

# SOUTHERN INYO HEALTHCARE DISTRICT

## Regular Meeting of the Board of Directors Minutes

Date: Tuesday, August 13, 2019

Time: 4:30 p.m.

Location: RCA Church  
550 East Post St  
Lone Pine, CA 93545

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### AGENDA

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#### PRESENT

Jaque Hickman, President  
Charles Carson, Vice President  
Carma Roper, Secretary

#### ABSENT

Mark Lacey, Director

#### OTHERS

Peter Spiers, CEO  
Chet Beedle, Financial Consultant  
Scott Nave, Attorney  
Jeff Golden, Attorney

#### I. CALL TO ORDER

The meeting was called to order at 4:30 p.m.

**Secretary Roper moved to approve the August 13, 2019 Regular Board Meeting Agenda. Vice President Carson seconded. All approved.**

#### II. BUSINESS ITEMS

- A. Discussion regarding future of Southern Inyo Hospital facilities.  
(President/Attorney)

Attorney Nave introduced Jeff Golden, SIHD's Bankruptcy Attorney. Attorney Golden. Foley & Lardner was disqualified to represent SIHD and we needed to find a new bankruptcy counsel.

Attorney Jeff Golden provided overview and the next steps with the bankruptcy. There was a status conference about a month ago. There will be another status conference in October. The Judge is expecting SIHD to explain to him where we are in terms of the process of getting a plan on file.

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Attorney Nave added that the HCCA Mediation was scheduled for August 15<sup>th</sup> but it was rescheduled to Sept 11, 2019. Mediation is to see if they can resolve all of the claims between HCCA and the District.

**B. Consent Agenda:** These items are considered routine and non-controversial and will be approved by one motion. If a member of the Board or public wishes to discuss an item, it will be removed from Consent and considered separately at the end of Business Items.

**1. Approval of Medical Staff Privileges**

- a. Kevin Flanigan, MD, Clinic Physician and Hospitalist, Temporary 90 days Medical Staff Privileges
- b. Ronald Smith, MD, ER Physician, Extended Medical Staff Privileges
- c. Michael Dillon, MD, ER Physician, Two Years Medical Staff Privileges
- d. Eric Bradfield, SNF NP, Two Years Medical Staff Privileges
- e. Jasiri Kennedy, MD, ER Physician, Temporary 90 days Medical Staff Privileges.

**2. Approval of Contracts**

- a. Relias
- b. Ronald Smith, MD, ER Physician Agreement

**Action: Secretary Roper moved to approve the Medical Staff Privileges and the Contracts from the Consent agenda. Vice President seconded. All approved.**

**C. 2020 Annual Financial Budget and Staff Memo**

Chet reviewed the 2020 Annual Financial Budget which included the Payroll Parity Increase for employees and memo.

Payroll Two Part Plan- Take half of the increase approved for salaries which is 4% and make it a parity adjustment. Chet Beedle asked for a list of all the active employees with hire date, job class and salaries. Chet made a recommendation for an increase to all employees that qualify. Also figured into this, all managers qualifying under the existing IRS criteria of exempt from federal overtime statutes and the 2020 minimum wage requirement of \$13.00 an hour.

President Hickman stated to keep in mind that the idea is to periodically have Chet Beedle review. So that the payroll does not end up having big jumps and gaps. The parity is part of the process that we continue with and entertain and can keep bringing people forward at our best of our financial ability. SIHD will review the employee's length of time, job description and rate.

