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**Board of Directors Regular Meeting Minutes
 August 27, 2019 4:00 pm**

The regular meeting of the Pondera Medical Center Board of Directors was held on Tuesday, August 27, 2019, at 4:00 pm, in the PMC Conference Room.

Those Board Members in attendance were as follows:

Bernard Ries, Chairman	Debbie Sturm, Secretary	Darby Donovan
Craig Ostman, Vice Chairman	Brent Gaylord	
Janice Hoppes, Treasurer	Jim Morren	

Absent or Excused: Chris Sullivan

Administration and Staff of PMC:

Bill O'Leary, CEO	Rebecca Farr, Human Resources
Laura Erickson, CNO	Cynthia Grubb, Director EP
Tom Klotz, Nursing Home Administrator	Casey Rasmussen, Marketing Specialist
Julia Drishinski, Director Infection Prevention/QA	Lori Fletcher, Executive Assistant
Cynthia Grubb, Director EP/Safety/RHC Manager	Jaynie Gollehon, Credentialing Coordinator
Brenda Ries, Director of Finance	

Public Guests: There were none.

Bernard Ries, Chairman, called the meeting to order at 4:02 pm

MEETING CALLED TO ORDER

AGENDA ITEM	DISCUSSION	MOTIONS/ACTION
Public Comment	Bernard called for Public Comment. There was none.	
Approval of Agenda	Bernard asked if there were any changes or additions to the agenda. Requests to add the names of the Resolutions under Finance report, Remove Quarterly Compliance Report from Executive Session and add Discussion of Facility Construction Projects under Financial Report. Bernard called for a motion.	Mr. Gaylord made a motion to approve the agenda with amendments; Mr. Ostman seconded. Motion passed.
2nd Quarter IP/QA Report	<p>Julia presented the second quarter report, noting monitoring projects including a new linen management audit. Julia shared statistics from the quality improvement activity under the Medicare Rural Hospital Flexibility (<i>Flex</i>) grant required under the Medicare Beneficiary Quality Improvement Project (<i>MBQIP</i>). Monitoring continues throughout all departments in order to provide continuing quality care. Overall, the facility ranks very high in quality statistics when compared to other facilities in Montana.</p> <p>The facility will participate in a cardiac care project which will feature an interactive simulation. The patient-family advisory committee is moving forward and will provide valuable quality feedback to the facility. Julia serves on the State Quality Counsel which</p>	

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	<p>provides networking among professionals in the profession. Julia has received more quality education and looks forward to making new changes to the quality program to better serve our facility.</p> <p>In the area of Infection Prevention, the Service Master housekeeping transition has been of benefit to the facility, and the company is advertising for additional employees. Julia serves on the Montana Association for Professionals in Infection Control and attended the national association meeting, at the expense of the Montana Chapter as Julia will serve as the Montana Chapter President in the coming year.</p>	
<p>Consent Agenda</p> <ul style="list-style-type: none"> • Approval of the Minutes from the Regular meeting held on 07-23-19 - • Approval of the Minutes from the Executive Session held on 07-23-19 	<p>Bernard asked if there were any changes to the minutes from the Regular meeting held on 07-23-19. There were none. Bernard called for a motion.</p> <p>Bernard asked if there were any changes to the minutes from the Executive Session held on 07-23-2019. There were none. Bernard called for a motion.</p>	<p>Mr. Morren made a motion to approve the minutes from the Regular meeting held on 07-23-19; Mr. Ostman seconded. Motion passed.</p> <p>Mr. Donovan made a motion to approve the minutes from the Executive Session held on 07-23-2019; Mr. Morren seconded. Motion passed.</p>
<p>Rural Health Clinic Evaluation and Critical Access Hospital (CAH) Annual Review</p>	<p>Laura presented a review of the annual CAH Review noting recruitment and retention efforts along with hiring Heather Johns, DNP, for the Rural Health Clinic. Laura acknowledged ongoing goals to develop system streamlining in all department policies and procedures, updating security cameras for the entire facility, IT disaster recovery plan, employee performance reviews, and response to the community assessment surveys.</p> <p>Cynthia discussed efforts at the Clinic for improved customer service, chart completeness and organization, and patient survey responses. Ongoing monitors are in place and will continue.</p>	<p>Laura will send the CAH Review to the Board.</p> <p>Cynthia will send out the RHC Evaluation to the Board.</p>
<p>Finance Report</p> <ul style="list-style-type: none"> • Draft Audit – Financials 	<ul style="list-style-type: none"> • John Hauck, CPA & Senior Manager, with Eide Baily, LLP, (participating by telephone) reviewed the draft audit report and answered questions from the Board. The facility received an excellent audit. Brent made a motion to approve the draft audit. <p>Brenda reviewed the July financials as follows:</p> <ul style="list-style-type: none"> • Total patient revenues for July were below budget \$187k (13%). When compared to the prior year, total patient revenues are \$305k lower (19%). • Inpatient revenue which includes swing bed trailed prior year by \$42k (32%). • Outpatient revenue trailed prior year by \$197k (25%) • Emergency department revenue trailed prior year by \$73k (20%) 	<p>Mr. Ostman seconded. Motion passed.</p>

