

**SOUTHWEST HEALTH SYSTEM, INC.
REGULAR BOARD MEETING MINUTES
August 28, 2019**

Present:

Also Present:

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Tom Rice, Chairperson	Aaron Brooks, SHS Attorney	Jeremy Adair, Chief Compliance Officer
Shirley Jones, Director	John Brooks, SHS Attorney	Laurie Breedlove, CHC VP Human Resources
Susan Hodgdon, Director	Rick Shrader, CFO-Interim	Jim Kendrick, CHC CEO
Cody Burke, CRNA, Vice-Chairperson	Bridgett Jabour, Exec. Asst./Marketing Lead	Chris Alvarez, SHS Patient Access Director
Dan Valverde, Scty/Treas	Elva Morgan, SHS Interim Practice Administrator	Lisa Gates, Surgical Services Director
Ex Officio Members:	Brad Wayt, MCHD Chair	Lindsay Yeager, Sleep/Community Relations
Tony Sudduth, CEO	Karen Labonte, CNO	Rob Owens, Plant Ops Director
Maria Cornelius, MD – Chief of Staff	Travis Parker, CHRO	

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Call to order	SHS Chairperson Tom Rice called the meeting to order at 5:06 pm.		
Public Comment/Introductions	Newly-hired SHS Chief Compliance Officer Jeremy Adair was introduced to the Board and those in attendance.		
Changes/Additions to Agenda	None.		
REPORTS			
CHC Report	<p>CHC CEO Jim Kendrick was introduced to the Board. He complimented the Board’s support of the changes necessary last year and the dramatic improvement over the last year.</p> <p>CHC VP of Human Resources Laurie Breedlove provided the CHC Report to the Board:</p> <ul style="list-style-type: none"> • CHC continues to provide leadership and oversight of financials and productivity program. • Clinical and Quality support is directed to CNO Karen Labonte. 		
MCHD Report	MCHD Chairperson Brad Wayt updated the Board: The Facilities Committee is looking into adding space to the Mancos clinic as well as a few small repairs. The Board continues to review pros and cons of Performance Contracting.		

	Rob Dobry will spearhead additional review of the options available.		
HR Report	<p>SHS CHRO Travis Parker reviewed the quarterly HR report with the Board:</p> <ul style="list-style-type: none"> • Total number of active employees: 394 (317 FTE) • Total number of providers: 34 Phys/11 NP & PA's • Turnover Rate excluding PRN: 11.78% • Mr. Parker is conducting his annual salary survey to ensure pay is average. • Mr. Parker is working to start coordination to implement Just Culture at SHS. More to follow in the coming months. 		
Quality Reports	<p>SHS CNO Karen Labonte presented the policies provided at the July Board meeting for Board approval and gave a verbal report highlighted as follows: Pt Safety and Environmental Committees combined and completed safety rounds. In addition, directors will be rounding on each other's departments. Active shooter drills have been completed in the clinics. Work continues to provide nitrous oxide for pain management for patients in labor and could potentially be used in wound care and radiology. Immediate use sterilization is 2.8%. SHS is looking at baby-friendly certification in 2020. Created a scorecard for OB measures for HTP and HQIP. Patient Satisfaction moving from PRC (calls) to NRC (mail-out). They do employee and physician satisfaction and NRC has a great trending tool. The Quality Director position has been posted internally. Working through applications. Ms. Labonte is working on the Suicide Prevention policy collaborating with other local agencies as last year had a high amount of teen suicides. The team is also working closely with schools. The team is coordinating with Durango School's program, as it is very robust.</p>	<p>It was moved and seconded to approve the policies as presented. MOTION: Mr. Burke SECOND: Mr. Valverde Motion carried.</p>	
Finance/CFO Report • July Financials	<p>SHS Interim CFO Rick Shrader reviewed July Financials (enclosed), Financial Narrative, and year-to-date trends:</p>	<p>It was moved and seconded to approve the July 2019 Financials as recommended by Finance Committee.</p>	

