



Hospital District #6 Harper County
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pattersonhc.org

Mission Statement: Hospital District #6 provides high quality, patient, and family centered health and wellness services in partnership with our communities.

**HD#6 HOSPITAL BOARD REGULAR MEETING
December 19, 2024 – 5:17 p.m. – Patterson Health Center, Large Conference Room**

PRESENT:

Board of Directors

Jan Lanie, Stan Wedman, Pam Fallis, and Kara Bello

PHC Sarah Teaff, CEO; Lori Allen, COO; Amber Speer, Infection Control & Quality; Jonathan Kolarik, Risk Management; Kim Barwick, HR Director

Guests

CALL TO ORDER: Lanie called the meeting to order at 5:17 p.m.

PUBLIC COMMENTS: None

BOARD EDUCATION or PRESENTATIONS: None

APPROVAL OF MINUTES: Minutes of the November 21, 2024, regular board meeting were presented for approval. Motion to approve as corrected by Bello; seconded by Lanie; motion carried unanimously.

DEPARTMENT REPORTS, POLICY REVIEW & APPROVAL:

- Business Office – Lori Allen, COO, on behalf of Ashley Hilger, Revenue Cycle Manager, presented a policy Scheduled Outpatient Services – Prior to Service Minimum Deposit. The policy outlines the practice for paying for scheduled outpatient services in advance. Services covered by the policy include Diagnostic Imaging to include CT, MRI, ultrasound and nuclear medicine; Surgical Procedures; and Pain Management.
- Risk Management
 - The 4th quarter risk management report was presented. The report included a security risk analysis, facility walk-through, ambulatory risk assessment and Kaiser Permanente disaster analysis. PHC was found to keep patient safety paramount as reflected by a positive result for the risk analysis performed.
 - The Risk Management Plan has been reviewed by KDHE and was rejected. Their cause for concern was the plan provided for the Risk Manager to assign the standard of care. KDHE wants others involved in assigning the standard of care to include the investigator or department manager involved in the incident.
- Purchasing
 - Policies and procedures for the Purchasing Department were presented for board approval.

Motion by Lanie, seconded by Wedman to approve the revised Risk Management Plan and Purchasing policies as presented. Motion carried unanimously.

MEDICAL STAFF AND CREDENTIALING REPORT:

The Executive Medical Staff met on December 18, 2024, to considered credentialing applications from:

- New appointments – None
- Reappointments –
 - Stephen Champagne, CRNA (Allied Health)
 - David Colan, M.D. (Consulting – Internal Medicine)
 - Mark Laudenschlager, M.D. (Consulting – Pathology)
 - Ward Newcomb, M.D. (Consulting – Pathology)
 - Karlie Parker, APRN (Allied Health)
 - Saurin Patel, M.D. (Courtesy – Internal Medicine)
- Resignations: Tonguc Pinar M.D. – Stat Rad

The applications were recommended for Board approval by the Executive Medical Staff. The board approved the medical staff applications and privileges as presented. Motion by Fallis, seconded by Wedman. Motion carried unanimously

OPERATIONS REPORT:

Quality/Infection Control:

- In January a compilation of 2024 will be provided.
- COVID infection is currently down in comparison to prior years. The CDC recommends a booster but it is not required.
- Hospital staff have received their flu vaccination, 79% of staff received the vaccine this year, which is higher than the national average.

COO:

- Eide Bailly was engaged through a grant from USDA to provide a strategic financial report. The report included market and service analysis, 5–10-year projections, debt capacity, staffing productivity compared to benchmarks, cost report and revenue cycle review. The report resulted in 65 recommendations of which 12 items were selected as priorities for 2025 which include items related to the admissions process, claims denial management as well as expense to revenue ratios. As those are addressed additional priorities will be included.
- The lagoon utilized by the hospital has required permission from KDHE twice now to conduct an emergency discharge. KDHE has instructed that the organization determine the underlying issue causing a need for emergency discharge. Schule, Maintenance Director, is in the process of finding an engineer to evaluate the lagoon and provide solutions.
- Additional changes are on the horizon for the 340b program which will have a negative impact. Manufacturers are advocating for changes to the pharmaceuticals purchase process that would require hospitals to purchase drugs at full price then invoices and other documentation would be provided to receive credits where currently the drugs are being purchased at cost. This type of change would affect the cashflow for hospitals.
- The Kansas Hospital Association provided a webinar regarding financial challenges faced by hospitals. The information compared Kansas hospitals to surrounding states. In Kansas there

have been 10 hospital closings; Oklahoma saw 8 hospitals close, and Nebraska 2 closed. An analysis of those closings found that factors contributing to the closures included high levels of uncompensated care, high Medicaid payor mix, service programs that are not cost reimbursed and shortfalls from commercial insurance payors.