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	<ul style="list-style-type: none"> • Extended care revenue surpassed prior year by \$7k (2%). • For the month, the decrease in inpatient revenue is due to a decrease in both inpatient and swing bed days. The decrease in outpatient revenue was mixed with the largest decreases in MRI (52%), echos, surgery, and ED visits (33%), occupational therapy (25%) and CT (21%). • Outpatient services with increases were mammography, physical therapy, speech therapy, respiratory therapy and home health. • For the year, total patient revenue trails budget by \$936k (9%). When compared to prior year, patient revenues have decreased \$427k (4%). • Inpatient revenues have decreased \$157k (20%), • Outpatient revenues have decreased \$630k (13%). • Emergency room revenue has increased \$154k (8%) • Extended care revenues have increased \$206k (10%). • For the year, the largest decreases in outpatient revenue are in sleep studies (67%), occupational therapy (27%), MRI (25%) and mammography (16%). <p><u>Expenses:</u></p> <ul style="list-style-type: none"> • Total operating expenses for July were over budget \$15k (1%). <ul style="list-style-type: none"> ➤ Professional fees were over budget \$75k; which can be attributed to contract staffing in extended care and laboratory. • When compared to prior year, total operating expenses for July were \$41k (3%) higher. For the year, total operating expenses are \$131k (2%) under budget. When compared to prior year, total operating expenses have increased \$545k (7%). <p><u>Total Impact:</u></p> <ul style="list-style-type: none"> • For the month of July, our net loss was \$197k and our net loss from operations was \$207k. For the year, our net loss is \$650k and our net loss from operations is \$742k. • Earnings before interest, depreciation and amortization (EBIDA) was -15% for July which is below our goal of 15%. In July 2018 our EBIDA was 16%. For the year, EBIDA is -5% compared to 8% in 2018. • In July our cash balance decreased \$67k. • Accounts payable decreased \$64k and notes payable decreased \$24k. • Net accounts receivable decreased \$13k, which equals the estimated cash value of our accounts receivable. • Days cash on hand were 53 compared to 50 in July 2018; • Days in accounts payable were 38 compared to 38 in the prior year. 	

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<ul style="list-style-type: none"> • Resolution #84-082019-16 – Virtual Circuit IT Monitoring & Managed Services • Resolution #84-082019-17 – Virtual Circuit IT Projects • Discussion of Facility Construction 	<p>We received the bed tax in July; as well as payables from Medicare and Medicaid.</p> <p>Brenda reviewed a spreadsheet with the group that had been developed to determine our financial standing and possibilities for meeting our financial obligations over the next several months.</p> <p>Following discussion, Bernard called for a motion to approve the Finance Report.</p> <p>Mr. O’Leary explained the need for and benefits of the Virtual Circuit IT Monitoring & Managed Services for \$3,256 per month plus hourly charges. The group discussed. Bill asked for approval.</p> <p>Mr. O’Leary explained the need for engaging Virtual Circuit IT to complete PCI Compliance process and to replace the Microsoft Windows Server, the Microsoft Exchange Server, the Terminal Server and the Firewall and hardware rack for \$75,604.42 and to obtain financing for the projects. The group discussed. Bernard called for a motion.</p> <p>In early August, Jim, Craig and Bill met on-site with personnel from Ace Engineering, for a walk-through and assessment of the needs of the facility, most specifically boiler and generator replacement. It is anticipated the engineering report will be available for the September Board meeting.</p>	<p>Ms. Hoppes made a motion to approve the Finance Report; Mr. Donovan seconded. Motion passed.</p> <p>Ms. Hoppes made a motion to approve Resolution #84-08201-16; Mr. Ries seconded. Motion passed.</p> <p>Mr. Gaylord made a motion to approve Resolution #84-08201-17; Ms. Sturm seconded. Motion passed.</p>
<p>Pondera Health Care Foundation Report</p>	<p>Darby reported the following:</p> <ul style="list-style-type: none"> • The walking path is quickly nearing completion. The Foundation continues fundraising efforts to complete the path, and the “100 for a \$1,000” campaign to establish a permanent funding source for projects. 	
<p>CEO Report</p>	<p>Bill reported on the following:</p> <ul style="list-style-type: none"> • There will be a Healthcare Fraud and Abuse Webinar on August 28th at noon in the main conference room. • The 340B re-certification for the pharmacy has been submitted. • The State Survey for Long Term Care was completed August 5th-8th. • The Fire Life Survey was completed August 7th and follow-up plan of correction has been submitted. • There is a need for a storage shed for plant operations’ equipment as well as other items. Following discussion with the Board, a decision will be made at the September meeting. • The PMC Health Fair will be held on Wednesday, October 9th. 	

AGENDA ITEM	DISCUSSION	MOTIONS/ACTION
Adjournment	Bernard called for a motion to adjourn the public meeting at 6:14 pm.	Mr. Gaylord made a motion to adjourn; Mr. Ostman seconded. Motion passed.

Approved by:



Bernard Ries, Chairman of the Board

or

Craig Ostman, Vice-Chairman of the Board



Debbie Sturm, Secretary of the Board

09/24/2019

Date