

MINUTES

MEETING: **Board of Trustees**
 DATE: **June 22, 2021**
 TIME: **6:00 p.m.**
 LOCATION: **Hybrid: In-person with Zoom option**
Room A

Board Members:

- Richard Benson, Chair
- Earl Desmond, Vice Chair
- Brenda Harden, Secretary
- Carolyn Beal
- Joe Dreyer
- Jon Mason
- Ron Ragor
- Dan Rogers
- Vince Trago, Physician Healthcare Advisor

Other Attendees

- Shellie Burgin, Guest
- Jon Christensen, Attorney
- Eric Draime, Guest
- Dr. Grant Galbraith, MD, Medical Staff President
- Brandon Harlan, Arnett Carbis Toothman, CPA
- Le-Ann Harris, VP Patient Care Services
- Frank Hickman, Guest
- Cheryl Herbert, Sr. VP Regional Operations, OhioHealth
- Conni McChesney, Controller
- Eddie Lou Meimer, Guest
- CJ Miller, President & CEO
- Michael Patterson, Director of Operations
- Justin Schumaker, Arnett Carbis Toothman, CPA
- Tim Siegfried, Guest
- Jennifer Voltz, Executive Assistant
- Andy Ware, Guest

*additional unidentified callers

TIME	TOPIC	LEADER	DISCUSSION / RECOMMENDATIONS	FOLLOW-UP
6:02 p.m.	Call to Order	Mr. Benson	Mr. Benson called the meeting to order at 6:02 p.m.	
	Roll Call	Ms. Voltz	Ms. Beal – present Mr. Benson – present Mr. Desmond – present Mr. Dreyer – present Ms. Harden – present Mr. Mason – present	

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			Mr. Ragor – present Mr. Rogers – present	
	2020 Audit Report	Mr. Harlan & Mr. Schumaker	Mr. Harlan reviewed the 2020 audit report prepared by Arnett Carbis Toothman noting its adherence to GASB guidelines. Mr. Schumaker reported that there were no material deficiencies or significant findings, resulting in a clean audit. He provided an overview of how Covid relief funds were documented within the audit.	
	Approval of Minutes	Mr. Benson	A motion was made by Ms. Harden and seconded by Mr. Ragor to approve the amended minutes from the May 25, 2021 Board of Trustees meeting as presented. The motion was approved by a majority in attendance. Ms. Beal – yes Mr. Benson – yes Mr. Desmond -- yes Mr. Dreyer – yes Ms. Harden – yes Mr. Mason– yes Mr. Ragor – yes Mr. Rogers – abstained	
	Financial Report	Ms. McChesney	Ms. McChesney reviewed finance results for May 2021. <ul style="list-style-type: none"> • Net Operating Income of \$373k on a budgeted loss of \$153k. • YTD Net Operating Loss was \$308k on a budgeted loss of \$804k • YTD Net Income was \$2.2M on a budgeted loss of \$225k • Net Income was \$488k on a budgeted loss of \$34k <p>Driving Factors</p> <ul style="list-style-type: none"> • Gross patient revenue was favorable to budget by \$163k • Observation and patient days favorable to budget • Contractual adjustments favorable to budget \$425k • Favorable payor mix 34.5% on a budget of 31.9% <p>Volumes</p> <ul style="list-style-type: none"> • Patient days are favorable to budget • ED and Urgent Care visits are unfavorable to budget; however, Ms. McChesney noted that the volume is the highest it has been since February 2020 • Surgery volumes remain under budget, with surgery revenues over budget due to joint replacement(s) 	

