



## Board of Directors' Meeting of Tuesday, April 19, 2022

### Call to Order

The meeting of the Board of Directors of Henry Hospital District was called to order by Chair DeSmith at 6:02 p.m. in the hospital conference room. Members present were: Directors Ann DeSmith, Doug Ford, Denise Ward, Julie Atwell, Dr. Don Ford, Nancy Lang, Kim Gehling, and Mike Zerull. Director Duane Olson was not present due to an excused absence. Also, in attendance were Dr. Julie Brown, VP of Medical Staff, Mark Kuhn, CEO, Jodie Criswell, Vice President of Fiscal Services; Hazel Butter, Vice President of Human Resources; Danielle Hoffman, Director of Nursing; Colton Anderson, Director of Clinic Services; Wyatt Brieser, Director of OP and Ancillary Services and Diane Biellier, Administrative Assistant. Sam Brown, Senior VP and Erika Sundrud, VP Care Transformation of QHR were present for open session via telephone. Mark Grywacheski and Scott Stoltenberg from Q.C. Investment Group presented along with Krista Nixon.

### Education

Mark Grywacheski and Scott Stoltenberg from Q.C. Investment Group discussed the performance of Hammond-Henry Investments during 2021 and projections for 2022 based on the current consumer price index, Federal Reserve interest rates and other factors.

### Consent Agenda

Chair DeSmith referred to the following consent agenda:

- Home Health Professional Advisory Meeting minutes of April 13, 2022 (pp.6-7)
- Special Board Meeting Minutes of April 1, 2022 (p.8)
- Closed Session Special Board Meeting Minutes of April 1, 2022 (web portal)
- Medical Staff Executive Meeting minutes of March 31, 2022 (pp.9-11)
- Quality Council Meeting minutes of March 30, 2022 (pp.12-18)
- Special Board Meeting Minutes of March 26, 2022 (p.19)
- Closed Session Special Board Meeting Minutes of March 26, 2022 (web portal)
- Special Board Meeting Minutes March 23, 2022 (p.20)
- Closed Session Special Board Meeting Minutes March 23, 2022 (web portal)
- Board Meeting Minutes of March 15, 2022 (pp.21-24)
- Closed Session Minutes of March 15, 2022 (web portal)
- Community Support Report (p.25)
- 2022 MAP Quarter 1 Update (pp.26-40)
- Operations Review (pp.41-43)

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

### Old Business

#### Fiscal Services Report

Hammond-Henry Hospital recorded an increase in net assets totaling \$294,673 for the month ended March 31, 2022. While actual volumes were lower than budget resulting in a \$1,369,824 negative variance in gross revenues, this was offset by lower-than-expected deductions from revenues as well as lower than budgeted total expenses. Total expenses were \$116,998 below budget.

March expenses had a negative variance of \$116,998. Paid and worked FTEs were above budget and discussion ensued regarding the status of the Productivity study being implemented by QHR. Jodie informed the Board that Managers are receiving training on the QHR productivity platform on April 20, 2022, and to be aware the due to the considerably larger comparison sample size QHR

uses (400 hospitals) versus Health Tech, there may be some differences in their findings compared to historical recommendations.

### Committee Business

#### 2021 Compliance Report and Quality Council Presentation

Krista Nixon gave a presentation discussing the 2021 Compliance, Quality, and Infection Control Reports. She also summarized changes and goals outlined in the 2022 Quality, Infection Control, Risk Management and Utilization Management Plans provided in the Board packet. Discussion ensued regarding the Compliance Hotline and ensuring employees are aware of it. Hazel will include information regarding the hotline in her annual HR education for employees. There was also discussion regarding ED median time (arrival to discharge) compared to other facilities and the continued challenges, both locally and nationally, of obtaining transport for patients transferring to other facilities. Mark and Danielle discussed continued efforts to address this concern. A **motion** was made and seconded: To approve the 2021 Compliance Report and the 2022 Quality Council Plans. The **motion passed.**

#### Governance/Nominating Committee

Director Atwell referred to the Ordinance No. 266 – Amended Henry Hospital District Bylaws.

Director Atwell and the committee recommend a minor language change for consistency in the Hammond-Henry Hospital District Bylaws. Director Atwell stated that the proposed amended Bylaws were sent to all board members days prior to this meeting. Per the Bylaws, notice is to be sent to the board members at least seven (7) days prior to said meeting and fully present the proposed amended Bylaws. Chair Atwell asked if there was a motion to approve the amended Bylaws. A **motion** was made and seconded: To approve Ordinance No. 266 – to amend the Henry Hospital District Bylaws. On a roll call vote the **motion passed.**

Director Atwell also presented the Board with the recommended nomination of Brett Decker to the Hammond-Henry Hospital Board of Directors. Brett had met with the Nomination Committee and Directors Ann DeSmith and Mike Zerull felt his strong financial background would be an asset to the Board. Discussion between additional Board members led to a motion that was made and seconded: To approve the nomination of Brett Decker to the Hammond-Henry Hospital Board of Directors. Chair Atwell informed the Board that due to time constraints to get the nomination on the May Henry County Board agenda, the letter had already been sent to Henry County. The **motion passed.**

