

LAKE FORK HEALTH SERVICE DISTRICT BOARD OF DIRECTORS-SPECIAL MEETING

Today's Date is Monday, April 16, 2018.

I. The regular monthly meeting of the Lake Fork Health Service District was called to order by Janel Warren at 8:03 am.

The meeting was held in the Moseley Health Care Complex.

II. Roll Call: In attendance were board members: Mike Schell, Jamie Scroggins, Janel Warren, Scott Beedy, and Jerry Johnson, by phone. Nancy Zeller, Lynda Schell, Tina Coniglio, Grant Houston, Dr. Gina Carr, Donna Sue Hudgins, Bob Downs, Rick Hernandez, and Sherry Huisman were also present.

Jessica Whiddon is the recording secretary.

Board of Directors:

President: Janel Warren

Vice-President: Jami Scroggins

Secretary: Mike Schell

Treasurer: Scott Beedy

Board Member: Jerry Johnson

III. Workshop

- Discuss x-ray coverage for summer- Susan Bobb intends to have the limited scope x-ray training complete by June. Krista intends to complete her training this summer. We have asked Lynda Schell to come in one day per week over the summer to help with x-ray coverage. X-ray's during the summer average 3 to 4 per day with that number increasing up to 10 if we have an orthopedic Dr. seeing patients. Dr. Carr mentions that it would be beneficial for our new x-ray techs to be able to train with the orthopedic x-ray techs if available. Lynda Schell recommends fast tracking Susan's training by Lynda and Susan being scheduled to work on the same days through the month of May. Lynda does still offer to be available on orthopedic days and possibly offering some weekend coverage. Lynda has worked with Krista on positioning. Both Susan and Krista have plans to go to GVH for x-ray training in addition to the training that they are receiving at the clinic.
- Discuss behavioral health employment- Last summer Donna Sue Hudgins had discussions with our board in regards to becoming an employee of LFHSD. She began to bill her claims using our electronic medical records. Most of Donna Sue's payments are coming in to Lake Fork Health Service District. She has remained an independent contractor for the past year but feels that it would be beneficial to everyone involved if she would work for LFHSD as a part-time employee. Donna Sue would schedule patients on Monday's of each week.

Donna Sue would plan to see 4–6 patients per week. Donna Sue works full-time with the health department so would not need insurance benefits. Donna Sue would like to continue using her EMR because she doesn't feel that the medical centers EMR will produce the information that behavioral health audits would be looking for. Nancy Zeller recommends advertising for Donna Sue's services. Janel Warren is in favor of a trial basis. Nancy Zeller suggests a one year trial to which Janel Warren agrees. Dr. Carr mentions that there is a big push currently to integrate behavioral health into primary care. Dr. Carr also mentions that future service payments could see increases if behavioral health is integrated into the clinic. Donna Sue mentions several screens that she could be using that she is not currently using such as alcohol screens, etc. Jerry Johnson has seen multiple situations where Donna Sue's services were needed and as a community he feels that we need to have access to these types of services. Scott Beedy mentions that there may be some added payment benefits when the cost report is filed and the behavioral health services are added. Jessica Whiddon will send out the employee contract to everyone for comments. Janel asks Donna Sue if she is EMDR trained. Donna Sue is not trained but is interested in training. This training would be related to treatment for short term trauma. Donna Sue will provide her resume to the board.

- Discuss dental cancellations– The clinic is having issues with no shows and patients not cancelling their appointments ahead of time. A financial agreement is reviewed. It is customary that clinics/Dr. offices have a financial agreement in place that details patient responsibilities in regards to co-pays, insurance information, advising of inability to make an appointment time, etc. If the clinic doesn't receive a request to cancel an appointment at least 24 hours prior to the appointment, there will be a \$50 cancellation fee for new patients, and \$25 for established patients. Receptionist to start advising patients of cancellation fee as appointments are made.
- Discuss changes to employee guidelines– Table of contents updated. Added info about sensitivity of not sharing personnel issues outside of work. Pre-employment drug screen language added. Updated continuing education section. Changed wording of probationary period to introductory period. In attendance and punctuality consider adding call back into that section. This info applies to regularly scheduled clinic hours as well as on call shifts. Noted that the occurrence information on attendance and punctuality had been omitted. Janel confirms this. Dr. Carr updated wording for resignations. There was no wording concerning termination so that has been added. Reemployment section updated. If terminated, not eligible for rehire. Added a sentence that if we do need to reduce force, we will try to give prior warning. Pay increases, added certifications will give additional opportunities for pay increase. Concerning PTO, Dr. Carr would like to consider changing PTO carry over to 1/2 of initial PTO amount being allowed to be carried over to next year. Will add this to the May agenda for further discussion/approval. Dr. Carr redefined the PTO allotment schedule to hourly form. Thank you Dr. Carr for your suggested changes.

