

*Cascade Medical Center Board Minutes*

**September 16th, 2020**

**CMC Conference Room**

**12:00 pm – 2:00 pm**

**Trustees present in person:** None

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

**Members absent and excused:** none

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

**Call to Order:** Meeting called to order by George Greenfield at 12:03 PM.

**Approval of Agenda:** Motion to approve the agenda was made by David Gough, seconded by Jacque Zemlicka; all in favor, motion passes.

**BOT Minutes:** Minutes from the August 19<sup>th</sup> meeting were reviewed. Mary Tracey suggested a correction on page 5 of 7 to change “met” to “meet” in reference to the Strategic Planning Committee. This will be corrected.

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

**Operations Report:**

**Medical Staff Minutes:**

Teri presented the Board with the September 10th, 2020 Medical Staff Minutes, which include the Utilization Report and Volume Trends, for review.

Attention was called to Flu Vaccine Plan. It was discussed that employees would be required to receive their flu vaccination prior to October 31<sup>st</sup> as a condition of their employment. Additionally, the clinic will be providing multiple drive thru options for patients to receive flu shots while remaining outside the building, as well as going on site to some of the larger employers to administer flu shots this year.

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

**Utilization Review:**

- Total ER Visits: 166 (177 August 2019)
- Total OP Visits: 11 (36 August 2019)
- Total Physical Therapy Visits: 291 (343 August 2019)
- Total Clinic Visits: 486 (546 August 2019)
  - Dr. Ellsworth: 83
  - David Hill: 35
  - Heather Lewis: 77
  - Dr. Dardis: 48
  - Courtney Hill: 58

Louise Michels: 125  
 Allison Dwyer: 4  
 Krista Niezwaag: 8  
 Jamie Coffey-Kelly: 48

- Total Laboratory Visits: 308 (331 August 2019)
- Total Radiology Visits: 132 XR's, 74 CT's and 6 US's (142 XR's, 66 CT's, 2 US's August 2019)
  - Deaths – none
  - Blood Transfusions – none
  - Average Length of Stay for Inpatients – there were three inpatients in the month of August, ALOS 36.75 hours (four observation patients)
  - Leaving Against Medical Advice – none

**QUALITY REVIEW:**

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

**EMERGENCY DEPARTMENT CALL BACKS:**

125 patients called / 39 not indicated / 2 missed

**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	
CCU	1
ICU	3
Obstetric	
PICU	
Psych	1
Burns (Utah)	

**INPATIENT CARE PLANS:**

There were four inpatients in the month of August, all of the charts contained a complete care plan.

**Financial Reports & CARES Act Status:**

David presented updated financials for August, as well as the Variance Table. These were reviewed by the member of the BOT and have been included as Attachment A following the official version of the minutes for this meeting.

It is noted that David notified the members of the board he is currently in the process of auditing our 340B program to review all of the current information as well as looking at how the revenue and expenses related to the 340B program are being booked to what accounts in both Income Statement and Balance Sheet locations.

David also presented slides on the CARES Act, including additional context and background for each of the various CARES programs. He noted that the net amount of reserved funds will be recognized on the September financial statements

David, then notified the members of the board of a budget discrepancy relating to the approved FY21 budget relative to the subsequently filed L2 worksheet (Tax Levy worksheet). Since the budget is required to be posted publicly prior to the L2 spreadsheet being finalized, the amount of tax revenue

assumed in the FY21 budget does not equal the amount of tax revenue CMC will levy for as reflected in the L2. Specifically, the Budget reflects \$77,159 more in tax revenue than CMC will levy to receive in FY21. This shortfall will be discussed further at the next Finance Committee meeting at the request of Finance Committee Chairperson, Mary Tracey.

### **COVID Update**

Tom presented data of the current number of tests and positive results. Updated information included the process in place to administer flu shots this fall for both employees as well as members of the community. Additionally, Teachers within our county will now be included in the list of people eligible for Rapid COVID testing for exposure screening or to release back to work safely.

### **CEO Report / New Business/ Unfinished Business:**

#### **CEO Update:**

Tom presented slides notifying the board of updates happening within the medical center. Space change discussion are currently underway to expand the lab area which will include a separate area for the lab draw chair and sample collection. A new registration desk has been added to the waiting area of the hospital, which will allow for better COVID screening of patient and visitors, and provide better utilization of the old registration office, making room for the lab expansion.

Human resource functions will now fall under David and Amy. David is currently working on a new staff onboarding presentation which will include benefit information, as well as shadowing of different departments prior to beginning orientation in the hired department. Additionally, HR will provide oversight and record keeping for HealthStream (the online learning and compliance platform).

The numerous facility upgrades and improvements for the year were shared with the members of the board, as well as the current volume trends for the facility as a whole, and each of the departments.

#### **Executive Session:**

Executive Session was not held during this meeting.