### New Business

#### FY2022-23 Draft Capital & Operating Budget

Jodie referred to the FY22-23 Draft Capital and Operating Budget. The draft budget had a proposed net operating surplus of \$1.18M and Non-Operating Revenue at \$1.6M with a Total Net Surplus of \$2.7M. Jodie referred to the assumptions and highlighted the following:

- The Public Health Emergency will not be extended into FY 2023, with the Coronavirus becoming an endemic part of the delivery of care.
- Patient charges will increase on average 5% and are based on market comparisons
- Volume projections are based on individual department expectations of the impact of provider changes, new services, and continuation of the Coronavirus within the healthcare delivery system.
- Salary and wages are budgeted to increase an average of 3% for all employees. Market adjustments will be incorporated if financially viable.
- Supply expense incorporates service line inflation estimates, the expectation that personal protection equipment costs will stabilize, and further savings through the QHR buying group.
- The board of directors will approve the 4.99% increase in annual tax levy at the October board meeting.

- The Lab renovation will be completed, the MRI will be purchased, and \$1,100,000 in additional capital expenditures acquired.
- Days cash on hand will be impacted by the above assumptions as well as the lump sum payment of the Medicare Advance Payment Loan.

The Board will review the budget and Jodie will address any questions before the budget is approved at the May 2022 meeting.

#### Resolution for LTC Rate Increase

Mark Kuhn referred to the board resolution for a long-term care rate increase for private and semi-private rooms. The proposed rates are as follows: private room- \$228 and semi-private- \$218, a 5% increase for semi-private and 3% for private. The effective date for the rate increase would be June 1, 2022. Mark referred to the chart showing area LTC rates and ratings and stated the rate increase is to cover the cost of inflation for labor costs, supplies, meals, insurance, etc. Also the new rates compare favorably to other regional settings, none of which are as highly rated. Discussion occurred. A **motion** was made and seconded: To approve the board resolution to increase the room rates at the HHH Long Term Care Living Center as follows: private room- \$228 and semi-private- \$218, effective June 1, 2022. On a roll call vote the **motion passed.**

#### Orion Fire Alarm Proposal

Mark discussed the installation of an upgraded fire alarm system to be installed at the Orion Clinic location. Recent requirement changes within the Village of Orion dictate a fire alarm system that communicates directly with 911 dispatch in Cambridge is needed for the building to pass inspection. A **motion** was made and seconded: To approve the funding of \$10,453 in expenses for installation of the proposed fire alarm. On a roll call vote the **motion passed.**

### Administrative Reports

#### QHR Report

Sam commended Jodie on the work she did on the budget, stating her narrative addressed many of his concerns and explained the rationale behind her projected figures. He also reminded the Board to review the QHR Learning Institute listing in the Board packet to remain aware of future learning opportunities. The projected timeline in the QHR Strategic Planning Update was referenced to indicate current timelines for QHR initiatives. He then introduced Erika, the VP of Care Transformation with QHR.

Erika stated that she and Danielle have recently had a good introductory phone call and she looks forward to working with our organization in the future with the Culture of Care and Safety Care Transformation.

#### CEO Report

In the interest of time, Administrative reports were limited to addressing any questions resulting from a review of the Board Packet. The Board had no questions and stated they found the Administration reports in the packet very informative.

Mark did mention a few highlights and issues that would be discussed in greater depth at the retreat and future meetings:

- Clinic volumes were up 33% in March compared to February.
- Celebrity Dinner raised over \$40,000 and the Foundation just received a single endowment of \$100,000 from a generous donor.
- Social Determinates of Health (SDoH) was introduced to the Board with an explanation that health care only affects 20% of a person's health. Hammond-Henry will begin to focus on efforts to positively influence factors that fall within the other 80%. This will be discussed in greater detail at the retreat and prior.

Human Resources-Shining Star

Hazel Butter announced that Maddie Shoemaker, EVS Tech is the May Shining Star recipient.

#### Board Action

Approval of March Bills

Chair DeSmith referred to the bills. The total bills for the month of March are \$3,612,014.58. A **motion** was made and seconded: To approve payment of the bills for the month of March in the amount of \$3,612,014.58. On a roll call vote the **motion passed**.

#### Recess to Closed Session

A **motion** was made and seconded: To recess to closed session at 7:58 p.m. to discuss the credentialing of physicians and other healthcare professionals as well as the dismissal, suspension, or discipling of, or to hear complaints or charges brought against an employee. On a roll call vote the **motion passed**.

#### Reconvene into Regular Session

A **motion** was made and seconded: To reconvene the regular meeting of the Board at 10:01 p.m. The **motion passed**.

A **motion** was made and seconded: To approve the medical staff appointments and reappointments that were discussed in closed session. All appointments/ reappointments will be effective April 30, 2022. **The motion passed**.

#### Adjournment

A **motion** was made and seconded: To adjourn the meeting at 10:03 p.m. The **motion passed**.

Respectfully submitted by,  
Diane Biellier, Administrative Assistant