- Discuss revised budget- Scott Beedy explains different terms used in medical accounting. Contractual Adjustments- the difference between what we bill and get paid. This varies by insurance. AR Days- Measurement of how quickly you're turning business into cash. Adjustments are currently at about 35% which is OK. Our adjustments might be on the low side. Pay attention to net revenue. Normally AR days are around 60. Billing issues have made the AR days high. AR days can be effected by any employee. Janel asks why the 2017 AR days were high. This was high due to the EMR issues. Tina has rebilled the claims that were part of the EMR issue time period. Dr. Carr asks if the flat fee for Medicare and Medicaid change yearly. Yes they do change yearly. Scott thinks that the bad debt allowance assessed by the CPA firm looks good. We need to work on capital reserves. Janel Warren asks how much money the endowment funds has. Scott Beedy responds with \$450,000. Janel asks what the donors to the endowment fund expect the funds to be used for. Nancy Zeller states that if the donor wants it applied to a certain thing, they will stipulate that. Nancy Zeller states that we have to have the endowment fund to keep the clinic viable. Nancy Zeller mentions that in 1995 she saw the need for additional clinic funding and that is when the endowment fund began. If there is a need, please send a letter to the endowment fund to request funding. When the endowment fund began there were not many non-profits but now there are so many non-profits currently out combing for money. The endowment has helped with the building, parking lot, EMR system, etc. The clinic from the beginning depended on donations per Nancy Zeller. Mike Schell asks if the endowment would consider funding expanding services. Nancy Zeller asks for a list of those items for the endowment fund to consider. Nancy states that the endowment is here as a support team for health care. Donna Sue adds that behavioral health may consider requests to the endowment fund to support new programs and training for the new programs. Nancy Zeller asks for a proposal in regards to behavioral health items. Scott Beedy confirms that the endowment fund and medical center work together for the betterment and future of health care in Lake City. Scott sent revised, simplified financials if the board can please chime in on their thoughts of the new look. Janel Warren states that if the budget changes during the year then the budget needs to be amended. Janel asks about the cash flow stand point. Scott Beedy states that the budget is positive. If you look at depreciation that changes things. Janel suggests that we look at the budget without depreciation since we are cash based. Mike Schell has questions about depreciation which Scott Beedy answers. Janel suggests that for budgeting purposes depreciation should not be included. Scott suggests that the monthly financials include depreciation. Jessica Whiddon explains that there is not a current account designated for capital expenses and that if the board would like to designate an account or a portion of an account for capital expenditures they can do so. Mention is made of \$70,000 which was used in 2017 for expenses which was out of the ordinary. Mike Schell mentions that we had to spend \$25,000 in legal fees, plus recruiting fees, and extra payroll expenses due to employee resignations. Jessica Whiddon also points out that last year we had approximately \$100,000 less received for billing which should level back out this