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			<p>Revenue</p> <ul style="list-style-type: none"> • Gross Patient Revenue is 104.2% of budgeted revenue • Med/Surg & ICU revenue: 121% of department budgeted revenue • ED & Urgent Care: 85% of department budgeted revenue • Surgery: 107% of department budgeted revenue • Lab revenue: 99% of department budgeted revenue • Radiology: 103% of department budgeted revenue <p>Expenses</p> <ul style="list-style-type: none"> • Expenses were \$51k unfavorable, or 2.9% to budget • Salaries/Benefits were favorable to budget \$62k • Purchased services were unfavorable to budget \$44k • Supplies and other were unfavorable to budget \$55k <p>Ms. McChesney noted that Remdesivir use for administering monoclonal antibodies were a significant contributor to the expenses.</p> <p>Key Performance Indicators</p> <ul style="list-style-type: none"> • Hospital Net Days in A/R increased from 28.6 to 30.5 • Days Cash on Hand decreased from 241.1 to 232.0 without MCH Foundation. • Days Cash on Hand decreased from 277.8 to 268.4 with MCH Foundation ED transfers were 6% on a budget of 8% <p>A motion was made by Ms.Harden and seconded by Mr. Mason to approve the May 2021 financial report as presented.</p> <p>The motion was approved by a majority in attendance. Ms. Beal – yes Mr. Benson – yes Mr. Desmond – yes Mr. Dreyer – yes Ms. Harden – yes Mr. Mason– yes Mr. Ragor – yes Mr. Rogers – abstained</p>	
	<p>Finance Committee Minutes</p>	<p>Mr. Desmond</p>	<p>A motion was made by Ms. Beal and seconded by Ms. Harden to approve the minutes of the June 16, 2021 Finance Committee meeting as presented.</p> <p>The motion was approved by a majority in attendance. Ms. Beal – yes Mr. Benson – yes</p>	

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			<p>Mr. Desmond – yes Mr. Dreyer – yes Ms. Harden – yes Mr. Mason – yes Mr. Ragor – yes Mr. Rogers – abstained</p>	
	Medical Staff June 1 Meeting	Dr. Galbraith	<p>Dr. Galbraith summarized the June 1, 2021 Medical Staff Meeting. A motion was made by Ms. Harden and seconded by Mr. Desmond to approve the minutes from the June 1, 2021 medical staff meeting.</p> <p>The motion was approved by all in attendance. Ms. Beal – yes Mr. Benson – yes Mr. Desmond – yes Mr. Dreyer – yes Ms. Harden – yes Mr. Mason – yes Mr. Ragor – yes Mr. Rogers – yes</p>	
	Administrative Council Report	Dr. Harris	<p>Dr. Harris presented the administrative council report, noting that approval for the Moderna vaccines for 12 to 17 year-old patients may come soon. She reported that Morrow County Hospital received a 5-star rating from the Centers for Medicare Services. Mr. Miller added that the rating is based on 37 metrics and approximately 13% of all hospitals nationwide receive the 5-star rating.</p>	
	OhioHealth Report	Ms. Herbert	<p>Ms. Herbert reported that OhioHealth is wrapping up its fiscal year and stated that business across the system has increased. She noted that staffing is an especially difficult challenge.</p>	
	Levy Discussion & Resolution	Board Members & Mr. Christensen	<p>Discussion was held among board members regarding a hospital renewal levy.</p> <p>A motion was made by Ms. Harden and seconded by Mr. Desmond to forward the request to continue the levy to the Morrow County Commissioners.</p> <p>The motion was approved by all in attendance. Ms. Beal – yes Mr. Benson – yes Mr. Desmond – yes Mr. Dreyer – yes Ms. Harden – yes Mr. Mason – yes Mr. Ragor – yes Mr. Rogers – yes</p>	

