



## **Board of Directors' Meeting of Tuesday, December 18, 2018**

### Call to Order

The meeting of the Board of Directors of Henry Hospital District was called to order by Vice Chair Mickley at 5:01 p.m. at Lavender Crest banquet hall. Members present were: Directors James Mickley, Ann DeSmith, Denise Ward, Dr. Ford, Julie Atwell, Mike Zerull, and Jack Schlindwein. Board members Duane Olson and Janelle Pettit had an excused absence. Also, in attendance were Mark Kuhn, CEO; Kevin Stringer, HealthTech Vice President; Laura Domino, Vice President of Patient Care Services; Jodie Criswell, Vice President of Fiscal Services; Lisa DeKezel, Vice President of Physician and Outpatient Services; Dick Stone, attorney; and Kathy Tank, Executive Assistant. Linda Roman, auxiliary representative and Julie West, Volunteer Manager attended the second half of the meeting.

### Consent Agenda

Vice Chair Mickley referred to the following consent agenda:

- a. Compliance Committee meeting minutes of December 4, 2018
- b. Finance Committee meeting minutes of November 22, 2018
- c. Board meeting minutes of November 22, 2018
- d. Closed Session minutes of November 22, 2018
- e. Operations Review

A **motion** was made and seconded: To approve the consent agenda. The **motion passed.**

### Looking Back

#### Fiscal Services Report

Jodie Criswell referred to the November fiscal services report in the board packet. Jodie reported that the hospital reported a total net gain of \$161,419 for the month of November. The year to date (six months) gain was \$407,989, which is \$146,000 behind budget. She stated that outpatient volumes and revenues for surgery, imaging, and physical therapy were above budget. Jodie noted that there were delays in the charging and coding of RHP encounters, so an accrual was made to reflect revenue associated with prior month activity. Contractual allowances were slightly above budget, and total expenses were \$301,380 above budget. Salaries and wages exceeded budget due to hospitalist and ER coverage for employed physicians. Supplies exceeded budget with variances seen in surgery and pharmacy, which were volume related.

Jodie stated that CMS (Centers for Medicare and Medicaid Services) issued a directive which requires hospitals to post their charges on their websites as of January 1, 2019. A test file was uploaded which complies with guidelines and the narrative for the webpage has

been completed. We are ready for the go live date of January 1. We will then compare our content with other hospitals and may make additional edits, if necessary.

Jodie stated that RFPs have been sent to three financial institutions for investment services.

Jodie also updated the board that patient accounts recently expanded into the former Social Services area, with Social Services/Education departments relocated to the old Kelly's Medical area.

### Clinic Financials

Jodie referred to the clinic services financial report in the board packet. She stated that RHP recorded a gain of \$46,283 versus a budgeted loss of \$98,293. She noted that coding and charging of encounters were delayed. Mark noted that the new EHR had an impact on the total patient volumes and the providers are working hard to rebuild the visit levels.

Jodie stated that the Medical Surgical clinic had a net surplus for November of \$77,108. This was \$26,356 below the budget surplus of \$103,464.

Jodie stated that the Colona Clinic had a surplus of \$15,406. This was \$26,471 below budget, and reflective of seasonal variance. Volumes were 615 visits which is 149 visits below budget. Annawan Clinic had a surplus of \$1,418. Patient visits were 243, which is 29 above budget.

Discussion ensued regarding the clinic volumes and it was reiterated that the clinics provide referrals to the hospital services which is revenue generating. The board asked Jodie if she could identify the hospital generated revenue per individual clinic locations. Jodie will provide this information with the December financials.

### Looking Forward

#### Board Meeting 2019 Calendar

Vice Chair Mickley referred to the CY2019 Board Calendar in the board packet. The meetings are scheduled the 4<sup>th</sup> Thursday of each month, except for November and December where it was proposed to schedule the third Thursday. A **motion** was made and seconded: To approve the 2019 board calendar. The **motion** was approved.

