

*Cascade Medical Center Board Minutes*

**February 15, 2023**

**CMC Conference Room/Zoom**

**12:00 pm – 2:00 pm**

**Trustees present in person:** David Gough, Rachel Smith, David Croshaw and George Greenfield

**Trustees attending remotely via Zoom:** Lesa Becker, Michael Drury and Jacque Zemlicka

**Members absent and excused:** None

**Others present:** Tom Reinhardt, David Donnahoo, Sarah Hasbrouck, Teri Coombs, Bryan Gibson and Ronald Ellsworth

**Call to Order:** Meeting called to order by David Gough at 12:01PM.

**Mission Moment:** None

**Approval of Agenda:**

David Gough made a motion to amend the agenda regarding item 6. Bond Election to update the item from an Action item to a Discussion item, George Greenfield seconded this motion. All members were in favor; motion to amend the agenda reflecting item 6. Bond Election from Action to Discussion passes.

**2. Consent Agenda:**

- a) Approval of Minutes from the January 2023 BOT meeting.
- b) Medical Staff Minutes & Utilization Report
- c) January '23 Financial Report

The members of the board reviewed the Consent Agenda items; hearing no requests to remove items, David Gough adopted the consent agenda.

**3. FY22 Financial Audit:**

David Imus and Dang Ta with Wipfli presented the FY22 Financial Audit, including the summary of required communications, the financial analysis, a ratio analysis and the accounting standards updates. They will be issuing an unmodified or clean opinion of the financial statements for FY22. Their financial analysis included a review of assets, which showed a decrease in the cash balances, largely due to expiration and use of the CARES Act Provider Relief Fund grants. On the income statement, there was an increase to net patient revenue due to, in part, the increase in patient days. It was also noted that there was an increase in employee benefits due to pension liability. The ratio analysis showed an operating margin of negative 19.64% for FY22. However, when tax levies and grants were included, the total

margin was a positive 6.87%. Days cash on hand was 268.54 days for the end of FY22. Imus commented this is a healthy cash position, being above the benchmark of 180 days cash on hand and reflective of the need the District sees for capital improvements for its aging facilities. Days in AR have increased from last year, but are projected to fall in FY23. Lastly, the accounting standards update was provided to the members of the Board. The most impactful to CMC will be GASBY Statement No. 96, which will bring in some liabilities as well as assets for leases regarding Subscription-Based Information Technology Arrangements.

Jacque Zemlicka made a motion to accept the Financial Audit as presented by Wipfli for FY22. The motion was seconded by Mike Drury. All members were in favor; motion passes.

#### **4. Leadership Update:**

##### **CEO Update**

Tom shared General Updates, including the upcoming Heart Health Fair in conjunction with Saint Alphonsus Cardiology and the Cascade Aquatic and Recreation Center. It will go over basic CPR and AED use along with general heart health information. He also shared that leadership is in the process of exploring a potential replacement of our current EMR via OCHIN. The preference would be to try and transition to Epic. Tom shared that the financial analysis is in the beginning stages, and will be shared with the Finance and Quality Committees once finalized.

Tom also shared that he has reached out to all three of our Legislators asking for their support in maintaining the Medicaid expansion bill, as well as supporting the rural nurses' student loan repayment bill. He will provide the bill numbers and contact information for these legislators.

He also shared that discussion with the hospice program is ongoing and that the InstyMeds machine should be operational by the end of March.

##### **Rural Emergency Hospital Designation**

Tom also shared a slide of Pros and Cons of Converting to a Rural Emergency Hospital. He did share that at this time, the State of Idaho has yet to pass its own legislation on REH conversions. Discussion about community input and impact occurred, as well as the impact on the staff within the hospital. It was also discussed that there is not enough data yet on the conversions of CAHs to REHs for the board to be comfortable with considering this option anytime in the near future.

##### **Adding Debit Card Account**

This topic was discussed within the Financial Committee update.