**SOUTHERN INYO HEALTHCARE DISTRICT  
INCOME STATEMENT  
BUDGET FY 2020**

ALL PATIENT DAYS	13,681	12,437	7,963
ED VISITS	1,291	1,173	992

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	2020	2019(MAR) ANNUALIZE D	2019
OUTPT & CLINIC VISITS	6,949	6,317	6,627
ADJUSTED PT DAYS	29,369	26,699	16,591
<b>Patient Revenue/Expense</b>	<b>BUDGET</b>	<b>D</b>	<b>BUDGET</b>
In Patient Revenue	915,919	832,653	339,036
Long Term Care Revenue	4,723,202	4,293,820	3,906,623
Out Patient Revenue	967,166	903,893	992,493
ED Revenue	4,810,900	4,373,545	3,184,420
Clinic Revenue	661,272	601,156	423,721
Total Patient Revenue	12,078,458	11,005,068	8,846,293
<b>Deductions From Revenue</b>			
Contractual	3,467,491	(3,052,504)	(2,252,267)
Bad Debts	-332,233	(292,472)	(176,925)
Charity	-56,797	(50,000)	(8,847)
Total Deductions From Revenue	3,856,522	-3,394,976	2,438,039
% Of Total Deductions to Revenue	-31.93%	-30.85%	-27.56%
Net Patient Revenue	8,221,936	7,610,092	6,408,254
Other Operating Revenue	353,257	341,311	193,574
Net Revenue	8,575,192	7,951,403	6,601,828
<b>Operating Expenses</b>			
1 Salaries & Wages	4,384,926	4,216,275	4,220,675
3 Benefits	1,439,571	1,054,068	1,055,168
4 Contracted Labor	580,531	558,203	287,653
5 Professional Fees	1,151,549	1,107,259	739,285
6 Purchase Service	139,360	134,000	24,941
7 Supplies	393,505	382,044	349,428
10 Utilities	186,808	177,912	114,221
11 Repairs and Maintenance	69,343	66,676	75,688
12 Insurance / Taxes	211,672	203,531	138,049
13 Other Expenses	996,720	965,748	387,344
15 Rents / Leases	114,314	109,917	78,081
16 Depreciation	80,461	77,367	144,352
Short Term Interest	0	0	-
Total Expense	9,748,760	9,052,999	7,614,887

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	Net Income / Loss From Operations	(1,173,568)	(1,101,596)	(1,013,058)
18	Interest Income/Donations	0	0	0
9160	Taxes	617,881	594,116	252,531
	Deferred Income From GO Bond Taxes	0	0	0
17	Interest	-230,659	(230,659)	-146,109
9290/955	Donations/Foundation	0	0	0
0	Other	100,372	96,512	62,285
	Total Non Operating	487,594	459,969	168,707
	<b>Net Profit / Loss</b>	<b>(685,973)</b>	<b>(641,627)</b>	<b>(844,352)</b>
	<b><u>Other Expense Detail</u></b>			
	Legal Fees	84,460	82,000	34,287
	Consulting	302,165	293,364	131,000
	Other Professional Fees	173,040	168,000	113,787
	Minor Equipment	11,605	11,267	13,057
	Freight	3,297	3,201	-28
	Licenses & Taxes	100,906	97,967	22,028
	Dues/Subscriptions	12,039	11,688	9,039
	Outside Training	17,853	17,333	8,499
	Travel	15,729	15,271	9,953
	Recruiting	19,227	18,667	3,903
	Other Direct Expenses	5,886	5,715	491
	IT Licenses & Software	219,846	211,500	2,804
	Advertising /Marketing	1,880	1,825	495
	Software Purchase	9,593	9,313	32,779
	Security	2,699	2,620	1,415
	Postage	16,498	16,017	3,837
	Total Other Expenses	996,721	965,748	387,344

**Action: Vice President Carson moved to approve Chet Beedle's 2020 Annual Financial Budget. Secretary Roper seconded. All approved.**

**Action: Secretary Roper moved to approve the Parity Staff Memo. Vice President Carson seconded. All approved.**

#### D. UpToDate Renewal Agreement

UpToDate is an electronic reference for physicians. For example, drug interactions. It allows the physicians to instruct themselves electronically. It can answer a physician's questions if they may have on treatment on a patient.

Michael Floyd stated that he knows that a couple ER physicians use the service. This service should be used for patient teaching on discharge (DischargeTeaching) which is mandatory.

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Most places have that on their electronic health record. It actually should be provided by our Electronic Medical Records contract.

Chet Beedle stated that this is an independent source that small hospitals use.

