

**SOUTHWEST HEALTH SYSTEM, INC.**  
**SHS BOARD MEETING MINUTES**  
**Kiva Room at Southwest Memorial Hospital**  
**September 27, 2023**

<b><u>Present - Quorum</u></b>	<b><u>Also Present</u></b>	<b><u>Also Present</u></b>
Shirley Jones, Chairperson	Shelle Diehm, Interim CFO	Kay Marantette, CHC
Dan Valverde, Director	Bridgett Jabour, Minutes Recorder	Caitlin DeCrow Compliance Manager
Sean Killoy, Secretary/Treasurer	Robert Dobry, MCHD Scty/Treasurer	Erin Schmitt, DO and husband Phil
	Joe Thomason, CHC SVP Operations	Mary Dodd
<b><u>Ex-Officio Board Members:</u></b>	Charles Krupa, CIO	Abby Nuetzel
Joeseeph Theine CEO	Aaron Brooks, SHS Attorney	Brenton Wright, Rehab Department Director
Kevin Matteson, MD Chief of Staff	John Brooks, SHS Attorney	<b><u>Excused/Absent</u></b>
	Lisa Gates, CNO	Susan Hodgdon, SHS Vice Chairperson
	Erik Lambert, SHS Quality/Risk Manager	
	Travis Parker, CHRO	

<b>Agenda Item/Topic</b>	<b>Findings and Discussions</b>	<b>Conclusions, Recommendations, Actions, and/or Motions</b>	<b>Follow-up Responsible Party</b>
<b>Called to order.</b>		The SHS Board meeting was called to order at 5:04pm. by Shirley Jones.	
<b>Public Comment/Introductions</b>	No comments were given during this time.		
<b>Changes/Addition to Agenda</b>	There were no changes or additions to the agenda.		
<b><u>Reports</u></b>			
<b><u>MCHD Report</u></b>	MCHD Secretary/Treasurer Robert Dobry advised that MCHD is pleased with the finalized reamortization schedule and looks forward to the completion of the glycol project. Mr. Dobry is the representative from MCHD to the nominating committee and attended the meeting last night and is looking forward to the process.		
<b><u>Foundation Report</u></b>	Southwest Memorial Hospital Foundation Chair Abby Nuetzel advised that the Foundation currently has 4 members. The Board is working to add to this amount and also developing fundraising opportunities.		

	The Foundation has collected \$7,421 in donations in 2023 and disbursed \$5,000 in 5 \$1,000 grants to local cancer awards to applicants		
<b><u>CHC Report</u></b>	<p>Kay Marantette of CHC's Clinical Quality Team presented (enclosed) to the Board how the Star Rating through CMS is calculated. Highlights include:</p> <ul style="list-style-type: none"> <li>• Much of the data utilized for rating can be 2+ years old, so not a current picture of performance in some measures.</li> <li>• The measures have many variables and standardizing, scoring and grouping can affect each hospital's score significantly.</li> </ul> <p>CHC SVP Joe Thomason reviewed the enclosed report and advised that the business plan for 2024 is underway. CHC continues to recruit for a permanent CFO for SHS. There are three candidates coming to interview at CHC corporate office. If they pass the initial screening, on-site interviews will be scheduled.</p> <p>Judy McClain, VP of Finance will be covering for Shelle Diehm, Interim CFO at SHS, while she's on vacation.</p> <p>SHS maintains top tier purchasing compliance through HPG. This is lead by SHS Materials Manager Ethan Schwartz.</p>		
<b><u>CIO Report</u></b>	Chuck Krupa, CIO updated the Board on Infrastructure, Operations and IS as an Asset. IS continues to implement clinical workflow optimization, review of operations and cyber risk analysis.		
<b><u>CNO Report</u></b>	Lisa Gates, CNO thanked Kay for report regarding CMS Star Rating. The timing is impeccable as Ms. Gates' report this month is regarding the CMS score updated in July of 2023. It came to our attention that the data utilized by CMS to rate SHS for 2023 was not accurate. Due to some validation issues with the data reported to CMS, SHS's star rating has lowered from a 3 star rating to a 1 star rating. Again, this is due to incorrect data utilized to rate SHS. Ms. Gates has put in a request for an audit of data to correct, but it is most likely not something that CMS will address prior to the next year's rating. There are many issues with this rating as noted by Ms. Marantette that do not accurately reflect the quality and safety of care. This is especially true this rating season for SHS.		

