



Hospital District #6 Harper County
 485 N KS HWY 2, Anthony, KS 67003
 620.914.1200
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

January 26, 2023 – 5:15 p.m. – Patterson Health Center, Large Conference Room

PRESENT:

Board of Directors – Alan Patterson, Tim Penner, Kara Bello, Stan Wedman, Pam Fallis, Jan Lanie

PHC – Lori Allen, COO/Interim CEO; Sandra Owen, Controller; Kim Barwick, Human Resources Director;

Guests – Dustin Stansbury, Hugh Barker – DLS Enterprises LLC

CALL TO ORDER: Patterson called the meeting to order at 5:15 pm.

PUBLIC COMMENTS: None

UNFINISHED BUSINESS: The former Anthony hospital facility was discussed. Repairs necessary include replacing the boiler system heat exchangers, cost to replace them would be \$72,000 to replace. Cost to upgrade the fire alarm system to bring it up to code would be \$10,000. Ongoing expenses include utilities of \$37,000, property taxes of \$62,000, and insurance of \$5,000. Demolition bids were received for expense comparison. Discussion followed. A plan was developed to include advertising the building for sell, writing an article to inform the public about the options, hold town meetings and meet with the County Commissioner about the possibility of utilizing the building for their needs.

APPROVAL OF MINUTES: Minutes of the December 22, 2022, regular board meeting was presented for approval. Motion by Wedman; seconded by Lanie to approve minutes as presented. Motion carried unanimously.

BOARD EDUCATION or PRESENTATIONS: Included in various department reports provided during meeting.

DEPARTMENT REPORTS, POLICY REVIEW & APPROVAL:

1. Jonathan Kolarik RN, RM/CCO provided the monthly Risk Management and Corporate Compliance reports for review. Board members were presented with the annual confidentiality and conflict of interest statements to review and sign.
2. Policy: Service Recovery – Allen presented the policy explaining that its purpose is to provide a mechanism for staff to respond to and address situations when we fall short of meeting the expectations of our patients or their family when receiving care from PHC. Patterson Health Center's intent is to be proactive in addressing these situations with a goal of improving our delivery to create a positive patient experience. The policy was approved as presented. Motion by Bello; seconded by Penner. Motion carried unanimously.

MEDICAL STAFF AND CREDENTIALING REPORT:

Credentialing appointments, reappointments and terminations were presented as approved by the Executive Medical Staff on January 25, 2023 – 2 New Appointments, 14 Reappointments, 0 resignations.

The Board approved the medical staff and privileges as presented. Motion by Lanie; seconded by Bello. Motion carried unanimously.

OPERATIONS REPORT:

1. The dialysis Registered Nurse Director position has been posted. The Medical Director contract is ready to send to Wichita Nephrology Group for review. The Harper County Health Foundation is planning their capital campaign to support the dialysis program. The Foundation would like one or two hospital board members to join Erin Albright and Kathy Zimmerman on the planning committee. Kristen Birket, Marketing Director, will assist with developing materials to advertise the campaign.

Heather Reames has been working with an employee committee to kick off the culture focus. The committee has named themselves "The Lemonheads". Departments will be provided with a jar to decorate with a "lemon" theme. The jar will be used to collect employee nominations for those who go above and beyond.

The exterior wall of the Harper building is complete. Potential uses of the land and remaining portions of the building were discussed. Expenses for the Harper building were reviewed.

Mattie Passet, Advanced Practice Registered Nurse, will return from leave in February then will begin seeing patients after orientation to her new role is complete.

Remodeling the PHC rural health clinic located at the Attica Long Term Care Center will start soon. Asbestos abatement will be completed first then ALTC staff will begin to install the flooring.

At PHC remodeling will begin soon to convert the former clinic reception area for office space. Also beginning soon will be repairs to the thresholds in the main hallways that are pulling away from the concrete.

Due to the drought experienced in the area the concrete slab of one unit at Heritage Estates has shifted causing a tripping hazard. The unit cannot be used due to safety concerns. Two bids were received to stabilize the foundation then jack the concrete up and fill the area underneath with foam to make it level. The lowest bid was selected at a cost of \$15,510.

