

**SIERRA VISTA HOSPITAL
GOVERNING BOARD REGULAR MEETING MINUTES**

January 23, 2024

12:00pm

**Elephant Butte Lake RV Resort
Event Center**

1. The Governing Board of Sierra Vista Hospital met January 23, 2024, at 12:00 pm at Elephant Butte Lake RV Resort Event Center for a regular meeting. Bruce Swingle, Chairperson, called the meeting to order at 12:03.

2. Pledge of Allegiance

3. Roll Call

GOVERNING BOARD -----

SIERRA COUNTY

Kathi Pape, **Vice Chair** – Present
Serina Bartoo, Member – Present
Shawnee R. Williams, Member – Present

ELEPHANT BUTTE

Katharine Elverum, Member – Present
John Mascaro, Member- Absent

CITY OF T O R C

Bruce Swingle, **Chairperson** – Present
Jesus Baray, Member- Present
Greg D’Amour, Member- Present

EX-OFFICIO

Amanda Cardona, Clerk VofW- Absent
John Mascaro, City Manager EB- Absent
Amber Vaughn, County Manager- Absent
Angie Gonzales, City Manager- Absent
Jim Paxon, JPC Chairperson- Present
Phillip Mortensen, JPC Vice Chair- Present

VILLAGE OF WILLIAMSBURG

Denise Addie, **Secretary** – Present

STAFF

Frank Corcoran, CEO- Present
Ming Huang, CFO- Present
Sheila Adams, CNO- Present
LJ Baker, HR Director- Present
Heather Johnson, HIM Mgr.- Present
Zach Heard, Operations Manager, Present
Lisa Boston, Interim Consultant, Present

GUEST:

Erika Sundrud, Ovation by phone

There is a quorum.

4. Approval of Agenda

Bruce Swingle, Chairperson

**SIERRA VISTA HOSPITAL
GOVERNING BOARD REGULAR MEETING MINUTES**

Bruce Swingle stated that there are two items that need to be removed from the agenda. Item 11. (F) Board Education will be postponed until the next regular meeting. In addition, item B under Limited personnel matters in executive session will be removed as the contract is not ready yet.

Denise Addie motioned to approve the amended agenda. Serina Bartoo seconded. Motion carried unanimously.

“Are there any items on this agenda that could cause a potential conflict of interest by any Governing Board Member?” None

5. Approval of minutes Bruce Swingle, Chairperson

A. December 5, 2023 Regular Meeting

Kathi Pape motioned to approve the December 5, 2023 minutes. Denise Addie seconded. Motion carried unanimously.

6. Public Input –

Ted Kuzdrowski addressed the board regarding employee stress and communication between hospital facilities.

7. Old Business- Bruce Swingle, Chairperson
None

8. New Business- Bruce Swingle, Chairperson
None

9. Finance Committee- Kathi Pape, Chairperson

A. November & December Financial Report - Ming Huang, CFO, directed the board to page FC 5 in the packet. There is a correction for hospital operating expenses and EBITDA in November. Hospital operating expenses were \$2,785,412 and EBITDA was \$60,079. Days cash on hand at the end of November were 97, which equals \$9,021,236. Accounts receivable net days were 30 and accounts payable days were 21. We had a net loss of (\$355,329) versus a budget of (\$214,443). Gross revenue for November was \$5,186,012 which is \$49,542 less than budget. Patient days were 96, 8 less than October. Outpatient visits were 836, 77 less than October. RHC visits were 1,119, 50 more than October and the ER had 662 visits, 1 more than October. Revenue deductions for November were \$2,734,617 or \$119,341 more than budget. Other operating revenue was \$211,662 and non-operating revenue was \$177,102. Total operating expenses were \$2,785,412 which is over budget by \$50,646. Contract services were over budget due to agency staffing in the amount of \$283,878, \$101,714 for Athena and \$88,265 for Amplify. EBITDA for November was \$60,079 versus a budget of \$190,455. Year to date, EBITDA is \$1,108,789 versus a budget of \$971,321. Bond coverage ratio at the end of November was 133% versus an expected ratio of 130%.