	<p>SHS held a mock Mass Casualty Incident (MCI) Drill. SHS emergency planning and mock incidents help ensure all staff and multidisciplinary teams maintain high level response and communications amongst all emergency management components including police, fire and EMS.</p> <p>Ms. Gates reviewed the HQIP (Hospital Quality Incentive Program) payment totals since its inception. This is under the Colorado Hospital Transformation Project which has incentives to improve care coordination, behavioral health, opioid management and social determinants of health. SHS's payment more than doubled from 2021 to 2022, totaling \$736,465 in 2022.</p> <p>Ms. Gates reviewed the enclosed report regarding the development of the Rehab Department over the last year, including the increase in swing bed usage which is possible due to increased care available through Rehab that was previously done through our nursing home partners in the community. These services are now being done in-house.</p>		
<p><b><u>CEO Report</u></b></p> <ul style="list-style-type: none"> <li>• <b><u>August 2023 Financials</u></b></li> </ul>	<p>Interim CFO Shelle Diehm reviewed the enclosed finance reports, including volumes, utilization statistics, and stats.</p> <ul style="list-style-type: none"> <li>• August EBIDA is \$903k; Year-to-Date is \$3.9M.</li> <li>• Days cash on hand calculations have been updated under the new bond covenant calculations, including restricted funds. August ended days' cash at 84 with the new formula.</li> <li>• Review of statement of cash flows, balance sheet, ops analysis.</li> <li>• Capital reserve total at \$715K as of 8/31/23.</li> </ul> <p>Ms. Diehm is pulling together data for the bank syndicate regarding days cash level without COVID cash infusion to get a long-term, accurate look at what an appropriate days' cash threshold should be for a rural facility of this size. The goal is to finalize this by year-end.</p>	<p>It was moved and seconded to approve the August 2023 financials as recommended by the Finance Committee.</p> <p>MOTION: Dan Valverde SECOND: Sean Killoy Motion carried.</p> <p>The Finance Committee reviewed the Investment Policy, no changes recommended.</p>	
<b>CEO Report</b>	<p>SHS CEO Joe Theine reviewed his enclosed report.</p> <ul style="list-style-type: none"> <li>• Overview of the national challenges in healthcare including workforce shortages, staff turnover and how it compares to SHS's turnover.</li> <li>• Reforms pressure through legislation at the state and federal level add burdens to healthcare providers.</li> </ul>		

	<ul style="list-style-type: none"> <li>• Mr. Theine reviewed recruiting efforts including on-site visits from a Family Medicine candidate and Internal Medicine Candidate. Talks are underway for 2 couples, each Family Practice with OB and ER Physician. These candidates are in residency and would be looking to build their practices beginning in the summer of 2025.</li> <li>• The work of the recruitment task force and involvement of the community in recruiting efforts under the coordination and organization of SHS Marketing Coordinator Jaycee Hart was extremely well-received by the most recent Family Medicine candidate. She is so impressed, that a letter of intent is being prepared as she's communicated she may not be looking anywhere else after this visit.</li> <li>• A regionally-local hospitalist has expressed interest in joining our hospitalist program.</li> </ul>		
<b>Practice Administrator Report</b>	Gene Miller, Interim Practice Administrator updated the Board that this coming Friday, September 1 <sup>st</sup> will be his last day. The clinic visits went up from 188 in May to 523 in August. The waiting list to get into a provider has decreased. September 1st is Dr. Richard's last day, Rebecca Moore is a new locums practicing in Internal Medicine. Ali Umberger resigned from the clinics. Mr. Miller gave his thank you to the Medical Staff and "Friends of The Hospital".	A motion was made and seconded to approve Catilin De Crow as Compliance Manager. MOTION: Dan Valverde SECOND: Susan Hodgdon Motion carried.	
<b>Nominating Committee Report</b>	SHS Chair Shirley Jones appointed Sean Killoy as Nominating Committee Chairperson. Mr. Killoy advised that Nominating Committee met yesterday evening and have developed a plan to complete interviews and communications with those candidates who expressed interest in joining the SHS. The committee will review qualifications of six candidates and recommend 3 with one alternate at the October Board meeting for board review/action. There was discussion about the advantages of changing the bylaws to allow for an additional 2 board members in depth and ability to fill committee seats with more members.	Mr. John Brooks will review and prepare a draft for board consideration	Mr. Brooks
<b>Adjourned Meeting in to break before entering Executive Session</b>	The meeting was adjourned for a break before entering executive session at 6:42 pm.	A motion was made and seconded to adjourn the regular session at 6:42 pm Motion carried.	