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	<p><i>Special Meeting with Members of the Morrow County Health Initiative Committee</i></p>		<p>Discussion was held among board members regarding the recommendations made by the Morrow County Health Initiative Committee.</p> <p>A motion was made by Ms. Harden and seconded by Mr. Desmond to hold a special meeting with members of the HIC on June 28, 2021 to clarify their recommendations.</p> <p>The motion was approved by all in attendance.</p> <p>Ms. Beal – yes Mr. Benson – yes Mr. Desmond – yes Mr. Dreyer – yes Ms. Harden – yes Mr. Mason – yes Mr. Ragor – yes Mr. Rogers – yes</p>	
<p>6:47 p.m.</p>	<p><i>Executive Session for the purpose of:</i></p> <p><i>Attorney-client discussions, including without limitation, those addressed by O.R. C. section 121.22 (G)(3)</i></p> <p><i>Trade secrets as defined by O.R.C. section 121.22 (G)(7)</i></p>	<p>Mr. Desmond</p>	<p>A motion was made by Mr. Mason and seconded by Mr. Dreyer to go into executive session for attorney-client discussions and to discuss trade secrets.</p> <p>The motion was approved by all in attendance and the board members entered executive session with Mr. Christensen at 6:47 p.m. The Board discussed the status of the current litigation against Cincinnati Insurance Company and the status of certain contractual undertakings.</p> <p>Ms. Beal – yes Mr. Benson – yes Mr. Desmond – yes Mr. Dreyer – yes Ms. Harden – yes Mr. Mason – yes Mr. Ragor – yes Mr. Rogers – yes</p>	
<p>7:34 p.m.</p>	<p><i>Return from Executive Session</i></p>	<p>Mr. Benson</p>	<p>A motion was made by Ms. Beal and seconded by Mr. Desmond to return from executive session. The Board and Mr. Christensen returned to Regular Session at 7:34 p.m. There was no discussion of the executive session and no action was taken.</p>	

TIME	TOPIC	LEADER	DISCUSSION / RECOMMENDATIONS	FOLLOW-UP
	<p>Opening Remarks</p>	<p>Ms. Williams</p> <p>Ms. Stauffer</p>	<p>Ms. Williams reviewed the recommendation made by the Morrow County Healthcare Advisory Committee, summarizing the health care challenges in Morrow County. Ms. Williams emphasized that the committee as a whole feels strongly about the importance of all parties working together cooperatively to find the best health care solutions for the future.</p> <p>Ms. Williams explained that the committee members were split 4 to 3 over whether to initiate an RFP. She stated that the committee agrees that the hospital cannot survive without making changes. Speaking for the majority, Ms. Williams stated that the previous RFP may not reflect current conditions and that it would be beneficial to gauge the environment to provide up-to-date information and identify opportunities. She stated that she does not feel that money spent to conduct the previous RFP should preclude spending additional money for a new request.</p> <p>Speaking for the minority, Ms. Stauffer stated that, due to the uncertainty resulting from the federal creation of the Rural Emergency Hospital designation, it isn't advisable to embark on an RFP, as major changes are happening. Ms. Stauffer believes that a new RFP would produce the same results as the previous one and that it would not be a responsible use of public funds. Ms. Stauffer stated that the majority of respondents to the committee's public survey indicate that most respondents do not support an RFP.</p>	
	<p>Question & Answer</p>		<p>Mr. Desmond asked what questions should be posed in a new RFP. Ms. Williams advised that the board should seek guidance from a health care expert and recommended Phil Ennen. Mr. Desmond suggested that the RFP ask specific questions including, "How can you make us profitable?"</p> <p>Mr. Benson asked if there is enough time to complete the RFP prior to the end of the year when the current management agreement with OhioHealth terminates. Ms. Williams noted that there is not a lot of time.</p> <p>Mr. Dreyer asked what the minority opinion would be afraid of if an RFP were conducted. Ms. Stauffer responded that an RFP is not a good use of funds when there is great uncertainty surrounding the Rural Emergency designation.</p> <p>Mr. Dreyer asked what the majority opinion would be afraid of if an RFP were not conducted. Ms. Williams stated that she was afraid without an RFP to improve services, Morrow County could become irrelevant and unable to reach its potential, as it would be difficult to attract new businesses or retain current businesses.</p> <p>Mr. Dreyer stated that if the board does not ask the questions, it cannot know what options are available. He said that if nothing changes, the hospital is unlikely to survive.</p>	

