

**HUMBOLDT GENERAL HOSPITAL
DISTRICT BOARD OF TRUSTEES
FEBRUARY 23, 2021 MEETING
MEETING VIA TELECONFERENCE--VIDEOCONFERENCE
SARAH WINNEMUCCA CONFERENCE ROOM**

BOARD PRESENT:

Alicia Cramer, Chairman
Michelle Miller, Secretary
Gene Hunt, Member
JoAnn Casalez, Member
Ken Tipton, County Comm. Member
Lewis Trout, Member

Kent Maher, Legal Counsel

BOARD ABSENT:

MEDICAL STAFF PRESENT:

Richard Davis, M.D.
Robert Johnson, PA

STAFF PRESENT:

Tim Powers, CEO
Cory Burnett, CFO
Robyn Dunckhorst, CNO
Brett Peine, EMS Director
Duane Grannis, Maintenance Director
Kim Plummer, Controller
Alicia Wogan, Executive Assistant
Jeanette Grannis, Business Office
Darlene Mangrum, Revenue Cycle Director
Tina Wilson, ACNO
Bertha Higbee, ACNO
Laura Shea, Community Education
Theresa Bell, Program Director
Diane Klassen, Radiology Manager
Drew Hooker, EMS
Sara Otto, Chief Compliance Officer (via phone)

GUESTS:

Ashley Maden (Humboldt Sun - via phone), Millie Custer (via phone), James Klassen, William Hammargren and Jackie Wilson

CALL TO ORDER:

Board chairman Cramer called the February 23, 2021 board meeting to order at 5:32 p.m.

PUBLIC COMMENT:

Board member Trout suggested moving trustee comments to be after the public comment section on the agenda. Trout asked about other items such as the MedX update, EMS department proposal for a new facility and the public outreach proposals, which he understood would be on this meeting agenda for consideration but were apparently removed by the board chairman to be considered after the budget meetings.

MEDICAL STAFF REPORT:

Dr. Davis stated the numbers Covid numbers are improving. The Pfizer and Moderna vaccines seem to be effective against the virus. A booster for the vaccine is being worked on and more people are getting vaccinated. There is one Covid patient in the hospital at this time.

Administration Department report:

Bill Hammargren reported that the MedX AirOne new helicopter and equipment has arrived. It now takes about four minutes to get the helicopter in and out of the hanger. The crew is better prepared for Cath lab

and OB patients. They are attempting to procure a fetal monitor. The staff is doing a lot of training. There were six potential flights that they had to turn down this month because of weather.

CEO Powers reported: the loss of the network issues are being resolved and commended everyone who assisted with the resolution efforts; R1 billing and collections termination and exit strategy discussions are ongoing; on February 1, 2021 the hospital took over the coding; Dr. Palmer and her group submitted a grant application to support the Rural Residency program; the quarterly HGH magazine is scheduled to go out on May 1, 2021; and, there will be a marketing campaign for orthopedics.

Program Director Theresa Bell reported on strategic planning themes, including collaboration, Microsoft 365, project scope statement, project charter and work breakdown structure.

Community Relations Director Shea went over the Achieveit strategic planning program. CEO Powers advised the program will help to manage progress. The program does not integrate with Office 365, but it has email and summary graphing capability.

CONSENT AGENDA:

Board meeting minutes are not available due to the network being disabled.

Motion by board member Casalez and second by board member Miller to approve the consent agenda including: the medical staff appointments, reappointments, tabling item one board meeting minutes as they are not available due to the network being disabled. Motion carried unanimously.

FINANCIAL REPORTS:

CFO Burnett presented the February 2021 financials noting that not all the normal items are in the packet due to the network outage. Issues with the R1 billing and collection services were discussed, including bad debt, failure to work claims and the increase in the AR, which is going up because R1 is not working the cues. CEO Powers stated the service level in the R1 agreement is 37%, that is, once they get their primary insurance claims in and hit the 37% threshold, the remainder are moved into self-pay. Revenue Cycle Director Mangrum advised it was by accident they found these cues, noting they were never assigned to anyone. Staff is working diligently to clean up the cues; it will take about 60 days.

Motion by board member Miller and second by board member Hunt to approve the February 2021 financials as presented. Motion carried unanimously.

