



St. John's Health
P.O. Box 428
Jackson, Wyoming 83001
307-733-3636

Committee: Board of Trustees Monthly Meeting - Public Session - via Zoom

Meeting Date: July 15, 2021

Minutes Prepared By: Morgan Gurney, Executive Assistant

Members Present:

Sue Critzer, Chair
Cynthia Hogan, Secretary
Mike Tennican, Trustee
Joe Albright, Trustee
Scott Gibson, Treasurer
Bruce Hayse, MD, Trustee

Members Absent:

Debby Hopkins, Vice
Chair

Others Present:

Will Wagnon, CEO
John Kren, COO/CFO
Marsha Sensat, CNO
Morgan Gurney
Audra Nielsen
Blair Christy
Alisa Lane
John Goettler
Jen Simon
Dr. Marty Trott
Dr. Marc Domsky

Phil Ramsey
Richelle Heldwein
Roger Perkins
Sandip Ray
Mary Ponce
Thom Kinney
Tom Lubnau
Call-in Users:(unknown)
Call-in Users:(unknown)

Board Advisors Present:

Bob Pisano
Bob Hopkins
Katharine Conover
Dave Robertson
Dr. Jim Little Jr.

Call to Order

The public board meeting was called to order at 12:09 p.m. by Chair Sue Critzer.

Comments from the Chair *(presented by Ms. Sue Critzer)*

Last month, Sue Critzer, spoke about the importance of locally led healthcare and how fortunate SJH is to have strong support from the community. The hospital needs to reassess how to accomplish strategic priorities and specifically, the housing crisis. The Administration team will present on how the hospital financially can support potential housing solutions. Housing unavailability and insecurity is not only affecting the hospital's ability to recruit new team members but is now affecting the ability to retain current staff members. SJH needs to act to address this problem in order to continue to expand service lines which will allow the hospital to meet the evolving needs of the community and to maintain current staffing levels. SJH is adapting with new solutions which will be a major expense for the hospital moving forward. SJH is very confident that with the support of our generous community, the hospital can overcome this threat, execute the strategic plan, and continue to meet the needs of the community. Sue Critzer thanked everyone that was part of her care team this week.

Approval of Minutes

Ms. Critzer asked those present to review the minutes of the June 18th, 2021 meeting and asked for any recommendations for change prior to approval. **Sue Critzer recommended approval of the minutes. Those present were asked to provide any objections to approval of the minutes with no comments made. Joe Albright made the motion to approve the minutes from the June 18th, 2021 Board of Trustees regular meeting as presented, motion seconded by Cynthia Hogan and passed unanimously with no objections noted.**

2022 Fiscal Year Operating and Capital Budget Proposal *(presented by Scott Gibson and John Kren)*

Will Wagnon thanked Scott Gibson, John Kren, and the entire Finance Department and Finance Committee for the great work in putting the 2022 budget together.

Scott Gibson and John Kren presented the proposed 2022 Fiscal Year Operating and Capital Budget. This discussion started at 12:18pm and continued until 12:30pm MT. Scott Gibson discussed how the pandemic and housing crisis has launched SJH into a proactive mode. Mr. Gibson explained how SJH, the SJH Foundation, and the community will need to work together and use all tools and resources available in order to create solutions to the housing crisis the community faces.

John Kren presented the budget process. This process started with Department Leadership and Finance Business Partners. Reviews historical volume and the pandemic's impact. This review included any new programs, providers, and locations. The budget plan was reviewed by the Leadership Team and presented to the Finance Committee. The major assumptions and key drivers are:

Price Increase: 3% Overall

Volume/Patient Encounters: 10% I/P Increase (includes Sage Facility) and 13% O/P Increase (includes Strategic Initiatives)

Charity & Provision for Uncollectible Accounts *(charges):* Approx. \$13 MM

Tax Revenue: \$6 MM

Foundation Contribution: \$5 MM

Potential Compensation Adjustments: 3% Merit. Proposed Market Adjustments

Sage Facility

Program Development in Primary Care, Cardiopulmonary, Cardiology, Neurology, and Oncology

FY 2022 Proposed Statement of Operations with Potential Compensation Adjustments

Net operating revenue	173,186,799
Total Operating Expenses	<u>164,330,772</u>
EBITDA	<u>8,856,028</u>
Interest, Depreciation, Amortization	<u>10,976,256</u>
Gain / (Loss) Before Other Income	<u>(2,120,228)</u>
Nonoperating Revenue	4,972,000
Contributions	<u>4,955,500</u>
Total Gain / (Loss)	<u><u>7,807,272</u></u>