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			<p>Ms. Beal asked Ms. Williams whether she felt the resolution passed by the commissioners to establish a wellness committee was a good idea, as it would create another entity for the hospital's board to work with and Ms. Williams said she was pleased with the resolution.</p> <p>Ms. Stauffer stated that she was disappointed that some of the HIC committee's recommendations were not included in the commissioners resolution for establishment of a wellness committee and noted that the resolution did not include Morrow County Hospital as a member of the wellness committee. She also cited concerns with the number of county agencies recommended in the resolution.</p>	
	Public Participation		<p>Mr. Griffith inquired whether, in the previous RFP, Avita had provided any financial records. Mr. Griffith was told that Avita had not provided this information.</p> <p>Mr. Brucker stated that, as mayor of Mount Gilead, he conducts many RFPs and that they do not cost a lot of money. He questioned whether a custom, targeted RFP would be expensive.</p>	
	Closing Remarks		<p>Ms. Williams stated that there is no harm in looking at opportunities and that's why an RFP is appropriate. She said she feels that the board will not know what possibilities might exist if it doesn't look for them.</p> <p>Ms. Stauffer stated that in her experience as a health care provider, an RFP conducted by someone who is not a subject matter expert would not provide an accurate assessment and cited the Rural Emergency designation as a reason that it is not appropriate to conduct an RFP at this time.</p>	
	Discussion		<p>Mr. Ragor stated that he is concerned about asking for a tax levy when a future partner has not yet been identified.</p> <p>Dr. Trago said that it is likely the same one or two systems would respond to an RFP conducted now because of geographic limitations. He encouraged the board to consider the threats that beginning an RFP could create and said that the current management agreement expires on December 31, 2021. He asked the board to consider who would run the hospital on January 1, 2022.</p>	
	Action		<p>Ms. Harden made a motion which was seconded by Ms. Beal, that the board authorize Mr. Benson to negotiate a two-year extension for the OhioHealth management contract while the board conducts a SWOT analysis.</p> <p>Mr. Mason suggested that the motion be amended to authorize the chair or his appointee to engage in the negotiation of a contract extension. After discussion, the board agreed that the motion should be amended by omitting the timeframe of the</p>	

FOLLOW-UP	DISCUSSION / RECOMMENDATIONS	LEADER	TOPIC	TIME
	<p>negotiated extension and to authorize Mr. Benson to appoint a designee for the negotiation.</p> <p>Mr. Dreyer suggested that OhioHealth be asked to attend a board meeting to answer the board's questions.</p> <p>Ms. Harden amended her motion to authorize Mr. Benson, or his appointee, to negotiate an extension for the OhioHealth management contract while the board conducts a SWOT analysis. Ms. Beal seconded the amended motion.</p> <p>The amended motion passed by a majority present:</p> <p>Mr. Benson – yes Mr. Desmond – yes Ms. Harden – yes Ms. Beal – yes Mr. Dreyer – yes Mr. Mason – yes Mr. Ragor – yes Mr. Rogers – no</p>			
	<p>Being no further business, Mr. Desmond made a motion to adjourn which was seconded by Mr. Dreyer.</p> <p>The motion passed by a majority present:</p> <p>Mr. Benson – yes Mr. Desmond – yes Ms. Harden – yes Ms. Beal – yes Mr. Dreyer – yes Mr. Mason – yes Mr. Ragor – yes Mr. Rogers – yes</p> <p>The meeting adjourned at 8:07 p.m.</p>		Adjournment	8:07 pm

Brenda Harden
 Brenda Harden, Secretary

Richard Benson
 Richard Benson, Chair

**Morrow County Hospital
Financial Information**

Six Months Ended June 30, 2021

BOARD MEETING: July 27, 2021