#### **5. Committee Reports:**

##### **Quality Assurance, Performance Improvement and Compliance Committee:**

###### Members:

Lesa Becker, Chairperson  
David Gough  
George Greenfield  
Aline Lee  
Tom Reinhardt  
Teri Coombs

Sarah Hasbrouck  
Dr. Camarata

The Quality Assurance, Performance Improvement and Compliance Committee met in January, Lesa provided the minutes, as well as mentioning the QAPI project undertaken by the Nursing staff to provide educational posters for each other. Tom shared the Sepsis board, and Teri brought in the STEMI board for the members to review. Lesa also mentioned that the clinic is sending out a diabetic patient letter as well as a brochure that Dr. Camarata designed, to all diabetic patients for this year. She mentioned that the Quality Committee has asked the Medical Staff to review the Quality Dashboard and provide suggestions for revision or additions. She shared that Bryan is looking into potential HealthStream modules for Board Member specific education and that the facility passed its Board of Pharmacy inspection with no deficiencies. Lastly, she shared the 2023 Quality Goals.

**Strategic Planning Committee:**

Members:

David Gough  
George Greenfield  
David Croshaw  
Tom Reinhardt  
Jack Knoblock  
Karolyn Plehal  
Mike Lancaster  
Charlie Gowing  
Ann Young

The Strategic Planning Committee did not meet in January.

**Finance Committee:**

Members:

Michael Drury, Chairperson  
David Croshaw  
Jacque Zemlicka  
David Donnahoo  
Tom Reinhardt

The Finance Committee met in January. David discussed the need for a debit card account for the purpose of allowing for dietary purchasing at stores that only accept debit cards, so as to reduce food costs. This request was supported by the Finance Committee. Rachel Smith made a motion to allow David to open a new bank account with the purpose of supplying a debit card for dietary purchases. George Greenfield seconded this motion. All members were in favor, motion passes. David also shared that Wipfli provided the full Financial Audit at the Finance Committee meeting, at which the recommendation was for the board to accept the audit. David asked if the board would be interested in the education provided by PERSI. It was determined to be beneficial for the entire board to go through this training.

## **6. Bond Election:**

David Donnahoo provided a high level update on what a new replacement hospital would cost at current prices including interest rates, building costs and overall project budget. Given all of the assumptions, continued inflation, and increases in interest rates, it was suggested that the project budget increased from \$34M to \$45M. He gave a brief overview of potential project funding, including USDA loans and guaranteed loans, both of which had large swings in interest rates. He then spoke about the borrowing capacity of CMC in 2022 versus now given interest rates and our debt capacity. CMC's own debt capacity has gone from \$19.3M last year to closer to \$14M this year, with higher interest rates and potentially shorter loan terms.

David then provided an overview of what the tax burden would be for a 10, 20 and 30 year bond. He showed what the per household burden would be for a home valued at \$400k with the homeowners exemption. Compared to last year, the burden on the tax payers would be increased by \$138.77 per household for a total of \$252.40 per year.

The members of the Board had round table discussion about their opinions of varying factors that impact this project. It was asked that Tom poll the employees to see how they feel about the bond appearing on the May 2023 ballot.

## **7. Executive Session:**

An Executive Session was held to deliberate regarding an acquisition of an interest in real property [Idaho Code § 74-206(1)(c)]

George Greenfield made a motion to enter into Executive Session for the purposes of discussing the purchase of real property. David Croshaw seconded this motion. The members of the Board were polled, and all members were in favor of entering into Executive Session. Executive session began at 2:02pm.

George Greenfield made a motion to exit Executive Session, Rachel Smith seconded this motion. The members of the Board were polled, and all members were in favor of exiting Executive Session. The Board exited executive session at 2:16pm.

George Greenfield made a motion to adopt the resolution #2023 to allow Management to proceed with purchase of property suitable for employee housing for a purchase amount not to exceed \$200,000 plus applicable taxes and fees. David Croshaw seconded this motion. All members were in favor; motion passes.

## **8. Other/Next Steps:**

### **Agenda Topics for Next Meeting:**

- Bond Election – Action Item
- PERSI Education – Discuss
- Bryan's Recommendation for HealthStream Education - Discuss

### **Meeting Evaluation:**

Great group.

### **Adjournment:**

A motion was made by David Croshaw to adjourn the meeting, Rachel Smith seconded. All members were in favor, motion passes. David Gough adjourned the meeting at 2:27pm.