CEO:

- Dietary restructuring has recently occurred. Lakin Clark was previously responsible for day-to-day operations as well as clinical support in clinic, dialysis, swing bed and acute care settings. Debbie McNamara will be responsible for day-to-day operations under supervision by Directors of Nursing Cox and Reames. This will provide an opportunity for Clark to be contracted out to other hospitals in Kansas struggling with dietitian coverage.
- Megan Nelson, APRN, will begin seeing patients on select Fridays in January. Her full -time practice in the rural health clinic will begin February 28, 2025.
- Leah Gerdes, APRN, has transitioned to her role as a hospitalist.
- The Penn Place apartment lease is being terminated effective 12/31/2024. The apartment was leased for emergency room on-call providers. Since moving to PHC where accommodations are provided for the on-call staff, the apartment is no longer needed and was being used to house student residents. The students will transition to housing at Heritage Estates since there are apartments available there.
- A structural engineer will be looking at the former Harper Hospital building to determine what portions might be structurally sound to provide expansion for other services.
- Lisa Apperson, temporary Dialysis Director, has completed her scope of work at PHC and moved on to help another facility develop their dialysis program. Dunnae Scroggins has been elevated to the Director position. The dialysis program currently serves three patients; due to the nationwide IV shortage, accepting additional patients has been delayed for the time being.
- Teaff has joined a legislative task force to be involved in advocating for hospitals in Kansas.

FINANCIAL STATEMENTS:

Owen reported on the November 2024 Financials. November's activity in cash accounts was reviewed, that included payments received and expenses paid out. Payments received from insurance and patients were \$887,731.00; less than the 2024 monthly average of \$1,331,022.39. November included three payrolls paid but two recorded on the Profit and Loss Statement due to the accrual basis. There were four account payable runs in the month of November with higher invoice amounts for drugs, supplies and equipment. Days Cash on Hand dropped down to 157.55 days. Patient Accounts Receivable increased with a total AR balance of \$3,212,208 and AR Days at 34.54. Various patient revenue types decreased in November causing Gross Patient Revenue to decrease by \$349,567.00 compared to October 2024. November did include two days associated with Thanksgiving where Clinics and Outpatient Service departments were closed that caused a decrease in monthly revenue. Outpatient Revenue was down by \$180,104.00, Clinic revenue decreased by \$3,725.00, Swingbed Skilled decreased by \$17,273.00 and 340B Revenue was down by \$140,452.00. Despite November being a bad financial month, YTD Gross Patient Revenue shows a YTD increase of \$590,738 or 2.71% and Total Operating Revenue has a YTD increase of \$707,899 or 3.67% over November 2023. Total Operating Expenses decreased for the month of November with total expenses of \$2,342,767; YTD shows an overall increase in operating expenses of 5.33% or \$1,225,239 compared to November 2023. A Net Loss of \$680,632 was reported for the month of November with a YTD Loss of \$2,486,343.

Accounts payable for November were \$1,755,913.56. Motion by Lanie seconded by Fallis to approve accounts payable. Motion carried unanimously.

HARPER COUNTY HEALTH FOUNDATION (HCHF): Minutes from their previous meeting were reviewed. The dialysis fundraising is only \$26,000 short of their goal. The Love Lights dedication will be held Saturday, December 21, 2024, at 7pm. The Foundation's annual meeting will be held February 23, 2025, at West View in Harper.

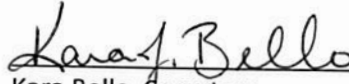
UNFINISHED BUSINESS:

- **Bylaws** – The board members required to serve on the Harper County Health Foundation board are contained in the Foundation's bylaws, it is not a Hospital Bylaws requirement. Discussion followed regarding the Hospital Bylaws to amend the annual meeting to state "at a time and date to be determined in May". Bylaw amendments cannot be acted on at the time they are presented. The amendment will be presented at the January 2025 meeting for action during the February 2025 meeting.

NEW BUSINESS:

2025 Operating & 2025-2030 Capital Budgets - The budgets were reviewed and discussed. Both budgets were approved as presented. Motion by Bello; seconded by Fallis. Motion carried unanimously.

ADJOURNMENT: There was no further business, and the meeting adjourned to 7:25 p.m. Motion made by Lanie; seconded by Wedman. Motion carried unanimously.


Kara Bello, Secretary

Approved by the Board 1/23/25 (Date)