year. Janel Warren asks why the depreciation is different. Scott Beedy comments that the depreciation has been estimated for 2018. Scott Beedy comments that he will check with DOLA to find out if depreciation should be included in the budget and amend the budget accordingly. Scott Beedy mentions the use of depreciation for replacing equipment, building improvements, etc. Nancy Zeller states that discussing budget items in public meetings is a great way for the community to be involved in the process and offer input. The board would like to continue to have a contingency fund and build on that fund. Rick Hernandez comments that Gallagher amendment should be taken into consideration when budgeting. Scott Beedy states that he does not see this situation as gloom and doom, the clinic will survive. This is why we need things such as the finance agreement in place. We need to share with the public that in order to keep the clinic viable everyone has to be responsible for their part in paying the fees due to the clinic. Jessica Whiddon poses the question, "What can we change concerning the budget?" and also comments that the staffing matrix is a change to consider based on patient volume. Scott Beedy also mentions that insurance contracts can be renegotiated periodically. Jessica Whiddon did renegotiate the commercial contracts recently. Note that Dr. Carr has annual physicals scheduled for this summer. We have never provided that benefit during summer so this will be a huge benefit. Janel comments that in the past we have had x-ray and sono services available and suggests that we continue to have our nurses trained for limited scope x-ray. Mike Schell comments that he does not believe that the clinic needs to employ RN's. Jessica Whiddon comments that at the time that our last 2 RN's were hired they were the only nurses available. We did not have any applications submitted at that time from MA's or LPN's. Jessica Whiddon comments that it may be a good idea to have at least 1 RN on staff for training purposes. This is only a suggestion. Mike Schell disagrees with this and states that anyone who has been trained could train new staff. Jessica Whiddon states that in the future it is definitely a consideration to hire LPN's or MA's as the availability permits. Jessica notes that in totality our current nursing staff is being paid right at the same rate as nursing staff was at this time last year. Mike Schell disagrees. Bob Down's notes that as part of programs such as the accountable care organization (ACO) that the care coordinator is normally an RN. Bob notes that we are not a typical clinic, we start IV's and distribute medications, etc. Bob reiterates that when the nurses were interviewed RN's were hired because that was the availability of the nurse pool. Mike Schell comments that he would prefer to see someone with a good attitude that can be trained then someone with a lot of prior training that does not have a good attitude. Scott Beedy comments that you don't want to scrimp on quality. You want to continue providing high quality services. Bob Downs comments that it is a huge benefit to have all of our employees living in town. Jami asks how difficult is to recruit seasonal help. Bob Downs comments that if we hired someone from Locum Tennens it would be expensive. Nancy Zeller comments that in the past they've had people who came in and worked and got to stay in Lake City for free. Jami asks about using interns during the summer. Jessica Whiddon comments that the

interns usually cannot cover the entire summer season. They are normally here only for 3 to 4 weeks. Mike Schell states that maybe we can luck out to find a retired person who is sitting in the cabin and can help out temporarily during the summer. Nancy Zeller comments that this would be a good topic to bring up if we could get the big group of people who were here this summer and get input from them. Bob Downs comments that it takes time to get people trained on our EMR and on the clinic procedures and so it takes a minimum of one week to train a new person. Jessica Whiddon comments that we do have 2 PRN nurses that will be here throughout the summer to help with coverage. They both live in the community. Jessica is working on hiring a weekend receptionist and will also ask that person to obtain MA training. Jami Scroggins asks if we are responsible to pay for the training. Jessica Whiddon comments that you would ask for a contracted amount of time to be spent with the clinic in order for training to be paid by the clinic or endowment. Bob Downs comments that John Bonner volunteers on Monday's at no cost to us. EMS personnel may consider helping us in the future. Janel Warren asks what we need to do to get the budget legal. Scott Beedy will contact DOLA to ask the question about depreciation. Janel comments that we need to look at staff scheduling with Dr. Carr. Janel Warren comes to the clinic at times and the lobby is empty but the clinic is fully staffed. Janel Warren comments that the providers need to know that we are trying to save money. Janel does not want the staff or Dr. Carr to think that the budget is fine when we do need to be working on cutting costs. Jessica Whiddon comments that when times are slow, primarily during the winter, that the employees who can afford to go home often offer to do that but we cannot demand that they go home if they are scheduled to work that day. We have operated that way for many years. Mike Schell comments that we have to do what we can to move this back "over here" and live within our means but still provide a quality product. Janel Warren comments that the endowment is a luxury. Bob Downs reminds everyone that we will be doing annual physicals during the summer whereas we never have before. Jessica Whiddon comments that we currently have 2 nursing staff per day. Bob Downs states that some of the nursing staff are not yet qualified to pass meds, insert IV's, etc. The providers are willing to pass meds but they also urge everyone to remember that if the provider is working on distributing meds, they have other patients who are waiting to be seen. Scott Beedy comments that Rural Health Clinics in today's business do not make it on patient fees alone. You have to have donations and incentive funds. Janel Warren comments that we receive around \$500,000 tax dollars. Janel comments that private practices sometimes sustain off of patient fees alone. Scott Beedy comments that location does make a difference in being able to sustain a practice on patient fees alone. Jami Scroggins comments that she does not want our providers overburdened with patient load to where patients have to wait excessive periods of time to see a provider. Janel suggests that we may look at other items to see if costs could be changed such as medications or other little things; Jessica notes that medication costs are down by about \$2,500 from this time last year. Scott Beedy asks the question of if we need 3 providers to see the number of patients

