's September 2019)
  - Death – one, elderly end of life
  - Blood Transfusions – none
  - Average Length of Stay for Inpatients – there were two inpatients in the month of September, ALOS 69.63 hours (two observation patients)
  - Leaving Against Medical Advice – one, 70 year old chest pain left prior to provider assessment (no complaints of pain upon arrival)

**QUALITY REVIEW:**

All provider response times were within the 30-minute window.

**EMERGENCY DEPARTMENT CALL BACKS:**

111 patients called / 14 not indicated / 17 missed = 86.7% success rate

**TRANSFERS:**

All transfers were noted to be of appropriate mode. The following reasons were cited for services and/or equipment needed at CMC to keep patient here:

*Transfers*

Surgery	3
ENT	
Neurology	1
CCU	
ICU	4
Obstetric	
PICU	
Psych	
Burns (Utah)	

**INPATIENT CARE PLANS:**

There were two inpatients in the month of September, both of the charts contained a complete care plan.

It was requested that utilization report also include mode of transfer/transport.

**Financial Reports & CARES Act Status:**

David presented September 2020 Financials, including the Variance Detail Analysis which is attached to the end of these minutes as attachment A.

David also prevented preliminary, unaudited financials for FY20. He noted that September's revenue for the 340B program is anticipated from Macro Helix in November. \$336K from the CARES Act was recognized as Grant Revenue to cover known expenses specific for COVID-19 related supplies.

#### **CARES Act PRF Update:**

HHS provided an update in 9/2020; however, new guidance on how to recognize lost revenues attributed to COVID-19 is not clear. David is working with auditors and supportive organizations on more clear guidance while waiting for further communication from HHS on how to realize lost revenues. As of now, CMC has not recognized any CARES funding to compensate the hospital for lost revenue.

#### **CEO Report, Old & New Business:**

##### **CEO Update:**

Tom presented his CEO report, reviewing FY20. Billable services fell 2.2% from FY19 overall, however Physical Therapy fell the most at 20%, ER visits rose by 16%.

Staffing will be one of the bright points of FY20 with all provider, nursing, lab and radiology positions filled as of October 1. We are at a 15% turnover rate for this past year.

The two CMC-used units in the Triplex have been furnished, and currently provide separate Female and Male dorms for on-call staff or others needing a place to stay temporarily.

Hospital upgrades and improvements were recapped, including a new EKG Printer for Cardiac Rehab and a new Chemistry Analyzer for the lab. Most of the new equipment purchases were directly related to response to the COVID-19 pandemic.

Kicking off FY21 will include more promotion of Physical Therapy via direct outreach, as well as promoting non-emergent services. The new Ski Fit program will advertised starting this week, which will be a cash only service done out of the PT department to ready patients for winter sports.

##### **COVID Update:**

Preparation for vaccine administration has begun with partners at the state and federal level.

Currently offering Viral RNA, Antigen and Antibody testing. Testing supplies are well stocked, and can be given at the order of a providers for all symptomatic patients. We continue to provide testing of asymptomatic patients in healthcare, first responders and teachers for safe return to work.

## **Committee Reports:**

### **Finance Committee:**

#### Members:

Mary Tracey, Chairperson  
Jacque Zemlicka  
David Donnahoo  
Tom Reinhardt

The Finance Committee met in October. Mary Tracey introduced David who presented updates provided to the Finance Committee.

- These included a 340B program update, for which a deep dive was completed. Accounting and allocation errors during FY20 were identified and corrected resulting in a Net Revenue of the 340B program of \$118k for FY20. Tax revenue shortfall expected in FY21 was discussed, as well as solutions to increase gross revenue to make up for the deficit.
- CMC's Charge Master (retail and publicly posted price list): It is common practice for hospitals to update their charge masters at least annually; however CMC has not updated the Charge Master in 4 years. The recommendation of the Finance Committee is that we utilize the mean of our most like competitors' prices, which are other small CAH/RHC hospitals in the State of Idaho that were determined by the consultants, Wipfli. This is a common approach to adjusting one's charge master.
- David also presented new Financial Controls for the accounts payable processes, including added security for check writing and ACH payments in addition to new credit cards replacing the debit cards.

The Finance Committee recommended to the board to change the check signing process from requiring two signatures to just a single signature on checks. Rationale is that the bank does not monitor or enforce dual signatures currently; that most payments are made with methods other than checks, and there are sufficient safeguards in place to assure accountability for correct check generation. The CEO will be the main check signer. In the CEO's absence, the CFO will be the single signer with CEO or Board Chair review of payment upon return.

Lesa Becker made a motion to accept the recommendation of the Finance Committee to transition to a single signature check process, Mary Tracey seconded the motion; all members were in favor, motion passes.

### **Quality Assurance, Performance Improvement and Compliance Committee:**

#### Members:

Lesa Becker, Chairperson  
Rachel Smith  
David Gough  
Aline Lee  
Tom Reinhardt  
Teri Coombs

The Quality Assurance, Performance Improvement and Compliance did not meet in October.

Strategic Planning Committee:

Members:

Anthony Henry  
David Gough  
Mary Tracey  
Tom Reinhardt  
Jack Knoblock  
Karolyn Plehal  
Ann Young

The Strategic Planning Committee did meet in October. Tom presented current industry standards for medical center space by department, and how much added square footage needed to meet current industry standards. An additional 9,000 square feet would be needed to bring the building up to current industry standards and does not account for needed future growth. Discussions with land owners did occur as directed by the September BOT meeting, and merits further executive session discussion.

Executive Session:

Two Executive Sessions were held during this meeting.