December’s financial analysis is on page FC 6. Days cash on hand at the end of December were 98 which equals \$9,179,324. Accounts receivable net days were 33 and accounts payable days were 27. The net income for December was a loss of (\$250,353) versus a budget of (\$221,591). Gross revenue was \$5,607,692 or \$197,620 more than budget. Patients days were 117, 21 more than November. Outpatient visits were 1,131, 295 more than November. The RHC had 841 visits, 278 less than November due to the Christmas holiday and provider vacations and the ER had 701, 39 visits more than November. Revenue deductions were \$3,022,995. Other operating revenue was \$212,676 and non-operating revenue was

SIERRA VISTA HOSPITAL GOVERNING BOARD REGULAR MEETING MINUTES

\$504,477 including \$302,198 in mil levy funds. Total operating expenses in December were \$3,130,349 which is over budget by \$302,550. Contract services are over budget due to the productivity incentive payment to the Surgical Group (RSSG/RHP) and malpractice premium payment for the group. In addition, we paid \$35,000 for a surgeon recruitment fee. EBITDA for December was \$171,700 versus a budget of \$196,804. Year to date EBITDA is \$1,280,490 versus a budget of \$1,168,125. The bond coverage ratio in December was 90% versus an expected ratio of 130%.

Kathi Pape noted that our days cash on hand has stayed steady over the last year. However, we had 120 to 135 days since January 2023. Ming explained that days cash on hand dropped from 121 days in June 2023 to 101 days in July 2023 due to the insurance premium payment for the hospital. July 2023 through December 2023 remained steady between 97 to 105 days. Net patient revenue has also been steady and higher than ever seen at the hospital.

Bruce Swingle stated that our revenue continues to increase. Our workload and case numbers continue to increase. The thing that is not increasing is our compensation. Supplies go up and our compensation remains the same; we cannot pass on increases to the patients, and this is happening across the state. Two thirds of hospitals in New Mexico are spending more than they are making. New Mexico has the highest Medicaid enrollment rate in the country, and we have the lowest reimbursement rate. In 2022, according to the data from our latest audit, the average cash on hand for hospitals across New Mexico was 57 to 59 days.

Frank directed the board to page FC 13, December income statement. EBITDA at the end of December (year to date) is \$1,280,490. We are performing better than our budget so far this year. This is the key line to focus on. This is what we have earned from operations.

Kathi Pape motioned based on the recommendation of the Finance Committee acceptance of the November and December financial report. Serina Bartoo seconded. Motion carried unanimously.

**Note: Jesus Baray arrived at the meeting during the December financial report. Bruce Swingle noted for the minutes.*

B. Budget Adjustment - Ming Huang, CFO, explained that we have increased other operating revenue by \$1,000,000 for the 340B program. We also increased supplies by \$500,000 for the 340B program and Contract Services by \$500,000. Non-operating revenue increased by \$500,000 due to higher interest earned on our investments and higher GRT received this year. In addition to the \$500,000 increase in contract services for the 340B program, we increased \$1,500,000 for Amplify, our new revenue cycle company. We will continue to pay Athena for collections for six months to one year after we convert to Cerner.

Kathi Pape motioned based on the recommendation of the Finance Committee, approval of the budget adjustment. Kathy Elverum seconded. Motion carried unanimously.

10. Board Quality- Denise Addie, Chairperson

A. Med Staff –

1. Policy Review - Sheila Adams, CNO, explained the changes and updates to the policy listed below.

**Alleged Sexual Abuse or Assault*

Denise Addie motioned based on the Board Quality recommendation, approval of the Alleged Sexual Abuse or Assault Policy as presented. Shawnee Williams seconded. Motion carried unanimously.

SIERRA VISTA HOSPITAL

GOVERNING BOARD REGULAR MEETING MINUTES

11. Administrative Reports

A. Human Resources - LJ Baker, HR Director, reported that priority of effort is integration of new hires as well as continued recruitment. Since the beginning of the fiscal year, we have had 28 new hires and 28 terminations. Turnover is currently about 4%, not 1.25% as reported in the packet.

