

Sierra Vista Hospital
Regular/ Annual Joint Powers Commission Minutes
August 3, 2023 @ 2:00pm

1. The Joint Powers Commission of Sierra Vista Hospital met August 3, 2023 at 2:00pm in the boardroom at Sierra Vista Hospital for a regular/ annual meeting. Travis Day, Chairperson, called the meeting to order at 2:02pm.

2. **Pledge of Allegiance** Travis Day, Chairperson

3. **Roll Call** Jennifer Burns, Recorder

Joint Powers Commission

Attendees: City of Elephant Butte

Edna Trager, by phone
Kim Skinner, by phone
Phillip Mortensen, Mayor, by phone
John Mascaro, City Manager, Absent

City of T or C

Rolf Hechler, Present
Destiny Mitchell, Absent
Shelly Harrelson, Member, Absent
Angie Gonzales, City Manager, Absent

Sierra County

Travis Day, by phone
Jim Paxon, Present
Hank Hopkins, by phone
Amber Vaughn, County Manager, Absent

Village of Williamsburg

Vacant, Member
Magorie Powey, Present
Deb Stubblefield, by phone
Amanda Cardona, Ex-O, Absent

Sierra Vista Hospital

Frank Corcoran, CEO, Present
Ming Huang, CFO, Present
Sheila Adams, CNO, Present
LJ Baker, HR Director, Present
Bruce Swingle, **Governing Board Chair**, Present

AGENDA ITEMS

PRESENTER

ACTION REQUIRED

4. Approval of Agenda - Travis Day, Chairperson, requested that the agenda be amended so that new business item B. Election of Officers immediately follows approval of the agenda.

Majie Powey motioned to amend the agenda as requested. Rolf Hechler seconded. Motion carried unanimously.

B. Election of Officers - Travis Day, Chairperson, stated that he would like to step down from the Chair position and opened nominations.

1. Chairperson

Kim Skinner motioned that Jim Paxon become Chairperson. Majie Powey seconded. There were no other nominations and no opposition. Travis Day turned the meeting over to Jim Paxon, Chairperson, who opened nominations for Vice Chairperson.

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2. Vice Chairperson-

Majie Powey motioned to retain Deb Stubblefield as Vice Chairperson. Phillip Mortensen seconded. Deb Stubblefield stated that if someone else is interested in the position that's fine, if not, she'll do it. Phillip Mortensen stated that he would step up. Rolf Hechler nominated Phillip Mortensen for the position of Vice Chairperson. Majie Powey seconded. Deb Stubblefield withdrew. Motion for Phillip Mortensen carried unanimously.

5. Approval of Minutes - Jim Paxon, Chairperson

A. April 20, 2023 Regular Meeting Minutes

Rolf Hechler motioned to approve the April 20, 2023 minutes. Phillip Mortensen seconded. Motion carried unanimously.

6. Public Comment – None

7. Old Business - Jim Paxon, Chairperson

1. Special Hospital District Update – Travis Day reported that we came up short in our submission of signatures to the County Clerk. There may be an extended time frame so that we can continue to gather signatures. The County Clerk indicated that there were many duplicate signatures, and some petitions were copied and submitted by multiple individuals. We were about 300 signatures short. Jim Paxon stated that it is time to move on.

8. New Business - Jim Paxon, Chairperson

A. VA Presentation – Kenneth Shaw, Administrator and Mary Schnieder, Assistant Administrator addresses the JPC regarding establishing a working relationship with the hospital, bringing more employees and younger families to our area, how to change our community image together and moving forward.

C. Appointment of Recording Secretary - Frank Corcoran, CEO, for now, Jennifer Burns will be the recording Secretary for an undetermined amount of time.

D. Nondiscrimination Resolution 23-102 - Jim Paxon, Chairperson

English and Spanish

Phillip Mortensen motioned to approve Resolution 23-102. Majie Powey seconded. Motion carried unanimously.

E. Open Meetings Act Resolution 23-103

Rolf Hechler motioned to approve Resolution 23-103. Deb Stubblefield seconded. Motion carried unanimously.

