

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

July 30, 2024

12:00pm

**Elephant Butte Lake RV Resort
Event Center**

1. The Governing Board of Sierra Vista Hospital met July 30, 2024, at 12:00 pm at Elephant Butte Lake RV Resort Event Center for a regular/annual meeting. Bruce Swingle, Chairperson, called the meeting to order at 12:04.

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
Richard Holcomb, Member- Present by phone

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- Present
Janet Porter-Carrejo, City Manager EB, Present
Amber Vaughn, County Manager- Absent
Angie Gonzales, City Manager- Absent
Jim Paxson, JPC Chairperson, Present

VILLAGE OF WILLIAMSBURG

Peggy “Cookie” Johnson - 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 by phone

Guest:

David Perry, QHR – Present by phone
Erika Sundrud, QHR – Present by phone
Veronica Lynch, Amplify
Mark Wade, DGI

There is a quorum.

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4. Approval of Agenda

Bruce Swingle, Chairperson

Kathi Pape motioned to approve the 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. June 25, 2024 Regular Meeting

Katharine Elverum motioned to approve the June 25, 2024 minutes. Kathi Pape seconded. Motion carried unanimously.

6. Public Input

Dr. Walker addressed the board with a big smile on his face because we are performing surgeries once again at SVH and meeting our goals in providing health care to the public. He further discussed the advanced procedures that we are able to do because of the addition of anesthesiologists as opposed to CRNAs.

7. Old Business-

Bruce Swingle, Chairperson

A. Board Member Code of Conduct

1. Code of Conduct Policy Revision – Katharine Elverum stated that the revisions discussed at the last two meetings and the policy number and form number have been added for final approval.

Greg D’Amour motioned to approve the Board Member Code of Conduct Policy. Kathi Pape seconded. Motion carried unanimously.

8. New Business-

A. Election of Officers

Bruce Swingle, Chairperson

1. Chairperson

Bruce Swingle nominated Kathi Pape for Chairperson. Cookie Johnson seconded. There were no other nominations for Chairperson. The vote was unanimous.

2. Vice Chairperson

Kathi Pape, Chairperson

Kathi Pape nominated Serina Bartoo for Vice Chairperson. Cookie Johnson seconded. There were no other nominations for Vice Chairperson. The vote was unanimous.

3. Secretary

Kathi Pape nominated Cookie Johnson for Secretary. Greg D’Amour seconded. There were no other nominations for Secretary. The vote was unanimous.

B. Secretaries report on Conflict-of-Interest Statement – Jennifer Burns reported that seven of nine conflict of interest statements have been received. Richard Holcomb will turn his in next. Once all are received, they will be forwarded to our new board Secretary, Cookie Johnson, for review.

C. Member Attendance Report - Jennifer Burns reported that there were 13 meetings in FY24. All current board members were at 85% or better for the year.

D. Resolutions- Kathi Pape, Chairperson

1. Resolution 24-105

Nondiscrimination English & Spanish

Katharine Elverum motioned to approve Resolution 24-105. Cookie Johnson seconded. Motion carried unanimously.

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2. Resolution 24-106

Open Meetings

Greg D'Amour motioned to approve Resolution 24-106. Serina Bartoo seconded. Motion carried unanimously.

3. Resolution 24-107

Public Records

Greg D'Amour motioned to approve Resolution 24-107. Serina Bartoo seconded. Motion carried unanimously.

9. Finance Committee- Kathi Pape, Chairperson

A. June Financial Report - Ming Huang, CFO. Days cash on hand at the end of June were 62 which is equal to \$5,947,969. Accounts receivable net days are 65, not 62 as in the report. Accounts payable days were 29. In June we had a net loss of (\$491,624) versus a budget loss of (\$295,824). Gross revenue in June was \$5,741,886 or \$520,637 more than budget. Total patient days were 175, 49 more than May, RHC visits were 867, 12 more than May and ER visits were 703, 77 less than May.

Revenue deductions were \$3,280,201. The original revenue deduction calculation was \$3.6 million. After working with Veronica Lynch from Amplify, it was determined that the contractual expense should be less by about \$300,000.

Other operating revenue was \$251,514. Non-operating revenue was \$277,759. Total expenses were \$3,090,681. Contract services are over budget as we made the last payment to the surgery group in the amount of \$125,000 and IT annual service for \$49,000.

EBITDA for June was (\$71,996). Year to date EBITDA is \$711,660. The bond coverage ratio was -27% versus an expected ratio of 130%.