### Administrative Reports

#### CEO Report

Mark Kuhn referred to his CEO report in the board packet. He updated the board that progress continues for recruitment of a general surgeon. He also stated that Advanced Radiology has agreed to a cost reduction starting January 1 and he is in agreement with their offer. He shared the upcoming general liability insurance and Workers' Compensation renewal quotes and said that both quotes also included a nice dividend benefit. Mark also highlighted that the hospital charge rates will increase to reflect prevailing rates for all charges on January 1, 2019.

### Patient Care Services Report

Laura Domino referred to the patient care services report in the board packet. She highlighted that good progress has been completed for the 340B hospital program. The retail program has made progress with two area pharmacies signed an agreement: Wal-Mart and Walgreens. Laura referred to the annual cost savings for the hospital program on just two drugs that are ordered by Dr. Minter, which was a \$116,493 savings.

### Physician and Outpatient Services

Lisa DeKezel referred to the physician and outpatient report in the board packet. She announced that the ISO9001 certificate has been received, so marketing will begin soon. DNV survey prep is underway for the annual survey. She updated the board on the Annawan lease agreement, which the city of Annawan has agreed to continue the lease month to month, starting January 1, until a new site is secured.

### Shining Star

Kathy Tank announced that Julie West, volunteer manager, was the January Shining Star recipient and nutritional services won the team award for January.

### Volunteer Report

Linda Roman presented the volunteer report. She gave an update on the following Auxiliary fundraisers:

- \$5 Jewelry Sale received total proceeds of \$1,433, which was 20% of the total sales.
- Fall book sale received total proceeds of \$1,425, which was 15% of total sales.
- Birdies for Charity total donations received were \$1,755, plus an additional \$993 was received from the Birdies organization.
- New York City trip proceeds received was \$3,675.

Linda also reported the Lovelight Tree is located at the corner of College and Wells Street. The donations from the Lovelight project will be used to purchase a Cytospin Centrifuge for laboratory services. Donations can be received until the first of the new year.

### Board Action

#### USDA Loan Resolution

Vice Chair Mickley referred to the USDA Loan Resolution in the board packet. Jodie stated that the board resolution is for the board to authorize the borrowing of funds to finance capital improvements for the emergency department. The loan request is with the U.S.D.A. and in the amount of \$1,000,000. A **motion** was made and seconded: **For Hammond-Henry Hospital to enter into a loan agreement with the United States Department of Agriculture in an amount not to exceed \$1,000,000 at a zero percent interest rate, for terms not to exceed ten (10) years.** On a roll call vote the **motion passed**.

#### Approval of November Bills

Vice Chair Mickley referred to the bills. The total bills for the month of November are \$3,127,480.77. A **motion** was made and seconded: **To approve payment of the bills for the month of November in the amount of \$3,127,480.77.** On a roll call vote the **motion passed** unanimously.

### Recess to Closed Session

A **motion** was made and seconded: To recess to closed session at 6:10 p.m. to discuss closed meeting minutes and audio recordings. On a roll call vote the **motion passed** unanimously.

### Reconvene into Regular Session

A **motion** was made and seconded: To reconvene the regular meeting of the Board at 6:16 p.m. The **motion passed**.

#### Closed Session Minutes and Audio Recordings

A **motion** was made and seconded: To approve that the closed session minutes from January 25, 2018 through June 28, 2018 no longer require confidential treatment and are available for public inspection. The **motion passed**.

A **motion** was made and seconded: To approve the destruction of the audio recordings of the closed session minutes of the meetings dated January 26, 2017 through June 22, 2017. The **motion passed**.

### Adjournment

A **motion** was made and seconded: To adjourn the meeting at 6:20 p.m. The **motion passed**.

*The preceding is my understanding of the issues discussed. Please contact me with any concerns or questions.*

Respectfully submitted by,

Kathy Tank  
Executive Assistant