<b>Reconvene Regular Session</b>	Regular session was reconvened at 8:51 pm	Regular session reconvened at 8:51 pm. A motion was made and seconded to reenter regular session. MOTION: Dan Valverde SECOND: Sean Killoy Motion carried.	
<b>Action Items:</b> <ul style="list-style-type: none"> <li>• <b>Approval of August Regular Meeting Minutes</b></li> <li>• <b>CHC Invoice</b></li> </ul> <b>Executive Session Items:</b> <ul style="list-style-type: none"> <li>• <b>August Minutes</b></li> </ul> <b>Contracts:</b> <ul style="list-style-type: none"> <li>• <b>Tibor Mojzis, MD 1<sup>st</sup> Amendment</b></li> <li>• <b>Jeff Tarpey, MD 2<sup>nd</sup> Independent Agreement</b></li> </ul>		A motion was made and seconded to approve the August minutes as presented. MOTION: Dan Valverde SECOND: Sean Killoy Motion carried.  A motion was made and seconded to approve the CHC invoices as recommended by the Finance Committee. MOTION: Sean Killoy SECOND: Dan Valverde Motion carried.  A motion was made and seconded to approve the August Executive Session minutes. MOTION: Dan Valverde SECOND: Sean Killoy Motion carried.  A motion was made and seconded to approve the Mojzis First Amendment to Physician Employment Contract. MOTION: Dan Valverde SECOND: Sean Killoy Motion carried.  A motion was made and seconded to approve the 2 <sup>nd</sup> Physician Agreement for	