F. Public Records Request Resolution 23-104

Rolf Hechler motioned to approve Resolution 23-104. Majie Powey seconded. Motion carried unanimously.

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G. Meeting Schedule FY23/24

- A. October 19, 2023 @ 2:00
- B. January 18, 2024 @ 2:00
- C. April 18, 2024 @ 2:00
- D. August 5, 2024 @ 2:00 (After GB Annual in July)

Rolf Hechler motioned to accept the meeting schedule for FY23/24. Majie Powey seconded. Motion carried unanimously.

H. Review of JPC Policies – Jim Paxon stated that on page JPC17, Governing Board Appointments, under number 2; there is no language in this sentence that states that when the Board Members term expires, they are no longer on the board. If not reappointed they are no longer a member. Kim Skinner explained how the City of Elephant Butte appoints their board members. She suggested that the recording secretary notify the JPC Chairperson in May of those members that are terminating in June.

It was agreed that wording would be added to number 2. “The recording secretary will notify the Chairperson of the JPC in April of any terminating appointments to the Governing Board.

Kim Skinner motioned to approve as revised the Governing Board Appointment Policy. Rolf Hechler seconded. Motion carried unanimously.

I. June Financial Report - Ming Huang, CFO, the 12-month income statement is on page JPC27. In April, we had gross patient revenue of \$5,376,911 with a net total operating revenue of \$2,423,040. Total operating expenses were \$2,833,397. We ended the month of April with EBITDA of (\$410,357). In May, gross patient revenue was \$6,288,038. Total net operating revenue was \$3,072,583 and total operating expenses were \$2,971,006. We ended the month with EBITDA of \$101,577. For June, gross patient revenue was \$5,370,369. Total net operating revenue was \$2,643,643 and total operating expense was \$2,995,084. We ended the month of June with EBITDA of (\$351,441).

For fiscal year 2023, we have total EBITDA earnings of \$1,299,632. We had three months with negative earnings and nine with positive earnings.

Majie Powey motioned to accept the June/ Fourth Quarter report. Rolf Hechler seconded. Motion carried unanimously.

J. Fourth Quarter financial report – included in report above.

1. Resolution 23-110

Phillip Mortensen motioned to approve Resolution 23-110. Rolf Hechler seconded. Motion carried unanimously.

K. Budget Revision/ Variance FY23

1. Resolution 23-103

This first Resolution has already been signed by Travis Day. It is included today for information only. No action required.

L. Budget Revision/ Variance (B) FY23 - Ming Huang, CFO

1. Resolution 23-103 (B)

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Rolf Hechler motioned to approve budget revision and Resolution 23-103 (B). Majie Powey seconded. Motion carried unanimously.

M. Final Budget FY2024 - Ming Huang, CFO, stated that for FY24 we have budgeted \$63,699,238 for patient revenue and total operating revenue of \$35,612,260. Total operating expense is budgeted at \$33,295,057 with earnings of \$2,317,204. Because of higher depreciation expenses we will have a net income loss of (\$2,609,057). Operationally the hospital is in the black. Depreciation on the new building is high. Bruce Swingle stated that net revenue in May was the first month that the hospital has ever reached \$6.3 million. For the year, there are six months that are over \$5 million. Revenue is coming in with new lines of services. It will take time for the revenue from those new service lines to start flowing in. In addition, when we switch to our new EHR, we will keep more of what we make because Cerner doesn't take a percentage of our revenue like Athena does not. They take a flat rate.

1. Resolution 23-104

Kim Skinner motioned to accept final budget FY2024 and Resolution 23-104. Rolf Hechler seconded. Motion carried unanimously.

Note: Bruce Swingle asked if he may give his Governing Board report as he has a Zoom meeting to get to. He was allowed to give his report at this time.