Kevin Faucett, IT Director, provided a written report that the PHC courier service established recently travels daily to three statics stops. There have been 78 requested deliveries with over 2000 miles traveled. Estimated savings realized by having are own courier service is over \$1000 when compared to what PHC would have reimbursed staff for mileage. Faucett also reported that the PHC Cerner contract expires in January 2025; various options are being explored along with cost comparisons so that a decision about IT can be made in 2024 to meet any notification timeframes established.

Sarah Teaff will begin her duties as CEO on February 1, 2023.

FINANCIAL STATEMENTS: Owen reported on the December 2022 financials by providing highlights and key notes from the 12-31-22 Balance Sheet and Profit and Loss Statement. Days Cash on Hand remain strong at 148 as of December 31, 2022; well above the average of 43.21 days for Kansas Critical Access Hospitals. Patient Accounts Receivable decreased for the year with an AR balance of \$2,646,432.00 and AR Days at 29.58. A review of current and long-term debt was provided with principal payments of \$704,238.00 and interest paid of \$204,040.87 in 2022. The Profit and Loss Statement include a review of Gross Patient Revenue that overall saw a YTD increase of \$375,733.00 or 1.62%. Inpatient revenue saw a YTD decrease of revenue of \$519,448 with 132 less patient days in 2022 compared to 2021. Swingbed revenue saw a 33.28% or \$375,296 increase in revenue with an increase of 260 patient days.

Outpatient revenue overall saw a decrease of revenue of 6.29% or \$838,462.00. A review of outpatient service lines that had seen an increase in revenue in 2022 including Lab, MRI, Mammography, while service lines of X-Ray, CT, Rehab and Sonogram saw a decrease in revenue. The Rural Health Clinics overall saw an increase in revenue of \$76,831.00 with the Conway Springs RHC seeing a nice growth in patient service revenue. South Central DME and

Heritage Estates were two departments that saw lots of growth in 2022. South Central DME with its new location saw a YTD increase of \$126,134 in revenue while high occupancy rates at Heritage Estates earned a YTD increase of \$29,467.00.

The 340B Program Revenue continues to perform well with an increase in net cash flow of \$367,481.41 over year 2021. A review of expenses was provided with Operating Expenses increasing by \$2,968,972 or 12.45%. Several one-time expenses in 2022 occurred that contributed to the overall increase in operating expenses. Non-operating Revenues included the COVID-19 Provider Relief Funds that included eligible purchases related to COVID supplies in relation to preventing, preparing for, and responding to COVID-19. The COVID-19 Provider Relief Funds reporting is due on the HRSA Portal by March 31, 2023

A Net Loss of \$155,555 was reported for the month of December with YTD Loss of \$3,586,940.

Owen reported that FORVIS, formerly BKD, will be onsite the week of February 27, 2023, for the 2022 audit.

Accounts payable for December was \$2,318,334.40. Motion by Fallis seconded by Lanie to approve accounts payable. Motion carried unanimously.

Owen asked the Board for approval to acquire two additional credit cards through VISA for operating purposes for new CEO Sarah Teaff and Aaron Schule, Maintenance Director, in the amount of \$5,000.00 each. Motion by Lanie seconded by Wedman to approve additional credit cards. Motion carried unanimously.

HARPER COUNTY HEALTH FOUNDATION (HCHF): Wedman reported on the last HCHF meeting. Members are forming plans to launch a capital campaign for the dialysis service. Donations were received from Plains State Bank and Bank of Commerce. Scholarships have/will be awarded to Chelsea Boese and four high school students. The Foundation's annual meeting will be held on February 23, 2023, at Westview Lodge in Harper, Kansas. New members will be added at the annual meeting.

NEW BUSINESS: No new business was brought for discussion.

EXECUTIVE SESSION: None

ADJOURNMENT: There was no further business. Motion made by Bello to adjourn meeting; seconded by Penner. Motion carried unanimously. Meeting adjourned at 6:45 PM.

Kara Bello, Secretary

Approved by the Board on _____(Date)