BUSINESS ITEMS-OTHER REPORTS:

1. Hospital Administration-Radiology / proposal to purchase a new Canon 1.5T Vantage Orion MRI unit with MRA capability at a cost of \$967,525, with a five-year service-maintenance agreement through Turn-Key Medical at a cost of \$469,762, and request to authorize estimated construction costs of \$450,000 and additional estimated costs of \$225,000 for interim MRI services while the new MRI unit replaces the existing MRI unit / Radiology Director-Administrator

Radiology Director Klassen went over why an MRI is needed; what the new machine can do; why Canon was chosen and pricing. Board member Hunt remarked he did some comparisons and asked if both leasing and purchasing had been considered. CEO Powers stated that neither option has been ruled out at this point, the option chosen will depend on the price. Dr. Davis explained that image quality really matters and said acquiring the new unit is necessary. Board member Tipton asked about the downtime with the current unit. Klassen advised it has been down a lot. Tipton asked if the new purchase is budgeted and if there would need to be an augment, noting that costs are going up and revenue is going down. Controller

Plummer stated the budget will need to be augmented no matter what. Dr. Davis advised that the time it takes to do the test is important when a patient is in pain. Powers discussed the importance of the equipment for patient care as well as providing a local service to prevent patient leakage. Board member Casalez asked if the new equipment will reduce the costs of services. Powers advised Radiology is the first department that is looking at pricing. Klassen advised delivery will be in September 2021 and in the interim a mobile unit will be used, which is included in the cost. Legal Counsel Maher questioned Klassen if all vendors were able to meet the equipment specifications. Klassen said all did meet specs. Maher explained the construction costs are estimated and it is possible that when the equipment is installed there may be additional costs which will come back to the board for approval.

Motion by board member Trout and second by board member Casalez to approve the purchase of the Canon MRI machine not to exceed \$2,112,287 as presented. Motion carried unanimously.

2. Hospital Administration-Maintenance / proposal to purchase three Precision steam boilers for maintenance at an estimated cost of \$460,480.75 / Maintenance-Administrator

Board chairman Cramer noted the proposed equipment is actually Cleaver Brooks brand, not Precision as stated on the agenda. Maintenance Director Grannis showed pictures and explained the current unit is not worth fixing. Legal Counsel Maher advised that this potential purchase does not fall within the bid law exceptions allowed for purchase of goods commonly used by a hospital, and the procurement will need to be bid according to law. Grannis commented that acquisition of the unit is at least 12 weeks out and the current boilers are struggling. Board member Trout asked if the boilers go down what happens. Grannis advised if one boiler fails, there will not be a backup, if two boilers fail, the hospital may have to shut down. Trout questioned if the potential purchase constitutes an emergency. Maher noted that the purchase has been considered for at least two budget cycles and it does not fit within the unforeseen circumstance situation. Further, the potential for impairment of health or safety is speculation, not a fact.

Motion by board member Trout and second by board member Miller to authorize staff to proceed with the procurement process for three boilers as requested. Motion carried unanimously.

3. Hospital Administration / request for approval of professional services agreement with Andrew Conlu, MD for hospitalist services / CEO-Administration

CEO Powers advised that currently there are two employed physicians, Dr. Masuck and Dr. Musick. Dr. Conlu will be in place until March 2022 when Dr. Church will start.

Motion by board member Trout and second by board member Miller to approve contract on a one-year term as presented. Motion carried unanimously.

TRUSTEE COMMENTS-STAFF REPORTS:

Board member Cramer advised a special meeting is planned for a six-month review of CEO Powers. It is tentatively scheduled for March 9, 2021 at 5:30 p.m. Pictures were distributed from the Giving Committee regarding a donation to the schools.

Board member Hunt thanked everyone for the hard work on the Covid and the cyber issue. In regard to the comments about items not being on the agenda, Hunt spoke with the chairman and learned the numbers requested from marketing were not received, which was the reason the items were tabled. Board member Casalez said her understanding was that it was not being tabled until the next meeting, it was being tabled until after the budget meetings. Miller advised she made the motion and it was tabled until the next meeting.

Board member Trout commented that he understood the board voted unanimously to bring the outreach proposals back at the next meeting and that Board member Tipton asked for staff to bring back information concerning the proposals. Trout expressed his view that one person should not be able to take action to remove an item from the agenda. Trout commented on the importance of the County Commission member on the board.

Board member Miller said there have been several long-term care meetings and another meeting is scheduled in March. They are trying to adjust the billings and collections. Miller commented on the need for the board to be unified and the necessity of working without contention.

Board member Casalez said her impression of the discussion on the outreach proposals was that they were going to be tabled until after the budget hearing to determine where things are with the budget. She said that at the time, budget discussions were about two months out. Casalez said if anyone wants to be upset, be upset with her, not with Cramer. Casalez said she does not want to set the hospital up for failure. Casalez commented that she does not agree with the public attack. Cramer noted she will be more careful in the future concerning the agenda.

Board member Tipton said he looks forward to the budget meeting. He understands that the hospital is in good shape but he is concerned with overspending and the fact that revenue is down. Tipton said he does not want to get into the situation of having to borrow. Tipton commented that Cramer deserves a chance to do a good job and it is time to move forward.

PUBLIC COMMENT:

Dr. Davis said his recollection of the discussion concerning the outreach proposal was that it was connected to the budget meeting as Casalez stated.

Board chairman Cramer adjourned the February 23, 2021 meeting of the Humboldt County Hospital District Board of Trustees at 7:45 p.m.

APPROVED:

ATTEST:

Alicia Cramer, Board Chairman

Alicia Wogan, Executive Assistant