The first Executive Session was held in accordance with IDAPA 74-206(1)(c) to discuss Real Property. A motion was made by David Gough to enter into an Executive Session to discuss Real Property. The motion was seconded by Rachel Smith, role was taken of all members; motion to enter into Executive Session carries. Members entered into Executive Session to discuss Real Property at 1:50 PM.

The members exited executive session at 2:50PM. No action was taken.

The second Executive Session was held in accordance with IDAPA 74-206(1)(b) to discuss Personnel. A motion was made by Rachel Smith to enter into an Executive Session to discuss Personnel. The motion was seconded by Lesa Becker, role was taken of all members; motion to enter into Executive Session carries. Members entered into Executive Session to discuss Personnel at 2:54PM.

The members exited executive session at 3:08PM. No action was taken.

Other/Next Steps:

- Board Education Module: move to November Meeting
- Board Education Plan: move to November Meeting
- Agenda topics for next meeting: Dr. Camarata/Alison Zeller Presentations on OMT/Dry Needling, CEO Annual Review, Future of Healthcare (Political Perspective)
- Meeting Evaluation:

**Adjournment:** The meeting was adjourned by George Greenfield at 3:23PM.

The next meeting is scheduled for November 18th, 2020 at 12:00 PM.

## Attachment A

Variance Detail Analysis - Sept 2020 FYTD						
Category	Budget FYTD Sept 2020	Actual FYTD Sept 2020	Variance to Budget	Variance %	Explanation	Correction/Action Plan
<b>REVENUES</b>						
Gross Revenue from Inpatient, Outpatient, ER, and Clinic	\$ 5,214,347	\$ 5,252,412	\$ 38,065	1%	Revenues were suppressed from Mid-March through Mid-June due to COVID and the related volume reductions that resulted in PT (outpatient) services being below budget.	promote PT business to rebuild volume to above pre-covid levels.
Gross Revenue from 340B Rx Plan	\$ 156,997	\$ 222,031	\$ 65,034	41%	Coding error resulted in revenue not being properly recognized from January through August. Corrected in September.	
<b>Off-sets to Revenue</b>						
Contractual Adjustment	\$ 399,248	\$ 653,790	\$ 254,551	64%	Write offs are disproportionately higher than the revenue variance. A portion of this (~\$20k) has been offset by CARES act reimbursement for COVID testing/treatment for uninsured.	Need to conduct audit of payor contractuals and assess contracts to verify that adjustments are correct, and that contracts with insurance companies going forward are fair. Project TBD.
Bad Debt Expense	\$ 132,966	\$ 154,800	\$ 21,634	16%	Bad debt write off gradually improved (lessened) toward the end of the year as CMC collected on "uncollectible" accounts. The increase in high-deductible health plans has contributed to high bad debt.	Variance is correcting and now close to budget. One area of focus is to better collect ER patient insurance and demographic data at registration to be able to bill/collect after treatment.
Indigent Care Writeoff	\$ 132,966	\$ 197,111	\$ 64,145	48%	CMC implemented the indigent care "sliding scale" program in Fall of 2018. The actual dollar amount written off continues to far exceeded the estimate. We have observed an increase in indigent care due to unemployment/seasonal employment.	CMC Business Office has reexamined the criteria applied to indigent care applications including documentation required to qualify. Our modified practice still complies with NHSC guidelines regarding proof of indigency. We are aggressively helping uninsured patients qualify for Medicaid.
Other Revenue	\$ 1,056,370	\$ 1,551,928	\$ 495,558	47%	CMS completed its review of our audited financials and cost reports for FY19, and provided CMC additional reimbursement as settle-up. Additionally, we have been successful with grant revenue and donations from the CMC Foundation, IWCF, St. Luke's Health Partners, and other organizations.	Follow new guidance from HHS on how to apply CARES funds to revenue shortfall during COVID pandemic.
<b>EXPENSES (Unfavorable Variances &gt; \$5,000 from Budget YTD)</b>						
Contract Labor	210,103	265,780	55,657	26%	We brought in a contracted NP for 5 months to support provider staffing due to concerns of COVID volumes and impact on employed providers. A contracted Lab employee was brought on through rest of summer to assist with anticipated rise in lab testing due to COVID tests.	No action needed. Contracted NP finished 9/10/20. Lab worker through mid-November and then will be evaluated as COVID develops.
Supplies	283,922	620,171	336,249	118%	Supply costs are higher than expected because of medical supply and drugs purchased, including COVID related supplies, extra PPE. Volumes have been higher in the ER, accounting for some of the increase.	Need project to assess purchasing arrangements and GPO options. Leadership to develop supply chain strategy.
Repairs & Maintenance	11,854	49,620	37,966	326%	Projects scheduled for completion in FY19 drifted into FY20, especially electrical work. Additional expenses related to triplex repairs and facility changes to improve safety for COVID.	No action needed. COVID prep expenses and creating additional work space in clinic (renovation) will increase expenses in FY21, but should be fully reimbursed via CARES act.
Minor Equipment Purchase	4,100	17,523	13,423	327%	Additional small equipment purchases for COVID (e.g., air handlers, tent, touchless ice/water dispenser)	No action needed. We are tracking COVID expenses and will comply with HHS guidance on recognition and tracking of reimbursement.
Depreciation & Amortization	295,000	417,826	122,626	42%	Capital equipment purchases incurred in late FY19 and into FY20 drove D&A higher than budget. Some items (e.g., modular buildings) are COVID related. FY21 will see purchase of \$100k in new lab equipment hitting depreciation.	No correction planned. Some items will "age-off" our depreciation schedule over the next year as they become fully depreciated.

Favorable variances in Green

Unfavorable variances in Red