Veronica Lynch from Amplify discussed the amount of revenue still in the old software system, Athena. The amount is currently \$1.7 million. The revenue in Cerner has gone up every month since the conversion and collections through Cerner have increased every month as well. Insurance companies take anywhere from 14 to 45 days to pay. We are communicating with insurance companies and payors that we are working through a conversion, and they have been good working with us.

Frank Corcoran added that the big question is "where is the cash?" How did we go from \$10 million to \$5 million? Looking at the balance sheet, cash and liquid capital is \$5,766,833. The prior year is \$10,246,815. Our cash collections are not back to normal since the conversion five months ago. Looking at accounts receivable gross; currently it's \$14,738,750. The prior year it was \$7,263,177. That is where the cash is, in accounts receivable. We have about \$7 million tied up and we have to get caught up on collections.

Kathi Pape motioned based on the recommendation of the Finance Committee, acceptance of the June financial report. Cookie Johnson seconded. Motion carried unanimously.

B. Fourth Quarter financial review

1. Resolution 24-110

Kathi Pape motioned to approve Resolution 24-110. Serina Bartoo seconded. Motion carried unanimously.

C. Budget Revision FY2024 – Ming Huang, CFO explained the changes to the FY24 budget include a \$100,000 increase in supplies, \$200,000 increase in contract services, \$100,000 increase in utilities, and \$100,000 increase in repairs and maintenance. This is an increase of \$500,000 to the actual budget.

1 . Resolution 24-103

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Kathi Pape motioned based on the recommendation of the Finance Committee approval of the budget revision for FY24 and Resolution 24-103. Katharine Elverum seconded. Motion carried unanimously.

D. Budget FY2025 - Ming Huang, CFO. For FY25 we have increased gross patient revenue to \$64,721,502 in anticipation of increased surgery and clinic revenue. We increased salary expenses. The total operating expense is \$36,905,119 and total operating revenue is \$37,993,008 ending with EBITDA of \$1,087,889 which is a 3% margin.

1. Resolution 24-104

Kathi Pape motioned based on the recommendation of the Finance Committee approval of the FY2025 budget and Resolution 24-104. Serina Bartoo seconded. Motion carried unanimously.

10. Board Quality- Shawnee Williams, Acting Chairperson

A. Med Staff

1. Policy Review - Sheila Adams, CNO, explained the purpose of each of the policies below. All policies have been approved by Med Staff.

- Screening, Brief Intervention and Referral to Treatment (SBIRT) Policy #280-01-135
- Care Coordination Policy #280-01-136
- Emergency Referral Services Policy #185-01-153

Shawnee William stated that Board Quality met on Monday and reviewed these policies. Based on the recommendation of Board Quality, she motioned approval of all policies. Bruce Swingle asked for more information regarding Care Coordination. Serina Bartoo seconded. Motion carried unanimously.

11. Administrative Reports

A. Human Resources - LJ Baker, HR Director, reported that our full-time Physical Therapist (traveler) is onboarding today. There were four new hires in June bringing the total for FY24 to 56. There were seven terminations in June bringing the total terminations for FY24 to 56 as well. Our priority of effort is behavioral health team growth and program impact. Staff average in the last quarter is 210.

Onboarding of new professional positions may have an impact on budget thus the increase in the salary expenses for FY25. Key vacancies include registered nurses and certified nurse assistants. Key initiatives include the behavioral health services capability. Dr. Diocares, psychiatrist, will be joining us on August 19th. He will be our Chief of behavioral health services. Our second group of HSHS students will be starting in the paid internship program soon. The first group did an outstanding job, and we were able to hire one of those students. We are working with our representative's and the Governor's office to get the capital outlay funding that was allocated to us.

Contract staff continues to average at 11 and travel staff is 17. We are working on reducing these numbers and bringing in permanent staff.

B. Nursing Services - Sheila Adams, CNO, stated that AHRQ (Agency for Healthcare Research and Quality) has recognized SVH for our success and implementation of the AHRQ toolkit for reducing catheter associated urinary tract infections in our hospital.

Cerner is going well on the nursing side. The newest group of foreign-educated nurses are beginning the paperwork necessary to come onboard. One will be arriving late July. Several more are on the horizon.

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The state has not yet approved our certified nursing assistant program. We have been told that the department that would approve this program is very backed up. We hope to have it in place by the end of summer.

We are excited to have surgery again. The anesthesiologists are working well with our patients and staff, and they are focused on patient safety.

Our Trauma program provided free life vests to individuals at the lake on Friday and Saturday after the 4th of July. Our staff gave out and fitted all of the life jackets we had on hand.

