

**Committee:** Board of Trustees Monthly Meeting - Public Session

**Meeting Date:** October 29, 2019

**Minutes Prepared By:** Shannon Stec, Executive Assistant

**Members Present:**

Mike Tennican, Treasurer  
Linda Aurelio, Secretary  
(phone)  
Joe Albright  
Bruce Hayse, MD  
Scott Gibson  
Sue Critzer

**Members Absent:**

Cynthia Hogan, Chair

**Others Present:**

Paul Beaupre, CEO  
John Kren, COO/CFO  
Marsha Sensat  
Tom Hallberg, JHN&G  
Richelle Heldwein  
Phillip Fox  
Laurie Fukawa  
Jessica Romo

Tom Lubnau (phone)  
Jim Johnston  
Collin Smith  
Ann King  
Tim Troutman  
Marty Trott, MD  
Tammy Rivera  
Malenda Hoelscher  
Barbara Herz

**Board Advisors Present:**

Dave Robertson  
Bill Best (phone)

**Call to Order**

The public board meeting was called to order at 3:58 p.m. by Scott Gibson.

**Approval of Minutes**

Mr. Gibson asked for any questions or changes to the regular minutes of October 1, 2019 Board of Trustees meeting.

A motion was made by Mike Tennican to approve the regular minutes of the October 1, 2019, Board of Trustees meeting. The motion was seconded by Joe Albright, and the motion passed unanimously.

**Department Recognition**

Dr. Beaupré recognized the team from the Living Center. The team recently underwent their annual CMS survey and did an incredible job. There were no clinical finding during the survey which is nearly unheard of. In addition to their wonderful survey they were also recognized again this year by US News and World Report as one of the top nursing homes in the country. We all want to congratulate the Living Center team for their remarkable accomplishments. Malenda Hoelscher, Executive Director of the Living Center, made comment and thanked everyone who helps to support the Living Center team and thanked the board. The Living Center team introduced themselves.

**Awards Presentation**

Dr. Beaupré asked Phillip Fox, Director of Materials Management and Emergency Management Coordinator, to do an introduction for the Emergency Management award. Mr. Fox introduced Tim Troutman, Warning Coordination Meteorologist from the National Weather Service. Mr. Troutman discussed the "Storm Ready" designation that St. John's has earned by demonstrating our preparedness for being ready before storms hit. In order to earn this designation St. John's was required to have a 24-hour warning system and operations center, multiple ways of notifying the public, systems that monitor local weather, and a formal hazardous weather plan. Mr. Troutman thanked the board for inviting him and the hospital for being proactive and keeping employees safe.

## **Comments from the Chair**

Mr. Gibson had no comments.

## **CEO Report**

### ***Quality***

- As we already mentioned the Living Center went through their CMS regulatory survey with no clinical findings.
- The Living Center was recognized by US News and World Report as one of the Best Nursing Homes in America.
- The Hughes Charitable Foundation gave us a \$100,000 grant for upgrades to lighting in the Emergency Department. This grant was a direct result of care that a patient received from the emergency team.

### ***Living Center Update***

- We anticipate having permits for the new modular space this week or next week. The space should be occupied sometime between now and December.
- The footings and concrete are being poured in the basement.
- All of the underground utility work has been completed.
- Through the combined efforts of the hospital and the foundation we now have our add-alternates recommendations list finalized and funds have been identified to cover these costs.

### ***Parking***

- The LDS church down the street has given us permission to use their lot for parking Monday-Friday. We will begin a shuttle service next week for employees who use this lot.
- Lot 4 has been opened and has 22 additional parking spots.
- We used to put snow during the winter on the space where Sage Living is now being built. We will have to truck and remove the snow from campus in order to maintain the parking spots we have. This process will be expensive. We have been getting resistance from the town and county about putting our snow at the rodeo grounds so we are looking for alternatives. We will meet with the Elk Refuge on Thursday to discuss the possible option of blowing our snow onto the refuge.

### ***Marketing***

- We have been focusing our marketing campaigns on urology and joint and spine.
- Urology is up 22% year over year and hip & knee replacements are up 10% year over year.
- We are currently running a lumbar spine MRI special through the end of the year.
- We had a very successful internal launch of our new brand.

