

**SPARTA COMMUNITY HOSPITAL  
BOARD OF DIRECTORS MEETING MINUTES**

The regular monthly meeting of the Board of Directors was held on October 16, 2018 in the Board Room of Administration.

**Members Present Included:** Kevin Wilson, Dennis Ernsting, Gary Stephens, John Clendenin, Chris Haury, Alene Holloway, Lynette Jalivay, Claudia Kerens, and Kay Hapke

**Members Absent:** None

**Non-Members Present:** Joann Emge, Paul Mueller, Kacy Guebert, Fred Helfrich, Ronnie White, Dave Holder, Dr. Marc Kiehna, and Kelsey Diskey

The meeting was called to order at 7:00 pm by Mr. Wilson.

Item	Action
<b>Annual Audit Presentation</b> Fred Helfrich shared the audit report for FY2018.	
<b>Minutes</b> Approval of the September 18, 2018 minutes.	Ms. Kerens motioned to approve the September 18, 2018 minutes with corrections. Ms. Holloway seconded. Motion carried.
<b>Financials</b> Mr. Stephens shared the treasurer's report.  Paul Mueller shared the financials for the month of September 2018:  <b>Balance Sheet</b> <u>Cash and Investments</u> <ul style="list-style-type: none"> <li>Cash increased \$99,550 or 1% in comparison to August. Day's cash on hand increased to 146. We measure favorably to the performance indicator established at 90 days.</li> </ul> <u>Accounts Receivable</u> <ul style="list-style-type: none"> <li>Total system gross accounts receivable increased \$460,259.</li> <li>Total system Days in A/R (<i>excluding</i> claims reimbursed by the State of Illinois) increased from 65 in August to 69 in September. Our <b>performance indicator</b> is 62 days.</li> <li>Hospital patient gross accounts receivable increased \$462,816.</li> <li>Hospital Days in A/R (including IL State) increased from 77 in August to 79 in September.</li> <li>Hospital Medicaid gross receivables are \$3,917,355.</li> <li>Hospital gross receivables from State of Illinois' self-funded insurance plans for its employees and retirees is \$1,572,920.</li> <li>Of the hospital gross A/R, 45% is greater than 90 days old from discharge, with 51% and 41% of Medicaid and the State of Illinois' self-funded insurance plan greater than 90 days, respectively.</li> <li>Clinic gross accounts receivable decreased \$31,517 or 2%.</li> <li>Clinic gross A/R is 2.4 times current clinic revenue. We measure unfavorably to the <i>performance indicator</i> of 2 time's current revenue.</li> </ul> <u>Account Payable</u>	Ms. Kerens motioned to approve the treasurer's report subject to audit. Mr. Stephens seconded. Motion carried.