We are still trying to fill four professional positions which will impact the budget. We have initiated the HSHS Internship Program and have 10 students ready for the on boarding process. Of the 10, two are seniors older than 18 that could transition into permanent positions.

We are still working on bringing in a Psychiatrist and a Physical Therapist. We have interviewed and hired a Director of Information Technology who will start with our Cerner conversion at the end of January. In December we filled our EMT and Security positions. There were two terminations in December, both voluntary. We continue to look for registered nurses and CNAs.

Key initiatives include networking with congressional leaders to get funding for the projects we want to implement. Capital outlay project funding looks promising for EMS and Rehab buildings.

We currently have 9 contract staff and 18 travel staff.

Detailed discussion was held regarding the high school program.

B. Nursing Services – Sheila Adams, CNO, added to LJ's report that we have hired an Infection Prevention employee health LPN as well as an Assistant to the CNO and Quality Director. We have an offer out to a local nurse for MedSurg.

Patient loading into Cerner began this week, Physician training began this week and go live is scheduled for January 29 at 00:00.

MedSurg had 28 acute care admissions, four swing bed and 30 observations. The ER had 701 visits, which is an average of 24 per day. EMS had 369 responses including ACLS, BLS, 911 calls and transfers. There were 101 transitional care/ community EMS cases. In November, surgery did 18 scopes, 10 surgeries and 15 consults. December dipped slightly. Of four surveys received for surgery, all of them have given us 100% approval. Cardiopulmonary/ sleep studies dropped in December due to the holidays. We had three in-house and two at home sleep studies. We had 92 trauma calls in November and our trauma survey has been pushed back again.

C. Med Staff Report - Sonia Seuffer, COS, reported that Med Staff met on January 9th with nothing significant to report. The medical staff members will be reviewing the delineation of privileges for the hospital. A new committee has been formed called the Rural Health Clinic Committee. It is comprised of providers, administration, lab, radiology and the scheduling and business office. The purpose of the committee is to look at the patient experience in the clinic. The committee meets monthly and has already identified many opportunities for improvement or change.

D. CEO Report - Frank Corcoran, CEO, stated that we continue to look for a psychiatrist to round out our behavioral health services. Services have expanded to the VA nursing home one day per week. One of our Nurse practitioners goes to the VA once per week to see patients there. We had the fire marshal in last week and received 13 minor findings. The Lab had their COLA survey and passed with only two minor findings. Dietary had their DOH survey and also had two minor findings. We have a big need for a tele-health pulmonologist, and we already have the equipment for this service. We want to start this service one day per week.

**SIERRA VISTA HOSPITAL
GOVERNING BOARD REGULAR MEETING MINUTES**

We did not receive funds from the Rural Health Care Delivery Fund (SB7). This is a bill that passed last year’s legislative session. None of the 11 rural hospitals received any funds from this bill. There is a new bill before the legislature currently and it’s called Healthcare Delivery and Access Act.

1. HDAA Legislation- *This bill before the legislature* is basically an assessment tax on all hospitals in New Mexico that would pay a fee on inpatient beds that are non-medicare and a percentage of our outpatient revenue. If all hospitals contributed to or paid into this assessment it would be about \$326 million. This would go into a federal matching program and would return to us in Federal matching funds \$1.2 billion. For Sierra Vista Hospital, based on last year's data, we would pay \$125 per day or approximately \$99,000. Our outpatient revenue tax is 5.2% or \$775,000 for a total of \$875,000 that would go into the matching fund, and we would receive \$7 million. This tax cannot be passed on to the patient. The payment of tax/assessment would be paid quarterly, and the return will come back to us quarterly. 43 states are already participating in this program. *If passed*, HDAA will replace the HAP/TAP, Safety Net Care pool program.