President Hickman requested that we ask the physicians to confirm if they use the services or are there any other options SIHD can explore. Also to notify UpToDate that SIHD's CNO is out of town and SIHD would like to request a grace period/ extension.

**Action: President Hickman moved to give Peter Spiers, CEO to make final decision on renewing with UpToDate after discussing with staff. Secretary Roper seconded. All approved.**

#### E. Altaware- Firewall Quote

Chris Marks stated that it is uncertain as to when the firewall will fail. The current firewall is old. If the firewall crashed SIHD will lose internet and phones. There will be no communication. If the old firewall is replaced with a new one, the old firewall can be used a backup.

Secretary Roper asked if this was budgeted. In the future, she would like to know. Please include staff memos.

**Action: Vice President Carson moved to approve that Peter Spiers, Chet Beedle and IT purchase a firewall when needed without having to present to the Board of Directors with a not to exceed of 12k. Secretary Roper seconded. All approved.**

#### F. High Desert Pathology Contract

Attorney Nave stated that this came to us when Dr. Tadros requested that he be allowed to bill for professional services that he provides. Attorney Nave reviewed the current contract and it is not for professional services, just Medical Directorship for the Laboratory. Typically we can combine the services into one agreement but in this particular contract, professional services is not included.

In general with physicians, we don't not have them bill for services provided. SIHD handles all billing ourselves at the facility. This generated a lot of discussion internally.

Attorney Nave believes that request has been superseded by other information that has become available. Management would like the Board to make decision regarding those services in general.

Peter Speirs, CEO stated that we have reached out to Northern Inyo Hospital and their pathologist, Dr. Wasef. Dr. Wasef has some history with SIHD. Dr. Wasef is interested in coming onboard to provide Medical Directorship services and it would not impact SIHD at all financially. It can create a stronger bond with NIH on a number of levels. Peter Spiers will be meeting with Dr. Wasef. There is also utilization that she can help us with, on how to do laboratory services that will beneficial. We will get some value.

Per Attorney Nave, SIHD will need to send notice of 30 day termination of agreement to High Desert Medical. Will need to make sure the Board approves the new contract with the new pathologist so there is not down time.

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**Action: Secretary Roper moved the NON-renewal of the Laboratory Medical Directorship contract with High Desert Medical. Also to allow Peter Spiers, CEO to give the 30 day notice of termination and explore other services. Vice President Carson seconded. All approved.**

### G. Walden University Affiliation Agreement

The presented Affiliation agreement is for a nursing program. The agreement was revised by Attorney Nave and approved by Walden University. There is no cost. This is a 5 year contract.

President Hickman stated that this is for a Registered Nurse who works with SIHD and is taking online courses while working at SIHD.

**Action: Secretary Roper moved to approve the affiliation agreement with Walden University. Vice President Carson seconded. All approved.**

### III. REPORTS

#### A. Financial Report

Chet Beedle reviewed the financials that were presented at the Finance Committee Meeting.

#### B. CEO Report

Introduction of Peter Spiers, CEO.

Peter Spiers has been working with hospitals for over 40 years. Peter Spiers stated he was happy to be at SIHD.

Peter Spiers provided his hospital wide operational assessment and restructure.

#### **Current Status-**

Reviewed all 18 current departments  
Every area reviewed had structural/operational gaps  
Silos/communication/ IT gaps across the organization  
Operating culture fragmented/morale low

#### **Initial Areas of focus-**

Organizational Integration/Culture  
Growth  
Revenue/Expense Performance  
Capital Acquisition

#### **Priority Focus-**

Financial Services.  
Rural Health Clinic  
Physical Therapy  
Capital Acquisition

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## **Operational restructure/Teams-**

Administrative Leadership Team (A-Team)  
SIHD Management Team  
Pharmacy Services Development Team  
RHC Development Team - PT Growth Team  
Salvation Foundation Campaign Planning Team  
Financial Services Re-structure Team  
Capital Acquisition Task Force  
Physical Plant Upgrade Team  
Public Relations/Marketing Team  
HR Station Control Team  
Employee Activity Planning Team

SIHD will be working on staff metrics. Need to staff on patient census.