<ul style="list-style-type: none"> <li>• Accounts payable decreased \$39,031.</li> <li>• Current month has 10 days non-salary expense in A/P, August had 11. We measure favorably to the <i>performance indicator</i> of 30 days.</li> </ul> <p><b>Income Statement</b></p> <p><u>Revenues</u></p> <ul style="list-style-type: none"> <li>• Inpatient revenues decreased \$160,017 or 54% compared to August.</li> <li>• Outpatient revenues decreased \$396,239 or 10%.</li> <li>• Emergency service revenues decreased by \$61,825 or 3%.</li> <li>• Swing bed revenues decreased by \$48,292.</li> <li>• Physician office revenue decreased by \$105,520 or 15%.</li> <li>• Total system gross revenues decreased \$771,893 or 11%.</li> <li>• System net revenues decreased \$454,863 or 15%.</li> <li>• Gross revenue per calendar day is \$214,419 vs. \$223,641 budgeted.</li> <li>• Allowance of revenues is 55% vs. 54% budgeted.</li> <li>• Total system gross revenues, year-to-date are \$144,648 or 1% over budget.</li> </ul> <p><u>Expenses</u></p> <ul style="list-style-type: none"> <li>• Salary and fringe benefit expenses decreased \$114,544. Our <i>performance indicator</i> is 50.5% of net patient revenues; salary and fringe benefit expense is 59% for September.</li> <li>• Bad debts, we measured favorably (4.9%) to the <i>performance indicator</i> of 5% of gross patient revenues.</li> <li>• Total expense per calendar day is \$95,002 vs. \$98,554 budgeted.</li> <li>• Expenses year-to-date are \$389,949 or 4% under budget.</li> </ul>	
<p><b>Physician's Report</b> – Nothing to report.</p>	
<p><b>CEO Report</b></p> <p>I. Finance</p> <p>A. Volumes</p> <ol style="list-style-type: none"> <li>1. Med Surg (Inpatient Care) <ol style="list-style-type: none"> <li>a. Inpatient Census – 1.43 patients/day</li> <li>b. Observation Census – 1.27 patients/day</li> <li>c. Swingbed Census – 1.67 patients/day</li> <li>d. Total Combined Census – 4.37 patients/day</li> </ol> </li> <li>2. ED Visits – Averaged 26.90 patients/day</li> <li>3. Transfers <ol style="list-style-type: none"> <li>a. Transferred from Med Surg – 6 patients</li> <li>b. Transferred from ED – 64 patients</li> </ol> </li> <li>4. Surgery Procedures – 122 procedures</li> <li>5. Home Health Admissions – 40 patients</li> <li>6. Specialty Clinic Visits – 646 patients</li> <li>7. Rural Health Clinic Visits – 3,833 patients</li> <li>8. The Center Memberships <ol style="list-style-type: none"> <li>a. Sparta – 647 memberships</li> <li>b. Marissa – 125 memberships</li> </ol> </li> </ol>	

9. Most volumes under prior month and budget; therefore, revenue below budget for the month
  10. Joann shared graphs showing changes in revenue and expenses, profit versus loss, operating expenses, in-patient and out-patient volumes, profit/loss margins and labor expense metrics over the course of 23 years.
- B. Expenses for Approval
1. Hematology Analyzer Replacement for Lab
    - a. Purchase – \$76,517.00
    - b. Service Cost – \$12,850.00/year for years 2 – 4
  2. Glide Scope Bundle (Bundle of 2)
    - a. Cost – \$16,079.00
    - b. Trauma funds of \$10,563.31 to be used
  3. Computer Replacement
    - a. Cost – \$16,158.53
  4. Marissa Clinic Lease
    - a. 4-Year Term Ending on April 30, 2022
    - b. Cost – \$1,200.00/month (No Change from Previous Lease)
  5. Cardinal Pharmacy After Hours Contract
    - a. Term Ending 2021
    - b. Cost – \$5330.00/month (Decrease of \$9,500.00/year)
  6. Phone System/Necessary Switches/Jacks/Cabling/Storage Device
    - a. 5 Requests for Proposals (RFP's) were sent, 3 bids were returned, and 1 was not qualified due to excluding expenses.
    - b. CTS Hardware – \$201,087.00
      - a. Hardware will be owned by SCHD as opposed to the currently rented hardware. Previous cost was approximately \$80,000.00/Year for Hardware and Service
    - c. Service Cost – \$26,712.00/Year for 5 Years
    - d. Cost of Storage, Switches, Jacks and Cabling – \$24,596.00
      - a. Will be completed in-house
- C. Future Expenses
1. OR Laparoscopic Tower Upgrade – awaiting demo of equipment for physician review
    - a. Budget – \$175,000.00
  2. Facility Humidity Solution – reviewing study
  3. MRI AC Unit Replacement – advertising for bids
  4. Telemetry System – evaluation period
- D. Contract Approval
1. SIU Telemedicine – Neurology
    - a. SIU to provide equipment for 3 years at no charge, then \$2,400.00/Year, of which a facility fee can be billed to insurance payers by SCHD. Professional fees will be billed and collected by SIU.