#### **Committee Reports:**

##### **Finance Committee:**

###### **Members:**

Mary Tracey, Chairperson

Jacque Zemlicka

David Donnahoo

Tom Reinhardt

The Finance Committee met at the end of August. Discussions included the CARES Act funds, and how to calculate lost revenue due to the drop in volumes related to the pandemic. The Charge Master Review and proposed increase to the current charge master were discussed. More information about pricing comparisons to lab costs in Boise were requested prior to a recommendation to increase or stay at current pricing. The new pricing transparency requirement (posting payor-specific pricing on CMC web site)

was also discussed, which we will need to be compliant with by 12/31/2020. Lastly, the transition from debit to credit cards has been completed.

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 Committee met in September. Discussions included Pandemic Management, Diabetes Quality Indicators in the clinic, especially making sure that patients are educated for additional engagement in their care management. The RN staff in the ED are doing a great job with patient callbacks. Patient satisfaction for both the clinic and hospital are positive as well.

Strategic Planning Committee:

Members:

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

The Strategic Planning Committee did receive a high level plan overview from the consultants at Wipfli, which included multiple options for expanding space for the clinic, hospital, and physical therapy. The consultants provided high level schematics that show options both staying at the current location, as well as a building a replacement hospital at a new location.

It was recommended by Anthony Henry, and then the motion was made by Anthony, that Tom be given permission to begin conversations with local land owners about potential future expansion options. Rachel Smith seconded this motion; Mary Tracey abstained from voting; all other members were in favor, motion passes.

Other/Next Steps:

Agenda topics for next meeting:

- Executive Session: Personnel
- COVID Updates
- Strategic Planning Committee will provide update of expansion proposals

**Adjournment:** The meeting was adjourned by George Greenfield at 2:47 PM.

The next meeting is scheduled for October 21st, 2020 at 12:00 PM.

## Attachment A

Variance Detail Analysis - July 2020 FYTD						
Category	Budget FYTD July 2020	Actual FYTD July 2020	Variance to Budget	Variance %	Explanation	Correction/Action Plan
<b>REVENUES</b>						
Gross Revenue from Inpatient, Outpatient, ER, and Clinic	\$ 4,223,821	\$ 4,146,180	\$ (77,441)	-2%	Revenues were suppressed from Mid-March through Mid-June due to COVID and the related volume reductions that resulted in PT, Clinic, and inpatient services being below budget.	No action necessary. All service lines are recovering to expected volumes, except for clinic visits which are still held back due to a combination of delaying non-essential visits and provider bandwidth.
Gross Revenue from 340B Rx Plan	\$ 127,168	\$ (1,874)	\$ (129,042)	-101%	340B revenue was below budget in Oct/Nov, due to providers not being included in the program. In December we added the missing providers and Macrohelix applied the 340B credit (revenue) retroactively.	The retroactive processing resulted in a payable from Watkins Pharmacy to CMC of approximately \$50,000 with another \$10,000 or so accumulating each month. We have agreed that Watkins can pay CMC over time, with the plan to be caught up by 9/30/20. Even so, will fall far short of budget and CFO has begun exploration of causes and possible remedies.
<b>Off-sets to Revenue</b>						
Contractual Adjustment	\$ 323,391	\$ 476,475	\$ 153,085	47%	Write offs are disproportionately higher than the revenue variance, so need to investigate.	Need to conduct audit of payor contractals and assess contracts to verify that adjustments are correct. Project TBD.
Bad Debt Expense	\$ 107,702	\$ 134,264	\$ 26,561	25%	October and November Bad Debt was higher than budget. As expected, bad debt expense leveled out after the summertime claims worked through the bad debt/charity care process. Bad Debt was below budget for Dec, Jan, and Feb but rose again in March - May, and July.	No action necessary.
Indigent Care Writeoff	\$ 107,702	\$ 166,915	\$ 59,213	55%	CMC implemented the indigent care "sliding scale" program in Fall of 2018. The actual dollar amount written off continues to far exceeded the estimate. Actual indigent care write off from March to May and July has been smaller and close to budget for those months, suggesting that our action plan may be starting to work.	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	\$ 855,660	\$ 957,451	\$ 101,792	12%	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.	No action necessary.
<b>EXPENSES (Unfavorable Variances &gt; \$5,000 from Budget YTD)</b>						
Contract Labor	175,086	215,463	40,378	23%	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 is scheduled through early September. Lab worker will be evaluated as COVID develops.
Supplies	229,977	368,382	138,405	60%	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.
Repairs & Maintenance	9,440	30,020	20,580	218%	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. More triplex repairs in Aug-Sept. COVID prep expenses and creating additional work space in clinic (renovation) will increase expenses in FY20, but should be fully reimbursed via
Minor Equipment Purchase	3,321	13,518	10,197	307%	Additional small equipment purchases for COVID (e.g., air handlers, tent)	No action needed. We are tracking COVID expenses and will comply with HHS guidance on recognition and trackign of reimbursement.
Depreciation & Amortization	238,950	338,979	100,029	42%	Capital equipment purchases incurred in late FY19 drove D&A higher than budgeted, and will continue throughout FY20.	No correction planned. In fact, D&A will go higher still as a result of anticipated purchases this year of a \$125k cardiac monitoring system (replacement) and nearly \$100k in lab equipment replacement. Other items will "age-off" our depreciation schedule over the next year as they become fully depreciated.
Favorable variances in Green	Unfavorable variances in Red					