FY 2022 Operating / Routine Capital Request

Revenue Based	1,672,761
Non-Revenue Based	604,427
Nursing Bedside Care	956,106
Employee Engagement	4,742
Facilities	95,000
Lodging	114,100
POB	115,000
Information Systems	1,075,000
Administration Budget	<u>1,158,840</u>

Total Capital Budget Proposed for FY 2022 **\$ 5,795,975**

(Does not include any Sage Living rollover)

Cynthia Hogan asked what the FY 2022 inpatient to outpatient revenue ratio assumption is? John Kren answered, approximately 1/3 inpatient to 2/3 outpatient ratio. Outpatient has been consistently growing faster than inpatient and Medicare changes to coding inpatient vs. outpatient has also impacted these numbers. Currently, in-patient length of stay is longer than usual.

CEO Report *(presented by CEO Will Wagnon)*

Will Wagnon thanked Sue Critzer for the opportunity to address the board. Mr. Wagnon commented that cultivating SJH culture of caring really shines through everything we do and is the focus for SJH staff. Guest speaker, Blair Christy presented during the CEO report on the journey patient experience has had through the pandemic and gave an overview of pre- and post-COVID-19 data (*Patient Experience PowerPoint attached*).

Strategy, HR, Development Committee *(presented by Ms. Cynthia Hogan)*

Ms. Hogan noted that the committee's focus is on quality. As Will Wagnon has taken SJH in a slightly different strategy direction, the focus is and will always be, St. John's Health quality of care. The committee does hear the community's desire and requests for additional service lines but will never sacrifice quality in order to grow a service line. As current staffing levels are in crisis, adding additional services are not appropriate to discuss and current service line quality and staffing will remain a priority prior to any type of expansion. The committee is discussing retaining staff by increasing pay.

The prior strategy the committee had made related to housing was to try and do everything (build, purchase land, remodel, rentals and owning, etc.). This strategy has been updated to acknowledge that the economy conditions will not allow SJH to do everything we'd like so the committee is now focusing on employee rentals under employer control. While the committee does want to support ALL employees, because the market housing costs are so unaffordable, the committee cannot increase options until there are lower market rates. The focus will be on employer controlled rental units with rental levels set at a price that our staff can afford.

JCQC (presented by Ms. Sue Critzer and Richelle Heldwein, CCRO)

Sue Critzer announced that JCQC met on July 13th. Provided in the Board Member Packet, the JCQC minutes and the credentialing report with recommendations to approve all motions were discussed and have full recommendation by the committee.

Sue Critzer recommended that the Board approve the credentialing actions as submitted by the Credentials Committee and MEC as presented in the Board Packet. Joe Albright made the motion to approve, motion seconded by Cynthia Hogan and the motion passed unanimously with no objections.

Finance, IT, and Facilities Committee (presented by Mr. Scott Gibson and CFO/COO, Mr. John Kren)

At 46 minutes after presenting, Scott Gibson recommended that the Board of Trustees approve the FY 2022 Operating and Capital Budget as presented earlier in the public session. Cynthia Hogan made the motion to approve the FY 2022 Operating and Capital Budget, motion seconded by Mike Tennican and passed unanimously with no objections noted.

Foundation (presented by Mr. John Goettler)

Mr. Goettler provided an update on behalf of the Foundation. The newspaper publishes the Foundation's budget and Mr. Goettler would like to clarify that the \$4.9 million donation represents a \$3.1 million dollar transfer to Sage Living. The historical average donation is \$1.8 million dollars. Thank you to Bob Pisano, and the Foundation team, in participation with Foundation Board Members in the past few weeks as committee meetings and the Board has grown. The Foundation will continue to work on the housing crisis along with Administration and SJH Board of Trustees. The Foundation has multiple events coming up during the rest of the summer season.

Old Business – NA

New Business – NA

Public Comment – NA

Next Meeting

The next regular monthly meeting is scheduled for Thursday, August 26th, 2021 via Zoom. An Executive Session will be held at 3:00p.m. and the Public session at 4:00 p.m.

Adjournment

With nothing additional to discuss, Ms. Critzer adjourned the meeting at 1:12 p.m.

Respectfully submitted,
Morgan Gurney, Executive Assistant