<p>II. Service</p> <ol style="list-style-type: none"> <li>1. Dr. Moore – Podiatrist – Started October 4, 2018</li> <li>2. Home Health <ol style="list-style-type: none"> <li>a. Received Fazzi Top 25% Award for patient satisfaction, as well as in the top 500 agencies in the 25% (out of approximately 8,800 agencies) for satisfaction and quality outcomes.</li> </ol> </li> <li>3. Pharmacy &amp; Therapeutics Committee of Medical Staff <ol style="list-style-type: none"> <li>a. Approval of Pharmacy &amp; Therapeutics Committee minutes is required for approval of adding IV Tylenol to the OR formulary.</li> </ol> </li> </ol> <p>III. Quality:</p> <ol style="list-style-type: none"> <li>1. ACO Quality Measures <ol style="list-style-type: none"> <li>a. Reporting on 15 measures</li> <li>b. ACO received 80.83% for final aggregate FY2017 CMS performance – which is lower than needed for financial shared savings</li> <li>c. SCH quality scores are higher than the ACO overall score</li> <li>d. Increase benchmark to 90% for all providers in ACO to achieve</li> <li>e. Quality care reimbursement is expected to be in effect in 2020.</li> </ol> </li> </ol> <p>IV. People</p> <ol style="list-style-type: none"> <li>1. 4<sup>th</sup> Quarter Town Hall Meetings have been scheduled as a way to improve communication throughout the organization.</li> <li>2. Teams <ol style="list-style-type: none"> <li>a. Service Recovery – immediately evaluates service breakdowns</li> <li>b. Work Place of Choice – improves SCH as a work place for employees</li> </ol> </li> <li>3. Healthy Holiday Hustle – scheduled on Saturday, November 24, 2018</li> <li>4. Flu Vaccine to Healthcare Workers <ol style="list-style-type: none"> <li>a. Flu Vaccines are currently being provided to healthcare workers.</li> <li>b. Regulation changes require all healthcare workers to obtain a flu vaccine unless any of the following apply, such that proof is provided by the employee: <ol style="list-style-type: none"> <li>i. Received flu vaccine elsewhere</li> <li>ii. Medical contraindication</li> <li>iii. Religious belief prevents receiving flu vaccine</li> </ol> </li> </ol> </li> <li>5. SIU Lincoln Scholar Program <ol style="list-style-type: none"> <li>a. New program with goal to keep physicians in southern Illinois after medical school training by increasing the number of medical students by 8 annually and increasing training at local rural sites</li> </ol> </li> <li>6. Board Report <ol style="list-style-type: none"> <li>a. Focus is on people, specifically decreasing turnover.</li> </ol> </li> </ol>	
<p><b>County Commissioners Report</b></p> <ul style="list-style-type: none"> <li>• Dr. Marc Kiehna shared that Randolph County Care Center is moving to electronic medical records.</li> <li>• Joann shared that Dr. Coulter and the nurse practitioners are seeing patients at the nursing homes several days each week to find healthcare issues early and prevent ED visits and admissions, which results in high cost of care.</li> </ul>	

<ul style="list-style-type: none"> <li>Joann shared that SCHD is meeting with the nursing homes quarterly to improve care coordination and decrease healthcare costs.</li> </ul>	
<b>Executive Session</b> Fred Helfrich left the meeting at 7:30 pm. Paul Mueller and Kacy Guebert left the meeting at 8:00 pm. Ronnie White, Dave Holder, and Dr. Marc Kiehna left the meeting at 8:05 pm.	Mr. Clendenin motioned to go into Executive Session at 8:05pm for the purpose of discussing employee matters, real estate, and litigation. Ms. Kerens seconded. Motion carried.
<b>Regular Session</b>	Mr. Haury motioned to return to Regular Session at 8:30pm. Ms. Kerens seconded. Motion carried.
<b>Committee Reports</b> <u>Quality Council</u> <ul style="list-style-type: none"> <li>Ms. Holloway shared the highlights from the September 2018 Quality Council Meeting.</li> </ul> <u>Credentialing Committee</u> <ul style="list-style-type: none"> <li>Ms. Hapke shared appointment and reappointment applications for approval: <ul style="list-style-type: none"> <li>Appointments: <ul style="list-style-type: none"> <li>Abby Woods, FNP – Hospitalist</li> <li>Richard Nicol, MD – Emergency Medicine</li> </ul> </li> <li>Re-appointments: <ul style="list-style-type: none"> <li>Scott Barclay, MD – Family Practice</li> <li>Kimberly Carter, MD – OB/Gyn</li> <li>Lori Beth Helmers, NP – Cardiology</li> <li>Meher Mallick, MD – Nephrology</li> <li>Linda Passini, CRNA – Anesthesia</li> </ul> </li> </ul> </li> </ul>	
<b>Old Business – None</b>	
<b>New Business</b> <u>Approval of Executive Session Minutes</u> <ol style="list-style-type: none"> <li>April 15, 2014</li> <li>October 21, 2014</li> <li>April 21, 2015</li> <li>April 19, 2016</li> <li>April 18, 2017</li> <li>April 17, 2018</li> <li>September 18, 2018 (for approval)</li> </ol>	<p>Ms. Kerens motioned to approve the September 18, 2018 Executive Session minutes. Ms. Jalivay seconded. Motion carried.</p> <p>Ms. Kerens motioned to release the April 18, 2017 Executive Session minutes. Ms. Hapke seconded. Motion carried.</p> <p>Ms. Kerens motioned to defer the April 15, 2014, October 21, 2014, April 21, 2015, April 19, 2016, and April 17, 2018 Executive Session minutes. Ms. Holloway seconded. Motion carried.</p>

