

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

The regular monthly meeting of the Board of Directors was held on December 18, 2018 in the Board Room of Administration.

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

Members Absent: Lynette Jalivay

Non-Members Present: Joann Emge, Paul Mueller, Kelsey Diskey and Alisha Otten

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

Item	Action
Minutes Approval of the November 20, 2018 minutes.	Ms. Kerens motioned to approve the November 20, 2018 minutes. Mr. Clendenin seconded. Motion carried.
Financials Mr. Stephens shared the treasurer's report. Paul Mueller shared the financials for the month of November 2018: Balance Sheet <u>Cash and Investments</u> <ul style="list-style-type: none"> Cash decreased \$812,177 or 6% in comparison to October. Day's cash on hand decreased to 130. We measure favorably to the performance indicator established at 90 days. <u>Accounts Receivable</u> <ul style="list-style-type: none"> Total system gross accounts receivable decreased \$378,139. Total system Days in A/R (<i>excluding</i> claims reimbursed by the State of Illinois) remained unchanged at 68 for October and November. Our performance indicator is 62 days. Hospital patient gross accounts receivable decreased \$336,822. Hospital Days in A/R (including IL State) increased from 80 in October to 82 in November. Hospital Medicaid gross receivables are \$3,708,608 Hospital gross receivables from State of Illinois' self-funded insurance plans for its employees and retirees is \$1,710,151 Of the hospital gross A/R, 49% is greater than 90 days old from discharge, with 56% and 41% of Medicaid and the State of Illinois' self-funded insurance plan greater than 90 days, respectively. Clinic gross accounts receivable decreased \$26,615 or 2%. Clinic gross A/R is 2.3 times current clinic revenue. We measure unfavorably to the <i>performance indicator</i> of 2 time's current revenue. <u>Account Payable</u> <ul style="list-style-type: none"> Accounts payable increased \$292,436. Current month has 16 days non-salary expense in A/P, October had 9. We measure favorably to the <i>performance indicator</i> of 30 days. 	Ms. Kerens motioned to approve the treasurer's report subject to audit. Ms. Holloway seconded. Motion carried.

<p>Income Statement</p> <p><u>Revenues</u></p> <ul style="list-style-type: none"> • Inpatient revenues increased \$27,810 or 11% compared to October. • Outpatient revenues decreased \$577,922 or 13%. • Emergency service revenues decreased by \$483,253 or 26%. • Swing bed revenues increased by \$68,981. • Physician office revenue decreased by \$167,265 or 20%. • Total system gross revenues decreased \$1,131,649 or 15%. • System net revenues decreased \$460,276 or 16%. • Gross revenue per calendar day is \$208,759 vs. \$223,641 budgeted. • Allowance of revenues is 59% vs. 54% budgeted. • Total system gross revenues, year-to-date are \$160,968 or 0% over budget. <p><u>Expenses</u></p> <ul style="list-style-type: none"> • Salary and fringe benefit expenses decreased \$168,806. Our performance indicator is 50.5% of net patient revenues; salary and fringe benefit expense is 69% for November. • Bad debts, we measured favorably (3.2%) to the performance indicator of 5% of gross patient revenues. • Total expense per calendar day is \$97,895 vs. \$97,708 budgeted. • Expenses year-to-date are \$202,867 or 1% under budget. 	
<p>Physician's Report – Nothing to report</p>	
<p>CEO Report</p> <p>I. Finance</p> <p>A. Volumes</p> <ol style="list-style-type: none"> 1. Service volume below prior month in outpatient areas 2. Med Surg (Inpatient Care) Daily Census – 6.33 patients/day 3. Home Health Admissions – 49 patients 4. Rural Health Clinic Visits – 3,870 patients (4,421 patients in prior month) <p>B. Expenses for Approval</p> <ol style="list-style-type: none"> 1. Demolition of Structure (614 W. Broadway) <ol style="list-style-type: none"> a. Bids received <ol style="list-style-type: none"> i. \$36,090.00 (CO Banister) ii. \$26,900.00 (Becky's Construction) b. Asbestos testing completed – none detected 2. Illinois Provider Trust (IPT) General Liability Coverage <ol style="list-style-type: none"> a. Total Contribution – \$416,204.00 b. Dividend Estimate – \$183,899.00 c. Net Contribution – \$232,305.00 3. WHCO Agreement <ol style="list-style-type: none"> a. \$1,500.00/month (\$18,000/year) – Savings of \$2,475.00/year 4. 3M Coding Software <ol style="list-style-type: none"> a. 33,688.95 for first year of 5 year contract b. Maximum payment of \$194,278.79 over 5 years 	

