

**SOUTHWEST HEALTH SYSTEM, INC.
BOARD REGULAR MEETING MINUTES
EMS Training Room – Hospital Campus
October 24, 2018**

Present:

Also Present:

Excused:

Paul Deshayes, Chairperson	John Brooks, SHS Attorney		
Scott Steeves, Vice-Chairperson	Aaron Brooks, SHS Attorney		
Tom Rice, SHS Scty/Treas	Maria Cornelius, MD Chief of Staff		
Terry Cook, DPM, SHS Director	Tony Sudduth, Interim CEO		
Steve Fusco, SHS Director	Bridgett Jabour, Exec. Asst.		
Dan Valverde, SHS Director	Tod Beasley, CHC Sr. VP Hosp Oper.		
	Rick Shrader, Interim CFO		
	Kerri White, Interim CNO		

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Call to order	SHS Chairperson Paul Deshayes called the meeting to order at 6:02 pm.		
Public Comment/Introductions	Approximately 20+ members of the public including some SHS employees were present, though only one gave public comment: Chuck McAfee advised that he had previously been a member of the SHS Board and the following are his recommendations for improvement, including Board development, real or perceived conflict of interest among of Board members, Board education, review of operational reporting, and proactive communication with the community. Mr. McAfee offered to visit with the Board after the meeting should they be interested in discussing further.		
Changes/Additions to Agenda	None.		
REPORTS			
MCHD	MCHD Chairperson Brad Wayt advised of the following: <ul style="list-style-type: none"> • MCHD 2019 Budget is being reviewed by the MCHD Board. 		

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	<ul style="list-style-type: none"> • Legal counsels of both Boards are working on a process to allow the Boards to meet jointly each month. • MCHD has agreed to forego their request for reimbursement to the Banking syndicate with remaining funds of the construction project to the meet the forbearance terms negotiated. The SHS Board asked Mr. Wayt to thank the MCHD Board for their continued flexibility in working on the forbearance. • Mr. Wayt advised that the MCHD Board is looking forward to working with the SHS Board on updating and modifying the lease to make it more palatable to both Boards. 		
CHC Report	Community Hospital Consulting (CHC) Senior VP Tod Beasley reviewed CHC's work with the SHS team in Revenue Cycle, Clinical Informatics IT, and Materials Management supply chain discounts related to the transition to HPG for group purchasing. CHC will continue this level of support to improve hospital operations as long as it is needed. Mr. Beasley is working with newly-hired Interim CFO Rick Shrader.	CHC will continue to report monthly on the improvements and status of the Action Plan implemented this summer.	
CEO Report <ul style="list-style-type: none"> • Operations 	Interim CEO Tony Sudduth reviewed continued work in operations including: <ul style="list-style-type: none"> • Senior Leadership is preparing the 2019 Business Plan in collaboration with CHC. The Business Plan will be presented to the Board at the December meeting. • The Medical Staff Development Plan has been prepared by CHC and a shortage of family practice providers has been identified. To alleviate some of the burden, potential locum tenens providers have been identified to help fill the gaps. • The permanent CNO Karen Labonte will be on-site beginning December 3rd. 		

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<ul style="list-style-type: none"> Financials 	<ul style="list-style-type: none"> Mr. Sudduth introduced the Board to Interim CFO Rick Shrader who gave the September financial report. <p>Interim CFO Rick Shrader was introduced to the Board. Mr. Shrader reviewed the September Financials.</p> <ul style="list-style-type: none"> Gross Patient Revenue (GPR) for September was \$9.19 million and YTD GPR is up almost 3% over last year. Although the trended Monthly Operating Report shows a YTD negative bottom line, SHS has had a positive bottom line for the last 3 months. Days cash on hand is 16.3 days due to paying down accounts payable. It is now \$2.4 million, down by \$1.1 million from the previous month. Mr. Shrader is working on numerous initiatives in revenue cycle to improve cash, supply chain, billing processes, implementing a denials committee, statement clean-up and patient access. <p>The 990 (attached) is being corrected to have Rick Shrader as interim CFO and corrected volunteer hours for directors.</p>	<p>It was moved and seconded to approve the September 2018 Financials as recommended by the Finance Committee. Motion carried.</p>	
Other			
Executive Session	All but the SHS Board, Mr. Sudduth, Ms. Jabour, Mr. Shrader and SHS Attorneys John and Aaron Brooks were excused.	It was moved and seconded to adjourn to executive session at 6:49 pm. Motion carried.	
Reconvene Regular Session		It was moved and seconded to reconvene regular session at 9:02 pm. Motion carried.	
ACTION ITEMS	<p>September 26, 2018 Executive Session Meeting Minutes</p> <p>2017 Audit Authorization</p>	<p>It was moved and seconded to approve Executive Session minutes as presented. Motion carried.</p> <p>It was moved and seconded to authorize the Executive Committee after review by John Brooks, legal</p>	

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	<p>990 Authorization to Sign</p> <p>Resolution 2018-07</p> <p>Resolution 2018-08</p>	<p>counsel to adopt and authorize the 2017 Audit once finalized after Forbearance Approval by all parties. MOTION: Dr. Cook SECOND: Mr. Rice Motion carried.</p> <p>It was moved and seconded to approve Tony Sudduth to sign the 990 when updated version is received from Eide Bailly. MOTION: Dr. Cook SECOND: Mr. Steeves Motion carried.</p> <p>Resolution 2018-07 was offered by Mr. Steeves to the Board for consideration. It was moved and seconded to approve Resolution 2018-07 to amending 2016 Bond Documents the “Plans and Specifications related to the Continuing Covenant Agreement. MOTION: Mr. Steeves SECOND: Dr. Cook Mr. Deshayes abstained from the vote. Motion carried by the remainder.</p> <p>Resolution 2018-08 was offered by Mr. Rice to the Board for consideration. It was moved and seconded to approve Resolution 2018-08 approving the Forbearance Agreement to be signed by Mr. Steeves and Mr. Rice amending the 2016 Bond</p>	

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		<p>Documents the related to the Continuing Covenant Agreement. MOTION: Mr. Rice SECOND: Mr. Steeves Mr. Deshayes abstained from the vote. Motion carried by the remainder.</p> <p>It was moved and seconded to approve the provider contracts as presented. MOTION: Mr. Rice SECOND: Dr. Cook Motion carried.</p>	
Other	It was noted that an electronic vote of 1 st Amendment to Jeni Lovett, NP contract and 2nd Shawna Frost, NP contract was approved by Board electronic vote on October 18, 2018.		
Adjournment		It was moved and seconded to adjourn the meeting at 9:18 p.m. Motion carried.	

Respectfully submitted:

Paul Deshayes, SHS Chairperson

Tom Rice, SHS Secretary/Treasurer