### ***Outreach***

- The Lander Medical Clinic had a soft opening this past Monday.
- We will have a hard opening on November 4<sup>th</sup>.
- There will be a public open house on December 9<sup>th</sup>.

### ***Community Events***

- Halloween is this Thursday. We will have our annual Monster March with childcare and encourage employees to dress up and participate.
- We have a walk in flu clinic scheduled for this Saturday at the Urgent Care. These have been very popular with the public
- November 5<sup>th</sup> is the SPET vote.
- On November 11<sup>th</sup> Dr. Morgan will be offering free prostate screenings in Lander.
- On November 14<sup>th</sup> and 21<sup>st</sup> we will be doing Lunch and Learns as part of Men's Health month.

Dr. Wieman, Dr. Mullen, Dr. Morgan, and Dr. Burnett will be participating.

Dr. Beaupre asked for any questions.

**Finance, Audit and IT Committee – Finance, Audit and IT Committee** – Scott Gibson reported on the committee meeting held on October 29, 2019. This is the time of year for our annual audit.

2019 Financial Audit Report

Mr. Gibson introduced our independent auditors, Ann King White and Tammy Rivera from BKD, LLP to present the FY2019 Financial Audit Report.

Ms. King thanked the finance team, COO/CFO John Kren, Alisa Lane, Finance Director, and everyone who helped with the auditing process. The audit has been completed.

Ms. Rivera gave an overview of the 2019 financials, a full discussion of the findings were presented to the Finance Committee.

At Fiscal Year End, the Medical Center's current assets were 31% of total assets. Total assets were \$205 million. Non-current assets were 16% of total assets. Capital assets were 53% of current assets which includes our building and equipment less depreciation. \$85 million of our capital assets are free of debt which gives us a very strong net position of 81%. Days cash on hand for 2019 was 175 compared to the Wyoming average of 115. Cash on hand has decreased some as A/R has increased. Days in Accounts Receivable at the end of the fiscal year was 76 days compared with 52 days last year; the St. John's revenue cycle team does a very good job at collecting the A/R. This increase to days in A/R is typical when an organization has a system conversion and when third-party payers have a change as Blue Cross did with their IT conversion. The current ratio, which is the current dollars of assets to current liabilities, is 4.27 compared to 5.61 last year. This ratio is very healthy compared to other Wyoming hospitals which average 3.70. The debt service coverage ratio is 6.07, meaning SJMC could cover its debt 6.07 times in the upcoming year. Overall, SJMC is much stronger than most S&P BBB+ rated health systems.

In terms of Operating Results, Total Operating Revenues were \$124.72 million, compared to \$114.52 million the previous year. Operating Expenses were \$126.1 million compared to \$115.1 million the previous year. SJMC will see an increase in Operating Expenses as the hospital continues to grow and introduce new service lines. Salaries and Wages is our biggest expense at 40% with Employee Benefits coming in second at 15%.

The Total Operating Income was (\$1.39) million compared to (\$588) thousand the previous year. Non-operating expenses (interest) was \$1.22 million, income before-other non-operating was (\$2,610,401). Total non-operating revenues which includes tax revenues is \$6.04 million, resulting in excess revenues over expenses before capital contributions of \$3.42 million.

Ms. Rivera reviewed uncollectible patient accounts as a percentage of gross patient service revenue. SJMC for 2019 was at 2.5% versus 3.8% in 2018. St. John's does very well collecting payments which can be attributed to good collection efforts, clean bills, and good communication with patients.

Overall it was a very good audit. Ms. Rivera expressed appreciation to the finance department for their organization and efforts and the efforts of the hospital. The board thanked Ms. White and Ms. Rivera for their great work.

Mr. Gibson moved to approve the audit as presented. Mr. Albright seconded the motion. The motion passed unanimously.

Mr. Gibson asked if there were any further questions on the audit. Mr. Kren expressed appreciation to the finance team and recognized those in the room who participated in the audit.

Mr. Gibson gave an update from the September financials. September was a very good month. Net revenue was 4% better than budget and up 22% over last year. The hospital is off to a terrific start in comparison to last year. We have seen strong volumes and October, so far, is looking good.

Mr. Gibson noted one policy for approval. Mr. Albright said that the last bullet on the policy should say \$100,000, not \$1,000,000.