<p><u>Approval of Medical Staff Credentialing</u></p> <ul style="list-style-type: none"> <li>• Appointments: <ul style="list-style-type: none"> <li>○ Abby Woods, FNP – Hospitalist</li> <li>○ Richard Nicol, MD – Emergency Medicine</li> </ul> </li> <li>• Re-appointments: <ul style="list-style-type: none"> <li>○ Scott Barclay, MD – Family Practice</li> <li>○ Kimberly Carter, MD – OB/Gyn</li> <li>○ Lori Beth Helmers, NP – Cardiology</li> <li>○ Meher Mallick, MD – Nephrology</li> <li>○ Linda Passini, CRNA – Anesthesia</li> </ul> </li> </ul> <p><u>Approval of Expenditures</u></p> <ol style="list-style-type: none"> <li>1. Hematology Analyzer</li> <li>2. Glide Scope Bundle</li> <li>3. Computer Replacement</li> <li>4. Marissa Clinic Lease</li> <li>5. Phone System/Necessary Switches/Cabling/Storage Device</li> </ol> <p><u>Approval of Pharmacy &amp; Therapeutics Committee Minutes</u></p>	<p>Ms. Hapke motioned to approve the appointment and re-appointment applications. Mr. Clendenin seconded. Motion carried.</p> <p>Mr. Stephens motioned to approve the hematology analyzer expense. Ms. Kerens seconded. Motion carried.</p> <p>Mr. Stephens motioned to approve the glide scope bundle expense. Ms. Holloway seconded. Motion carried.</p> <p>Mr. Stephens motioned to approve the computer replacement expense. Ms. Kerens seconded. Motion carried.</p> <p>Mr. Stephens motioned to approve the Marissa Clinic lease. Ms. Jalivay seconded. Motion carried.</p> <p>Mr. Stephens motioned to approve the expenses for the phone system and service costs. Ms. Holloway seconded. Motion carried.</p> <p>Mr. Stephens motioned to approve the expenses for the necessary switches, cabling, jacks and storage device for the phone system. Ms. Hapke seconded. Motion carried.</p> <p>Ms. Kerens motioned to approve the Pharmacy &amp; Therapeutics Committee minutes. Mr. Stephens seconded. Motion carried.</p>
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<u>Approval of Acquisition of Real Estate</u>	<p>Ms. Kerens motioned to approve the real estate agreement of \$175,000.00 and authorize Joann to sign the earnest money agreement and the closing documents. Mr. Clendenin seconded. Motion carried.</p>
<u>Approval of Annual Audit</u>	<p>Mr. Haury motioned to approve the annual audit. Mr. Stephens seconded. Motion carried.</p>
<u>Approval of Contracts</u> 1. Cardinal Health Remote Pharmacy	<p>Mr. Stephens motioned to approve the Cardinal Health Remote Pharmacy contract. Mr. Clendenin seconded. Motion carried.</p>
<b>Adjournment</b>	<p>Mr. Wilson motioned to adjourn at 8:45pm. Ms. Hapke seconded. Motion carried.</p>

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Kevin Wilson, Chairman of the Board

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Dennis Ernsting, Secretary