<ul style="list-style-type: none"> <li>• <b>J. Gero, MD 1<sup>st</sup> Amendment</b></li> <li>• <b>Richard Professional Services Agreement</b></li> </ul> <p><b>Borrower's Representative Form – Vectra/Zions</b></p> <p><b>MEC Recommendations</b></p> <p><b>New Providers</b></p> <ul style="list-style-type: none"> <li>• <b>John Wallace, CRNA</b></li> </ul>		<p>Jeff Tarpey, MD.  MOTION: Sean Killoy  SECOND: Dan Valverde  Motion carried.</p> <p>A motion was made and seconded to approve the 1st Amendment to physician contract of Jennifer Gero, MD.  MOTION: Dan Valverde  SECOND: Sean Killoy  Motion carried.</p> <p>A motion was made and seconded to approve the Independent Professional Services Agreement of Robin Richard, MD.  MOTION: Sean Killoy  SECOND: Dan Valverde  Motion carried.</p> <p>It was moved and seconded to appoint the Executive Committee as signers of the Borrower's Representative Form for all business with Vectra/Zions.  MOTION: Dan Valverde  SECOND: Sean Killoy  Motion carried.</p> <p>A motion was made and seconded to approve the core privileges as recommended by the Medical Executive Committee of John Wallace, CRNA.  MOTION: Dan Valverde  SECOND: Sean Killoy  Motion carried.</p>	
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<ul style="list-style-type: none"> <li>• <b>Steven Malarchick, NP -Emerg Med</b></li> </ul> <p><b>Resignations</b></p> <ul style="list-style-type: none"> <li>• <b>Sara Malka, MD – Emerg Med</b></li> <li>• <b>Chrystal Irwin-Warren, DO – Emerg Med</b></li> <li>• <b>Abbas Syed, DO – General Surgery</b></li> <li>• <b>Riane Teagarden, DPM - Podiatry</b></li> </ul>		<p>A motion was made and seconded to approve the privileges listed on the September 2023 MEC report of Stephen Malarchick, NP as recommended by the MEC Committee. MOTION: Dan Valverde SECOND: Sean Killoy Motion carried.</p> <p>A motion was made and seconded to approve the resignation of Sara Malka, MD as recommended by the MEC Committee as of 11/30/23. MOTION: Sean Killoy SECOND: Dan Valverde Motion carried.</p> <p>A motion was made and seconded to approve the resignation of Chrystal Irwin-Warren, DO as recommended by the MEC Committee as of 11/30/2023. MOTION: Sean Killoy SECOND: Dan Valverde Motion carried.</p> <p>A motion was made and seconded to approve the resignation of Abbas Syed, DO as recommended by the MEC Committee as of 10/31/2023. MOTION: Dan Valverde SECOND: Sean Killoy Motion carried.</p> <p>A motion was made and seconded to approve the resignation of Riane Teagarden, DPM as recommended by the MEC Committee as of 9/7/23. MOTION: Sean Killoy SECOND: Dan Valverde</p>	
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<p><b>Reappointments</b></p> <ul style="list-style-type: none"> <li>• <b>Erin Schmitt, DO – OB/GYN</b></li> <li>• <b>Rachel Chaney-Roberts, MD - Cardiology</b></li> <li>• <b>Jessica Kaplan, DO -OB/GYN</b></li> <li>• <b>Timothy O’Brien, CPO - Orthotics</b></li> <li>• <b>Tibor Mojzis, MD – Internal Medicine</b></li> </ul>		<p>Motion carried.</p> <p>A motion was made and seconded to approve the reappointment of Erin Schmitt, DO as recommended by the MEC Committee with privileges stated on the September 2023 MEC report. MOTION: Dan Valverde SECOND: Sean Killoy Motion carried.</p> <p>A motion was made and seconded to approve the reappointment of Rachel Chaney-Roberts, MD as recommended by the MEC Committee with privileges stated on the September 2023 MEC report. MOTION: Dan Valverde SECOND: Sean Killoy Motion carried.</p> <p>A motion was made and seconded to approve the reappointment of Jessica Kaplan, DO as recommended by the MEC Committee with privileges stated on the September 2023 MEC report. MOTION: Sean Killoy SECOND: Dan Valverde Motion carried.</p> <p>A motion was made and seconded to approve the reappointment of Timothy O’Brien, CPO as recommended by the MEC Committee with privileges stated on the September 2023 MEC report. MOTION: Susan Hodgdon SECOND: Dan Valverde Motion carried.</p> <p>A motion was made and seconded to approve the reappointment of Tibor Mojzis, MD as recommended by the MEC</p>	
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<p><b>Other Business</b></p> <p><b>Rescind Resignation of Privileges for Robin Richard, MD</b></p> <p><b>Approval of Policies Presented by Medical Executive Committee</b></p>		<p>Committee with privileges stated on the September 2023 MEC report.  MOTION: Dan Valverde  SECOND: Sean Killoy  Motion carried.</p> <p>It was moved and seconded to rescind the Board's June 28, 2023 action as to the resignation of privileges effective September 9, 2023 for Dr. Robin Richard. Said privileges to hereby continue in effect.  MOTION: Dan Valverde  SECOND: Sean Killoy  Motion carried.</p> <p>It was moved and seconded to approve all MEC policies as presented and stated in the September 2023 Medical Executive Committee report.  MOTION: Sean Killoy  SECOND: Dan Valverde  Motion carried.</p>	
<p><b>Adjourn Regular Session</b></p>		<p>A motion was made and seconded to adjourn Regular Session at 8:57 pm.  MOTION: Dan Valverde  SECOND: Susan Hodgdon  Motion carried</p>	

Respectfully submitted:

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Shirley Jones, Chairperson

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Sean Killoy, Secretary/Treasurer