

Cascade Medical Center Board Minutes

July 23rd, 2024

CMC Conference Room/Zoom

12:00 pm – 2:45 pm

Trustees present in person: Rachel Smith, David Croshaw, David Gough, Jacque Zemlicka

Trustees attending remotely via Zoom: Lesa Becker, George Greenfield and Michael Drury

Members absent and excused: None

Others present: Tom Reinhardt, Randy Kyrias, Bryan Gibson Brianna Haderlie, and Teri Coombs

Call to Order: Meeting called to order by Rachel Smith at 12:02 PM.

Mission Moment:

Rachel noted that she has been impressed with CMC's increased presence on social media.

1. Approval of Agenda:

Rachel Smith asked if there were any updates to the agenda. Hearing none, she accepted the agenda as posted.

2. Public Comment:

Rachel asked if there was anyone for public comment, no one present for comment.

3. Consent Agenda:

- a) Approval of Minutes from the June 2024 BOT meeting
- b) July Medical Staff Minutes & June Utilization Report

The members of the board reviewed the Consent Agenda items. Motion to approve by David Croshaw, seconded by David Gough. All members were in favor; motion passes.

4. CMC Foundation & CMC Auxiliary:

Mary Ann Vermeersch (CMC Foundation President) discussed the Foundation's mission, fund raising activities, and gifts to CMC with the Board. She noted that there are currently four officers and ten members on the Board. The Foundation conducts two fundraising campaigns per year as well as a yearly golf tournament. They have meetings every quarter. She noted that the golf tournament expects to raise \$20-25,000 each year. They have most recently assisted with funding a new EKG machine, two ER gurneys and have made a large donation to assist with acquiring Epic. They currently use Little Green Light to maintain their donor system.

Keri Kushlan spoke on behalf of the CMC Auxiliary. She noted that they use most of their raised funds to support current employee continuing education as well as high school scholarships for students interested in pursuing medical, dental and veterinary education opportunities. The Auxiliary has funded

several pieces of equipment for the hospital, including most recently patient recliners and a Work Station on Wheels.

4. Leadership Updates:

Tom reviewed the monthly volumes analysis for all departments. He noted that Physical Therapy is up 10% and the Laboratory is up 2%. All other departments have shown a loss over the prior fiscal year. Tom reviewed Donnelly Clinic visits which are on track for budget through June but may fall below budget for July.

Tom and Randy reviewed the third quarter Financials results. Randy noted that contractual deductions (service price less what insurance companies/Medicare/Medicaid actually pay CMC) are higher than forecast. Part is due to the fact that we raise our prices consistent with medical inflation, but insurance company reimbursement doesn't typically keep pace, creating a larger gap between gross charge (list price) and reimbursement over time. He noted that Inpatient volume has tapered off this summer.

Randy is bringing the hospital in line with GASB (Governmental Accounting Standards Board) reporting standards that follow generally accepted accounting practices. CMC is also reconciling older transactions for accounts that are no longer collectible or have already been fully paid but still show as collectible. The result of these updates is also increasing CMC deductions on the income statement.

Lesia Becker asked if the Board should be worried about FY24 YTD revenue that is 15% below budget. Randy explained that there are a lot of accounting changes occurring including contractual adjustments that are affecting the income statement and causing the 15% shortfall, including Total A/R allowances. Slower ER volumes have certainly had an impact, with ER gross revenue running 16.9% behind budget.

Randy reviewed the draft FY25 Budget parameters including the draft Budget Public Notice. Tom noted that CMC must publish the Public Notice in the paper twice, prior to the August 27 Board meeting. After much discussion the Board noted that they would like more analysis and explanation of the projected increase in salary costs and would like a breakdown of personnel cost drivers, such as general raises, expected hiring, the new Donnelly clinic, and renewed contracts.

The Board recommends tabling the Budget approval pending a review of the salary costs by the Finance Committee. It was decided that the Finance Committee will meet on Friday, July 26th at 8:30am to review the salary costs and the Board will have a Special Meeting on Monday, July 29th at 1:30pm to review the proposed budget and the Finance Committee's recommendation with the action item to approve or not approve the proposed FY25 Budget.

Rachel requests that Board members revisit the Budget and send any questions that they have to Randy prior to Friday, July 26th. Randy then reviewed Capital Expenditures as well as what the Budget would look like if CMC were a Rural Emergency Hospital in FY25.

Tom discussed closing the Cascade medical clinic on Saturdays (currently operates 9am-4pm Saturdays). He noted that the clinic averages seven clinic patients on Saturdays and that the Donnelly Urgent Care is now open on Saturdays and Sundays from 8:00a to 6:00p. With the Donnelly clinic now available for both scheduled and walk-in patients on weekends, it reduces the need for the Cascade clinic to be open Saturdays. It is also better stewardship of funds as closing Saturdays in Cascade will reduce personnel costs by \$51,490. Cascade will continue to have Saturday hours for physical therapy and mental health counseling, and of course the Cascade ER is always open 24x7. Motion to close the Cascade Clinic on Saturdays effective October 1, 2024 by Jacque Zemlicka, seconded by David Gough. All in favor, none opposed. Motion passed.

Tom discussed an opportunity to open an Urgent Care clinic at the Perpetua mine (Stibnite site) outside of Yellow Pine. He is seeking advice from the Board on whether or not to pursue the possibility of opening a clinic there. The Board would like Tom and the Leadership Team to perform due diligence in researching a clinic site there while including analytics, liability risk, staffing availability and defining what kind of services would be offered, as well as the potential impact on current operations. The board concurred that CMC cannot be at financial risk for a clinic at the mine site.

5. Committee Reports:

Quality Assurance, Performance Improvement and Compliance Committee:

Members:

Lesla Becker, Chairperson
David Gough
George Greenfield
Aline Lee
Tom Reinhardt
Teri Coombs
Sarah Hasbrouck
Dr. Katie Camarata

The Quality Assurance, Performance Improvement and Compliance Committee has not met since the last Board meeting.

Finance Committee:

Members:

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

The Finance Committee has no further updates other than previous discussion at today's Board meeting.

Strategic Planning Committee:

Members:

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

Tom noted that the Strategic Planning Committee has not met since the last Board meeting.

6. Executive Session:

Rachel polled the Board to enter Executive Session to discuss a personnel matter, per Idaho code 74-206 (b) with roll call vote to entered into Executive Session at 2:13pm.

Jacque Zemlicka – yes
Lesa Becker – yes
Mike Drury – yes
George Greenfield – yes
David Gough – yes
David Croshaw – yes
Rachel Smith – yes

The Board exited Executive Session at 2:41pm, with roll call vote to exit as follows:

Jacque Zemlicka – yes
Lesa Becker – yes
Mike Drury – yes
George Greenfield – yes
David Gough – yes
David Croshaw – yes
Rachel Smith – yes

Upon exit, the Board discussed renewing the contract for CEO Tom Reinhardt for another 3-year period effective upon expiration of his current contract 11/25/2024. David Gough motioned to renew Tom Reinhardt’s contract, Mike Drury seconded the motion, all voted in favor with none opposed, motion passed.

Meeting Evaluation:

It was felt that the meeting was long but productive.

Adjournment: David Croshaw made a motion to adjourn the meeting, Jacque Zemlicka seconded this motion. All members are in favor, motion passes. Rachel Smith adjourned the meeting at 2:45pm.