<ul style="list-style-type: none"> 5. Illinois Compensation Trust (ICT) – Worker’s Compensation Coverage <ul style="list-style-type: none"> a. Total Contribution – \$93,845.00 b. Estimated 2018 dividend – \$83,908.00 c. Contribution after dividend – \$9,937.00 d. If paid in one lump sum, total contribution would be \$92,766.00 C. Contracts for Approval <ul style="list-style-type: none"> 1. MEDS Restated Agreement <ul style="list-style-type: none"> a. Removing Hospitalist service – ED service/cost unchanged 2. Victoria Koch – NP – PRN D. Future Expenses <ul style="list-style-type: none"> 1. Property Coverage – Seeking bids <p>II. Service</p> <ul style="list-style-type: none"> A. Total Joint Camp Program <ul style="list-style-type: none"> 1. Lori Clinton is working with various hospital departments to educate patients on upcoming total hip or knee surgery. Patients receive information pertaining to the surgery and post-operatively, including a timeline of events, a meeting with 6 different hospital departments, and an in-home consult with occupational therapy and home health if the patient uses SCH’s At Home Health Care. <p>III. Quality</p> <ul style="list-style-type: none"> A. Flu Vaccines – 100% Compliance B. Hospital Compare Report was shared. C. ACO (IRCCO) Data Sheet was shared. <p>IV. People</p> <ul style="list-style-type: none"> A. Holiday Hustle <ul style="list-style-type: none"> 1. \$2,500.00 to Shop with a Cop Program 2. 44 children will benefit B. Employee of the Quarter was presented and votes were received. C. Employee Appreciation Party <ul style="list-style-type: none"> 1. January 19, 2019 @ Lions Club 	
<p>Executive Session Paul Mueller left the meeting at 7:20 pm.</p>	<p>Mr. Ernsting motioned to go into Executive Session at 7:20 pm for the purpose of discussing litigation and employee matters. Ms. Hapke seconded. Motion carried.</p>
<p>Regular Session</p>	<p>Ms. Kerens motioned to return to Regular Session at 7:35 pm. Mr. Clendenin seconded. Motion carried.</p>
<p>Committee Reports <u>Finance Committee</u></p> <ul style="list-style-type: none"> • Mr. Stephens shared the highlights from the Finance Committee Meeting. 	

<p><u>Quality Council</u></p> <ul style="list-style-type: none"> Ms. Holloway shared the highlights from the Quality Council Meeting. <p><u>Credentialing Committee</u></p> <ul style="list-style-type: none"> Mr. Clendenin shared appointment and reappointment applications for approval: <ul style="list-style-type: none"> Appointments: <ul style="list-style-type: none"> Daniel Cox, MD – Vascular Re-appointments: <ul style="list-style-type: none"> Franklin James, MD – Family Practice Trina Yenne, WHNP – OB/Gyn Request for Additional Privileges: <ul style="list-style-type: none"> Carrie Lutman, FNP-BC <ul style="list-style-type: none"> General Medicine Credentialing by Proxy Telemedicine – SSM Cardinal Glennon <ul style="list-style-type: none"> Colleen N. Braun, DO Requests to Withdrawal Privileges <ul style="list-style-type: none"> Kimberly Carter, DO – OB/Gyn MEDS Mid-Levels <ul style="list-style-type: none"> Chris Engele, NP Shelley Reichling, NP Bethany Monteiro, NP Sue Drabing, NP Elizabeth Kraus, NP Carl Deetz, MD - Pathology 	
<p>Old Business – None</p>	
<p>New Business</p> <p><u>Approval of Executive Session Minutes</u></p> <ol style="list-style-type: none"> December 16, 2014 June 16, 2015 November 17, 2015 December 20, 2016 June 20, 2017 December 19, 2017 June 19, 2018 November 20, 2018 	<p>Ms. Kerens motioned to approve the November 20, 2018 Executive Session minutes. Mr. Clendenin seconded. Motion carried.</p> <p>Ms. Kerens motioned to release the June 20, 2017, December 19, 2017 and June 19, 2018 Executive Session minutes. Ms. Holloway seconded. Motion carried.</p> <p>Ms. Kerens motioned to defer the December 16, 2014, June 16, 2015, November 17, 2015 and December 20, 2016 Executive Session minutes. Ms. Holloway seconded. Motion carried.</p>

Approval of Medical Staff Credentialing

- Appointments:
 - Daniel Cox, MD – Vascular
- Re-appointments:
 - Franklin James, MD – Family Practice
 - Trina Yenne, WHNP – OB/Gyn
- Request for Additional Privileges:
 - Carrie Lutman, FNP-BC
 - General Medicine
- Credentialing by Proxy Telemedicine – SSM Cardinal Glennon
 - Colleen N. Braun, DO

Approval of Expenditures & Contracts

1. Demolition of Structure (614 W. Broadway)
2. IPT General Liability Coverage
3. WHCO Agreement
4. 3M Coding Software
5. ICT – Worker’s Compensation Coverage

Mr. Clendenin motioned to approve the appointment and re-appointment applications. Ms. Hapke seconded. Motion carried.

Mr. Clendenin motioned to approve the request for additional privileges. Ms. Hapke seconded. Motion carried.

Mr. Clendenin motioned to approve the credentialing by proxy telemedicine. Ms. Hapke seconded. Motion carried.

Mr. Stephens motioned to approve the structure demolition expense for the bid of \$26,900.00. Mr. Ernsting seconded. Motion carried.

Mr. Stephens motioned to approve the IPT General Liability coverage expense for contribution of \$416,204.00. Ms. Kerens seconded. Motion carried.

Mr. Stephens motioned to approve the WHCO Agreement expense of \$1,500.00/month. Ms. Kerens seconded. Motion carried.

Mr. Stephens motioned to approve the 3M Coding Software expense of \$33,629.00 for the first year and a maximum of \$194,278.79 over 5 years. Ms. Hapke seconded. Motion carried.

Mr. Stephens motioned to approve the ICT Worker’s Compensation coverage expense as a one-time contribution of \$92,766.00. Mr. Ernsting seconded. Motion carried.

6. MEDS Restated Agreement	Mr. Stephens motioned to approve the MEDS Restated Agreement. Ms. Holloway seconded. Motion carried.
7. Victoria Koch – NP – PRN – Agreement	Ms. Kerens motioned to approve the Agreement with Victoria Koch. Mr. Stephens seconded. Motion carried.
Adjournment	Ms. Kerens motioned to adjourn at 8:00 pm. Mr. Haury seconded. Motion carried.

Kevin Wilson, Chairman of the Board

Dennis Ernsting, Secretary