we do in a year, and then also do we need 3 providers to cover call and to be open on Saturday's and Sunday's? Scott comments that you do need 3 providers to cover that call time. Jami Scroggins asks Scott if he thinks the budget can be balanced. Scott comments that he does not think the clinic can survive on services alone. Jami Scroggins would like a more defined idea of what % of funds can cover which items and would like to know what her role is as a board member in trying to balance the budget. Jami Scroggins asks about approaching the endowment fund to help with bringing in any new services. Scott Beedy comments that the lack of funds is an issue everywhere, all over the United States. Janel comments that she feels responsible to the tax payers to provide services at a budgeted rate. Nancy Zeller comments that when Dr. Durmon and Gudrun were here they did all of these great things for 13 years, and the truth of the matters is, that if you look at what he was paid it was minuscule and if you look at how he did things, it was through using her as management and that is the kind of thing that got us in trouble. So you have to understand that you can look at and recognize the problems but it doesn't mean that you can always fix the problems. The endowment fund started due to Nancy's will to try to help to fix an issue and sustain the future of the clinic. Mike Schell says we need input from the community on what level of services we should provide. Mike states that the board needs to have targets. Scott Beedy says that we can make it more complicated than it has to be; no matter what services we choose to provide, you have to remember that in medical business you can't survive on services alone and so we need to be looking at the donor percentages and figuring out what we can do to increase interest in sustaining the clinic. Nancy has always told her patients that we are a non-profit and we take donations and she also spreads the word out in public. Mike Schell comments that we should move back to being within budget and saving money. Janel comments that we need to designate a capital expenditures account. Nancy Zeller comments that Malinda McDonald is working to obtain grant training. Scott Beedy comments that the budget will be positive since it will be submitted without depreciation. Jerry Johnson comments that we can get through this. We need to look at costs, schedules, and planning. Budget approval will be postponed until the May meeting.

- Any other items- None

Break at 10:50am

Regular Meeting- 11:00am

A. Consider any updates to the meeting agenda: Add action item for financial agreement and behavioral health.

Motion: To approve updated agenda

Motion: Janel Warren

Second: Mike Schell

Vote: All vote yes

Motion Carries

Consider approval of minutes from prior month's board meeting:

Motion: Approval of Minutes for the meetings- 03/13/2018, 03/19/2018, and 03/26/2018, and 04/03/2018 board meetings.

Motion: Scott Beedy

Second: Janel Warren

Vote: All vote yes

Motion Carries

Consider approval of: 12 month trial to provide and integrate behavioral health into LFHSD pending approval of an employment agreement between Donna Sue Hudgins and LFHSD.

Motion: To obtain an employment contract with Donna Sue Hudgins so she may continue to provide behavioral health services.

Motion: Mike Schell

Second: Janel Warren

Vote: All vote yes

Motion Carries

Consider approval of: Patient financial agreement as presented. The agreement will be signed to be signed by each family.

Motion: To approve financial agreement

Motion: Janel Warren

Second: Scott Beedy

Vote: All vote yes

Motion Carries

Consider approval of revised budget: Postponed to May meeting agenda

V. REPORTS

A. President

Reports: NONE

B. Medical Director

Dr. Carr is excited to be here full time beginning June 1. Her lab director training is complete. Primary care training is planned for summer.

C. Dental Director

NONE

D. Business Manager– Medical patient counts through March 2018 were 719 vs 874 through March of 2017. Dental patient counts through March 2018 were 192 versus 208 through March of 2017.

Jessica comments that these numbers should return to normal once Dr. Carr begins to see patients.

1. Financial – February net income is \$15,000 ahead of where we were at this time in 2017.

2. Business Development –
None

3. Community Relations
None

4. Personnel– New LPN will be here part-time beginning mid-May. She is interested in the limited scope x-ray course. Susan Bobb is scheduled to finish her x-ray course mid-June followed by Krista completing her course sometime this summer. Jessica will be interviewing for a new weekend receptionist.

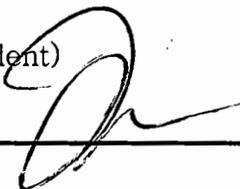
V. CITIZEN COMMENTS FROM FLOOR:

Lake City Area Medical Center will survive.

Adjourn

Meeting is adjourned at 11:15a.m. Next meeting will be **Monday, May 21, 2018** at approximately 8:00am. in the Zeller Wellness & Education Center in the Mosley Health Care Complex.

(President)



Date

5-21-18

(Secretary)



Date

5-21-18

(Recording Secretary)



Date

05/21/2018