Capital acquisition, we can't depend just on revenue cycle. We need Grants, foundation drives and federal grants. The last federal grant was 10 years ago. Currently working on an agreement with Merchant McIntyre (federal grant).

Monthly numbers were reviewed.

Financial Services Team met this week and the new moto is Mo money, Mo faster.

### **C. Medical Staff Report (Quarterly Report)**

CNA Class has completed and the students are ready to take test. They are scheduled for August 20-30<sup>th</sup>. If they all pass there will be 6 new CNA's. Currently we are using LVN's to cover and its quite expensive (overtime).

President Hickman stated that she doesn't agree with the long wait to take test after completion of course.

Michael Floyd is the new Director of Nursing for Skilled Nursing.

Tambria Kalenowski is the ADON.

Jeff Sheffield redid a room in Skilled Nursing. There are new drapes throughout the facility.

There are six room that have new air conditioners. 14 to go.

SIHD is working to meet with Great Basin (air pollution control district) in regards to a grant. SIHD is hoping they can put together their grant program which will allow us to make capital improvements for things that effect air quality. That would include new van, generator, boiler and roofing. SIHD has a number of things that we need, that they can provide and they have the funding to provide it. Facilities spend a great deal of their time with things that are needing consent repair, work and parts due to being old. We are trying to assist by trying to find these other sources to help fund those needs.

Medical Staff, Peter Spiers, Shannon Jimerson and Karen Sheffield will be working with the physicians on medical records. SIHD have tools to help (dragon service that dictate). We need to work through this because it is hurting our coding. We are currently down on coding.

## **IV. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA**

Member of the public (Skip K.) asked about creating an optometry program.

Peter Spiers agrees that this would bring in some money. This is something to look into.

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**V. BOARD OF DIRECTORS COMMENTS ON ITEMS NOT ON THE AGENDA**

Richard Fedchenko stepped down as a SIHD Board Member as of August 1, 2019. SIHD is looking for a replacement. Must be 18 years or older and lives in the district. Must not be a convicted felon. SIHD has posted a vacancy notice on August 1, 2019 that will need to be posted for 15days. The Board of Directors will then have 60 days to fill the spot and will be announced at a Board Meeting. If the Board of Directors does not make a decision, Inyo County will have 30 days to elect.

Thank you to RCA Church. Healthy Communities had their Back to School event. CHP was there giving a bike safety course. SIHD-Clinic was there giving away school supplies and Clinic info. Health and Human Services, FFA, Buster Club from High School was there.

SIHD hospice closed but had \$3,600. Hospice chose Healthy Communities to give the money to. Healthy Communities held on to the monies to save for the hospital. The check was presented to the hospital.

SIH Salvation donated a cardiac monitor with printer.  
SIHD held a BBQ for Employee Appreciation Day.

There is a yearly update on parcel taxes. SIHD completed and submitted the 2019-2020 assessment. Last year, SIHD's parcel taxes were at approx. 350k. Updated 2019-2020 is at 383k. Thank you to Richard White and Annette Wood for working on assessment. Inyo County determined that Air BnB's are considered businesses.

Dr. Flanigan with NIH received permission to practice medicine at SIHD.

President Hickman introduced ISHD's new Human Resources Manager, Barbara Southey and Accountant, Patricia Kemp.

**VI. CLOSED SESSION**

- A. Existing Litigation (Govt Code 54956.9): Chapter 9 Bankruptcy
- B. Potential Litigation: Medefis


**VII. CLOSED SESSION REPORT**

The Board of Director and legal counsel discussed the existing litigation and potential litigation with Medefis. No other items discussed.

**VIII. ADJOURNMENT**

The open session meeting adjourned at 6:47pm.

  
\_\_\_\_\_  
President or Secretary of the Board of Directors

  
\_\_\_\_\_  
Date

Regular Board Minutes of August 13, 2019

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