P. Governing Board Report - Bruce Swingle, Chairperson, reported that the Governing Board made changes to the Bylaws that include the Mission / Vision Statement, values, and guiding principles. Language was deleted that was found to be redundant or repeated throughout the document. The board is struggling with attendance of some members. The bylaws state that members are expected to attend 80% of the meetings and that isn't happening in some cases. This is not a change, but it is a concern that the JPC should be aware of. Standing and sub committees have been revised so that the chairperson does not attend all committee meetings and the membership can then be four members. Language was changed so that the CEO can make purchase in accordance with the New Mexico Procurement Code instead of being limited to \$20,000.

The Governing Board was disappointed with the lack of signatures for the SHD.

Elections for Chairperson, Vice Chair and Secretary will take place at the August meeting.

1. Bylaws Revision

Kim Skinner motioned to accept the revisions discussed and made to the Bylaws by the Governing Board. Phillip Mortensen seconded. Motion carried unanimously.

N. Investment Report - Ming Huang, CFO, we had \$8 million in our money market and treasury bill account at the beginning of the year. At the end of June, we had \$8,161,284.20.

O. CEO Report - Frank Corcoran, CEO, reported that at the end of the year, we made \$1.3 million from operations. During the year, we added two new Physicians in the clinic, we started a surgery program, we have a Cardiologist coming once per month and soon will be increasing to three times per month, we added sleep study. All of these things took a lot of work and effort and funding. We will focus on growing these service.

We are in the process of converting our EHR (electronic health records) from Athena to Cerner. This is a huge project. We will be doing more marketing to help grow the programs we have put in

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place. Press Ganey does our patient satisfaction surveys for the ER and MedSurg. They will also do this for surgical services.

We have one behavioral health practitioner that is leaving but we have a Locums coming in to cover that gap until we can find a permanent one. We have a telepsych helping to cover as well. We want to bring in a clinical psychologist that can do group counseling and core behaviors. We have a new nurse practitioner that will be starting so that we can extend hours and do walk-in services. If your provider is booked three weeks out but you need to see someone today, you can see the walk-in practitioner, no appointment necessary, and then see your regular practitioner in three weeks.

Our generator went out and we are purchasing a new one. We have brought in water tanks for back up water when the city has a break or shut down. Several sewage pipes have failed in the old building. Eventually, something will break that we can't fix, and we will have to evacuate this building. Over \$700,000 was put into this old building last year trying to keep it going.

We are in a partnership with Western Sky and The Olive Tree for crisis intervention in the field. If EMS or the police encounter a behavioral health crisis, we have a tablet that connects our first responders to a crisis intervention person to de-escalate the patient. If we can de-escalate the patient and not bring them into the ER, they will have an appointment in our clinic with behavioral health within two to three days.

Surgical services are going very well. Clinical appointments, scopes and endoscopes are above expectations. Actual surgeries are below expectations, but we will be starting a marketing campaign to promote the surgeon and program.

Our conversion from Athena to Cerner is on track for a "go live" the first week of November. When we go live, we expect to see a drop in cash for about 90 days as the old system continues collection on old business and the new systems starts collection on new business.

Last year, our insurance premium including property, malpractice, vehicles, etc. was \$810,537.76. This year it went up to \$925,415.31. Our broker approached 19 insurance providers, only two were willing to work with us. Many providers have pulled out of the state due recent legislative decisions. We chose Coverys because we have worked with them before.

Rolf Hechler stated that the city is considering using a lobbyist. Frank explained that the New Mexico Hospital Association is our lobbyist.

Rolf Hechler motioned to move into Executive Session and read the following stipulation. Phillip Mortensen seconded. Motion carried unanimously.

9. Executive Session – In accordance with Open Meetings Act, NMSA 1978, Chapter 10, Article 15, Section 10-15-1 (H) 9 the JPC will vote to close the meeting to discuss the following items:

10-15-1 (H) 9 - Public Hospital Board

A. Sale of Sierra Vista Hospital

Discussion Only

Rolf Hechler read the following stipulation-

10. 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) 9 - Public Hospital Board

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- A. Sale of Sierra Vista Hospital
No Action Required

11. Other

Next Meeting- October 19, 2023 @ 2:00pm

12. Adjournment

Majie Powey motioned to adjourn. Phillip Mortensen seconded. Motion carried unanimously.

Approved: JP 10/19/23