Mr. Tennican moved to approve the Board of Trustees Allocation of Purchases Policy with the noted change above to the last bullet. Dr. Hayse seconded the motion. The motion passed unanimously.

Mr. Gibson asked for any questions or comments.

**Facilities Committee** – Mr. Albright reported on the meeting held on October 24, 2019.

The committee spent the majority of its time reviewing in detail the “Sage Living – Final VE Priority List”. The list constituted the combined recommendations of Administration and owner’s rep Kyle Gillette on which Add Alternates and Value Engineering (VE) items have the highest priority in case funds are available to add anything to the approved project budget prior to October 31<sup>st</sup>. Under our contract with GE Johnson, October 31<sup>st</sup>, is the deadline by which the hospital can add certain items to the project budget at predetermined fixed prices. After discussion, the Facilities Committee voted unanimously to recommend that the seven projects on Mr. Gillette’s list be funded. The net increase to the total project cost – if funds are available – would be \$335,878, which is 0.75% of the total cost of the Sage Living project. Dr. Beaupré has decided after speaking with the Facilities Committee to fund \$150,000 of the \$335,878 out of the already approved Sage Living construction contingency. An additional \$185,878 will have to be approved by the foundation board prior to the October 31<sup>st</sup> deadline.

Mr. Albright reviewed the seven approved items from the list.

The committee also reviewed photographs with the marketing team of the proposed St. John’s Health signage which will be erected over the coming months. Dr. Beaupré briefed the committee about ongoing discussions with town and county officials about whether the hospital district could be assessed property taxes on certain real estate parcels used for or intended for employee housing. In addition, we have discussed with the town the disposal of snow from our campus this winter as the northwest corner of the campus can no longer be used as a site for a pile of removed snow. Lastly, Dr. Beaupré updated the committee on ongoing discussions between lawyers for the hospital and the Town of Jackson about an MOU for parking and transit.

Mr. Albright asked for any questions.

**Organizational Committee** – Ms. Aurelio reported on the committee’s October meeting. We have one policy for approval and Ms. Aurelio asked Marsha Sensat, CNO, to review the policy.

Ms. Sensat reviewed the changes made to the Policy / Procedures / Guidelines / Forms / Protocols – Development, Review, and Approval Process Policy. Ms. Sensat noted that we have created a Document Control Committee to go through every policy and standardize all forms. Richelle Heldwein said that the Document Control Committee has eliminated hundreds of policies and we are currently reviewing over 800 contracts per DNV policy.

Ms. Aurelio moved to approve the Policy / Procedures / Guidelines / Forms / Protocols – Development, Review, and Approval Process policy. Mr. Gibson seconded the motion. The motion passed unanimously.

**Foundation Report** – John Goettler gave the Foundation Report. The Lunch and Learns in November are part of the Mustaches for Men's Health. Last year we had fun with the internal mustache competition and this year we are making it a playful competition with other local organizations. This year we have teams from outside the hospital including the Teton County Sheriff's Office, Teton County School District, Town of Jackson, and the Teton Science School. There has been a lot of interest in education which is why we are doing the Lunch and Learns.

On October 21<sup>st</sup> the foundation picked up a check from the Old Bill's awards night for \$328,000. It was less than last year but still a really terrific year for us. We had over 200 people donate to the foundation through Old Bill's. Thanks to everyone who donated and to the hospital staff for the great care provided to our community.

Tomorrow the foundation has a meeting to approve five new board members. Chuck Fleischman has completed his nine year term.

December 16<sup>th</sup> is the Friends of the Foundation holiday reception.

Mr. Goettler announced that the foundation has reviewed the Add-Alternate list and the Executive Committee has approved the funding of the remainder of the balance, \$185,878. Mr. Albright and the board expressed their gratitude to the foundation.

**Old Business** – No old business.

**New Business** – No new business.

**Public Comment** – No public comment.

#### **Next Meeting**

The next regular monthly meeting will be Thursday, November 21, 2019. Public session will be held at 4:00 p.m., executive session will be held at 3:00 p.m.

#### **Adjournment**

Mr. Gibson adjourned the meeting at 4:56p.m.

Respectfully submitted,  
Shannon Stec, Executive Assistant