Senate Bill 161 is a Rural Health Bill that is designed to help the 11 independent rural hospitals in New Mexico. The bill contains a one-time stimulus to be paid this year and will carry us over until HDAA kicks in, if passed, in 2025.

We have opted out of the surgical contract with RSSG and our services with them will end March 6th. Dr. Walker expressed interest in staying with us, so LJ has done the work necessary to make this happen. Dr. Walker’s attorney is reviewing the contract, and we will bring it back to the board at a later time. This option will save us about \$400,000 per year.

E. Governing Board - Bruce Swingle, Chairperson, discussed the Board education event in Austin, TX the week of February 19. Ming has created the financial dashboard, and the Finance Committee reviewed it this morning. It will become a regular part of the finance report.

F. Board Education – *Removed from agenda*

Motion to Close Meeting:

Kathi Pape motioned to close the meeting. Serina Bartoo seconded.

12. Executive Session – In accordance with Open Meetings Act, **NMSA 1978, Chapter 10, Article 15, Section 10-15-1 (H) 2,7,9 including credentialing under NM Review Organization Immunity Act, NMSA Section 41-2E (8) and 41-9-5 the Governing Board will vote to close the meeting to discuss the following items:**

Order of business to be determined by Chairperson:

10-15-1(H) 2 – Limited Personnel Matters

A. Privileges

Frank Corcoran

RadPartners Initials:

Eduardo Quinones, MD

Jeffrey A. Walker, MD

Ashton Regalados-Magdos, MD

RadPartners TERM:

**SIERRA VISTA HOSPITAL
GOVERNING BOARD REGULAR MEETING MINUTES**

Carl Valentin, MD
Olga Molchanova-Cook, MD

Provisional to 2-Year Appointment:

Jaime N. Robillard, CNP
Yosef Raskin, MD

B. Provider Contract – *Removed from agenda*

10-15-1 (H) 7 – Attorney Client Privilege/ Pending Litigation

A. Risk Report Heather Johnson

10-15-1 (H) 9 – Public Hospital Board Meetings- Strategic and long-range business plans

A. Quarterly Compliance Report Zach Heard
B. Quarterly Quality Report Frank Corcoran
C. Ovation Report to Board Erika Sundrud

Roll Call to Close Meeting:

Kathi Pape – Y	Shawnee Williams – Y	Bruce Swingle – Y
Greg D’Amour – Y	Denise Addie – Y	Katharine Elverum – Y
Jesus Baray - Y	Serina Bartoo - Y	

13. Re-Open Meeting – As required by Section 10-15-1(J), NMSA 1978 matters discussed in executive session were limited only to those specified in the motion to close the meeting.

10-15-1(H) 2 – Limited Personnel Matters

A. Privileges

RadPartners Initials:

Eduardo Quinones, MD
Jeffrey A. Walker, MD
Ashton Regalados-Magdos, MD

RadPartners TERM:

Carl Valentin, MD
Olga Molchanova-Cook, MD

Provisional to 2-Year Appointment:

Jaime N. Robillard, CNP
Yosef Raskin, MD

Denise Addie motioned to approve all above listed Privileges. Greg D’Amour seconded. Motion carried unanimously.

B. Provider Contract – *Removed from agenda*

**SIERRA VISTA HOSPITAL
GOVERNING BOARD REGULAR MEETING MINUTES**

10-15-1 (H) 7 – Attorney Client Privilege/ Pending Litigation

- A. Risk Report
No Action

10-15-1 (H) 9 – Public Hospital Board Meetings- Strategic and long-range business plans

- A. Quarterly Compliance Report
No Action
- B. Quarterly Quality Report
No Action
- C. Ovation Report to Board
No Action

14. Other

The next Regular Meeting will be on Tuesday, February 27, 2024 @ 12:00. Finance Committee will meet at 10:30 on February 27th and Board Quality will meet on Monday, February 26, 2024 at 10:00.

15. Adjournment

Serina Bartoo motioned to adjourn. Katharine Elverum seconded. Motion carried unanimously.

Approved: February 27, 2024 / JB