	<ul style="list-style-type: none"> • Cash collections in July were \$6.2M. The sale of Market Street yielded \$617,000. • Accounts Payable is under 30 days, partly due to agreements made with pharmaceutical supplier to pay every 15 days due to credit issues stemming from last year's financial challenges. • Gross AR decreased by \$990,000. • Mr. Shrader reviewed the cash goals through the end of 2019 and June of 2020 to meet forbearance requirements. • Earnings for July was \$309,000 and Year-to-Date is \$1.65M. • EBIDA for July was \$843,000 and Year-to-Date is \$5.22M. • Net Patient Revenue was overbudget by \$886,000. 	<p>MOTION: Mr. Valverde SECOND: Ms. Jones Motion carried.</p>	
<p>CEO Report</p> <ul style="list-style-type: none"> • Compliance Officer Appointment - Jeremy Adair 	<p>SHS CEO Tony Sudduth reviewed the appointment of Jeremy Adair as Chief Compliance Officer of Southwest Health System.</p> <p>Mr. Sudduth gave a verbal report on operational updates: Work to bring on Ortho and General Surgery, and potential OB coverage is in the planning process. Practices affected are meeting with RPM, and a start date for the practices and call coverage is estimated to be mid to late October.</p> <p>Dr. Charlotte Barry, MD should be starting in September. She'll be seeing patients at the Mancos Clinic.</p> <p>Mr. Sudduth advised that the Community Appreciation Cookout is scheduled for September 12th from 4-7 pm. AirCare, Cortez Fire, and Cortez Police are attending as special guests. There will be a bounce house, street tacos, shaved ice, games, prizes, and live music.</p> <p>The 11-month walkthrough of the new facilities went smoothly.</p> <p>The RTU-1 unit planning was reviewed. A meeting with Davis and SSR on RTU-1 is on September 9th – Facilities Committee will be attending.</p>	<p>It was moved and seconded to approve appointment of Jeremy Adair as Chief Compliance Officer.</p> <p>MOTION: Mr. Burke SECOND: Ms. Hodgdon Motion carried.</p>	

	<p>RTU-3 unit over lab went down while Trane was performing repairs. An investigation is being conducted to determine the cause.</p> <p>Mr. Sudduth reported that Senior Leadership and Directors are working on the 2020 Budget to be presented to the Board in October, aligning it with the 2020 Business Plan prepared and pending CHC approval.</p> <p>The Community Health Needs Assessment (CHNA), prepared by CHC has just been presented to SHS. They've made a few corrections, and it will also be reported to the Board at September or October Board meeting.</p> <p>The awards ceremony for Jodi Harris' presentation of the Dan Wilford Award had over 80 attendees. It was a wonderful time, there was great food, and it was very well-deserved.</p> <p>Mr. Sudduth and Mr. Shrader attended a stakeholder meeting in Durango with the Executive Director of Colorado Medicaid, essentially wanting to discuss any thoughts and ideas on how to lower everyone's insurance cost but not affect the system and level of care. This initiative is based on 2 house bills that passed legislation this year.</p>		
Approval of Minutes	<p>July 24, 2019 Public Forum Meeting Minutes July 24, 2019 Regular Meeting Minutes</p>	<p>It was moved and seconded to approve the meeting minutes as presented. MOTION: Mr. Burke SECOND: Ms. Hodgdon Motion carried.</p>	
Break	<p>All were excused for Exec Session except the SHS Board, Ms. Jabour, Aaron Brooks, Mr. Kendrick, Ms. Breedlove, and all Senior Leaders in attendance. The group took a break from 6:26 – 6:45 pm.</p>		
Executive Session		<p>It was moved and seconded to adjourn to executive session at 6:45pm. Motion carried.</p>	
Reconvene Regular Session		<p>It was moved and seconded to reconvene regular session at 9:10 pm. Motion carried.</p>	

ACTION ITEMS	July 24, 2019 Executive Session Meeting Minutes	It was moved and seconded to approve Executive Session minutes as presented. MOTION: Ms. Jones SECOND: Ms. Valverde Motion carried.	
Adjournment		It was moved and seconded to adjourn the meeting at 9:12 pm. Motion carried.	

Respectfully submitted:

Tom Rice, Chairperson

Dan Valverde, Secretary/Treasurer