C. CEO Report - Frank Corcoran, CEO, said that in addition to our psychiatrist starting in August, we will be sending our behavioral health nurse practitioners to the VA nursing home one day per week as soon as credentialing is complete. Cash flow is the biggest issue with Cerner at this time. There are other smaller nuances that we are working through. The HDAA program is scheduled to start in July 2025 with distribution of funds quarterly, starting in October of 2025. This is the program that we contribute to and get back in federal funds. CMS is reviewing the program now. We have requested \$1.5 million from Senate Bill 161 this year and the remaining \$2.7 million allocated for next fiscal year.

We attended a meeting with the city engineer and secretary of state regarding water pressure issues. Something happened with the installation of the roundabouts, and our current pressure will not allow our sprinkler system to work. We have been on 24/7 fire watch since this began months ago. A temporary solution would be to put a water truck with a booster system on the property. The city has funding coming in to fix the pipes and water issues. The schools and the nursing home are facing this issue as well.

Michele Back, Ovation, will be working with us on Quality as we look for a new Quality Director.

Frank and LJ participated in a meeting last week in Santa Fe to provide input from rural hospitals on the Mergers and Acquisitions bill that is now in place. This bill requires hospitals to get permission from the Superintendent of Insurance for a wide variety of situations. The intention of the bill was to keep money from leaving the state, however, the language of the bill is very vague.

The AHA (American Hospital Association) held their Leadership Summit in San Diego mid-July. Frank provided a copy of a presentation from the event. This presentation gives a very good description of where hospitals and commercial insurance stand across the country today. Government underfunding is a key driver of the healthcare crisis. Optimal commercial rates are essential for survival of healthcare providers. Access will eventually surpass price as the primary concern in the industry. Some areas to work on include demanding optimal commercial and MA rates, eliminate expenses that do not contribute to direct patient care, develop partnerships where health systems lack core competencies and spend more time on the front lines actively listening to physicians, nurses, patients, and others and less time in corporate meetings.

Finally, "If you survive long enough to see tomorrow, it may bring the answer that seems impossible today."

D. Governing Board, Kathi Pape, Chairperson

No report. She will have her first report next month.

Motion to Close Meeting:

Cookie Johnson 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

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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, CEO

Temporary to Provisional:

Karl Unkenholz, MD (ESS)

Don L. Marketto, DO (Anesthesiology)

Jeffery Joyce, MD (Anesthesiology)

RadPartners Delegated Initial:

Kenneth W. Bryant, MD

RadPartners Delegated Reappointments:

Jack M. Drew, MD

Charles L. Huang, MD

Nuha Krad, MD

Terminations:

RadPartners- Justin J. Boe, MD

RadPartners- Jared S. Isaacson, MD

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. Master Facility Presentation

Mark Wade, DGI

B. Quarterly Compliance Report

Zachary Heard, Comp.

C. Annual Compliance Report to Board Members Only

Zachary Heard, Comp.

D. Ovation Report to Board

Erika Sundrud, Ovation

Roll Call to Close Meeting:

Kathi Pape – Y

Shawnee Williams – Y

Bruce Swingle – Y

Cookie Johnson – Y

Katharine Elverum – Y

Serina Bartoo – Y

Richard Holcomb – Y

Jesus Baray - 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

Temporary to Provisional:

Karl Unkenholz, MD (ESS)

Don L. Marketto, DO (Anesthesiology)

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Jeffery Joyce, MD (Anesthesiology)

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Jack M. Drew, MD

Charles L. Huang, MD

Nuha Krad, MD

Terminations:

RadPartners- Justin J. Boe, MD

RadPartners- Jared S. Isaacson, MD

Shawnee Williams motioned to approve all above listed privileges. Greg D'Amour seconded.

Motion carried unanimously.

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

A. Risk Report

No action required

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

A. Master Facility Presentation

No action required

B. Quarterly Compliance Report

No action required

C. Annual Compliance Report to Board Members Only

No action required

D. Ovation Report to Board

No action required

14. Other

Discussion was held regarding committee appointments. Kathi Pape will be in touch with members before the August meeting.

The next regular meeting will be held on Tuesday, August 27, 2024 at 12:00. Finance Committee will meet on August 27, 2024 at 11:00 and Board Quality will meet on August 26, 2024 at 10:00.

15. Adjournment

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

JB

8/27/24

Jennifer Burns, Recording Secretary

Date

Kathi Pape, Chairperson

Date