



**Board of Trustees
Minutes
May 31, 2023**

The May meeting of the Board of Trustees of Kearney County Health Services met in the Functional Health Room of Kearney County Health Services, 727 East First Street, Minden, Nebraska on Wednesday, May 31, 2023. Notice of the meeting was posted at Kearney County Health Services, Hospital, Minden Medical Clinic, Minden Post Office, Minden Exchange Bank and www.kchs.org under Board of Trustees. A Board Packet with an agenda of the meeting, minutes, and other pertinent information was emailed to each Board member prior to the meeting.

I. Call to Order and Roll Call

Chairman Dahlgren called the meeting to order at 12:02 PM and called attention to the public meeting laws that are posted in the meeting room.

Present:

Board Members

AJ Dahlgren, Chairman
Jeff Hanson
Dick McBride
Stephen Olson, Secretary
Sam Stadler

KCHS Medical Staff

Cade Craig, MD

KCHS Staff

Luke Poore, CEO
Gavin Blum, CFO
Kendra Brown, CNO
Mark Klabunde, Director of Pharmacy
Rebecca Cooke, COO
Janell Shelton, Director of Primary Care
Brian Wickham, Director of Information Technology
Connie Jorgensen, Administrative Assistant

County Board of Commissioners

Brent Stuart

Others

Cindy Ramsey (*Minden Courier*) - Absent

II. Public Comments/Communication

Public Comments and Communication were noted by Luke Poore, CEO, from the Wilcox/Hildreth Prom Committee.

III. Approval of Minutes

Action Taken: A motion was made by Stephen Olson to approve the meeting minutes of the April meeting. The motion was seconded.

Voting Aye: Hanson, Olson, Stadler, McBride, and Dahlgren.

Motion Carried.

IV. Old Business

1. Telemetry System Upgrade

Luke Poore (CEO) updated the progress of the fairly recent purchase including the Telemetry Upgrade which is still ongoing, and will be going well into 2023. Outside of Telemetry, Luke reported that all capital purchase approvals have been put into to service to date.

2. HIPAA Penetration Testing Update

Brian Wickham (Director of IT) gave an update on a follow-up scan testing the security of the Kearney County Health Services IT infrastructure. As revealed in the first scan, twenty-seven risks of different severities were discovered with two being at “High Risk,” ten at “Medium Risks,” and fifteen “Low Risks.” Actions taken so far include:

- Reviewing options for Microsoft Exchange Email Server replacement considering continuation of what we are doing now on premises or moving to cloud hosted base.
- Shut down of the Web Portal.
- Change KCHS.org domain from Turner and Associates to KCHS and upon recommendation from Two Rivers Public Health, block traffic through firewall from 16 foreign countries.

A follow up report will follow up in the next couple of weeks.

V. New Business

1. Health/Dental Insurance Renewal

Rebecca Cooke, COO reviewed proposals from BCBS current plan at a 33% increase and a more cost effective renewal with a decrease in benefits and a 21% increase or a UHC proposal plan with an average 18% increase. After an employee survey of 75% in favor of changing carriers, KCHS administration recommended the UHC plan with a 5% increase passed on to employees. This would be the first time in 5 years that a significant increase in cost had been passed onto KCHS employees.

Action Taken: Upon further discussion a motion was made by Sam Stadler to accept the UHC proposal. The motion was seconded.

Voting Aye: Dahlgren, Hanson, McBride, Olson, and Stadler.

Motion Carried.

2. Fiscal Year Budget (2023-2024)

Revenue Assumption Summary

- Clinic Revenue increase with new physician starting in October 2023
- Similar growth in outpatient services
- Continued growth in surgery services
- Downturn in Pharmacy due to potential decrease of high dollar drug medication administration
- Charge Master Review in Fall, typically 3% service rate increase, but will see results of review
- Gross Patient Service Revenue 2024 Budget = \$22,293, 000 for a Net Operating Revenue of \$18,298,000

Expense Assumptions

- Salaries and Benefits – New Physician, ER staff, IT Staff
- Health Insurance Increase
- Advertising – Increase focus on marketing.
- Education – Tuition, Loan forgiveness
- Data Processing-Cerner
- Total Operating Expense 2024 Budget=\$17,288,470 for a Net Earnings =\$1,509,030

Cost-Based Reimbursement Assumptions

- Medicare Budget Sequestration 2% potential to go up to 6% with future legislation
- Outpatient Services goes up to 52% July 1 from 49%
- Commercial Insurance usually 95-97% reimbursement
- Medicaid up 3% this year but no increase next year

Gavin also discussed the Capital Budget which included a new Chemistry Analyzer for Laboratory estimated at \$278,000 which will require a remodel in the laboratory department for it to fit and a new CT Scanner for Radiology estimated at \$626,070 as the current one was purchased in FY 2016. The grand total of \$1,111,601 for FY 2024 was reviewed. It was communicated that Kearney County Health Services will continue to request Property Tax Revenue of \$400,000 which may assist in these costs over the next 2-3 years.

Action Taken: After brief discussion a motion was made by Stephen Olson to approve the proposed 2023-2024 Fiscal Year Budget. The motion was seconded.

Voting Aye: Hanson, McBride, Olson, Stadler, and Dahlgren.
Motion Carried.

VI. Reports

1. Kearney County Medical Fund-Luke Poore, CEO, reported that the KCHS Medical Fund discussed the Golf Tournament scheduled for June 9, 2023 at the Minden Country Club. To date we have 35 sponsors and 15-17 teams.
2. Financial/Statistical Reports and Update
 - a. Gavin Blum, CFO gave the Statistical/Financial Report for May 2023.

Balance Sheet	April 2023	March 2023
Total Current Assets	18,303,940	17,851,894
Net Capital Assets	11,677,432	11,680,717
Total Assets	29,981,371	29,532,611
Total Current Liabilities	1,575,714	1,270,352
Net Assets	25,804,680	25,640,005
Net Assets and Liabilities	29,981,371	29,532,611

Statement of Profit & Loss	April 2023	Budget	YTD
Net Operating Revenue	1,367,222	1,437,418	14,198,547
Total Operating Expenses	1,242,345	1,305,919	13,125,896
Income (Loss) from Operations	124,878	131,499	1,072,651
Non-Operating Revenue	39,798	50,199	559,198
Net Earnings (Loss)	164,675	181,698	1,631,849

Financial Indicators FY 2023 (Profitability)					
	January 2023	February 2023	March 2023	April 2023	May 2023
Days Cash on Hand	357	352	373	385	
Days in Patient Accounts Receivable (Gross)	50	48	51	59	

Financial Indicators FY 2023 (Cost Per Day)					
	January 2023	February 2023	March 2023	April 2023	May 2023
Clinic	6,805	6,360	6,894	5,999	
Hospital	32,390	34.952	32,147	31,710	

Statistical Summary	April 2023	Statistical Milestone
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Acute Days	23	3 rd Most this FY
Vascular Tests	13	2 nd Most this FY
Cardiac Rehabilitation Visits	46	2 nd Most this FY
OP Physical Therapy Visits	853	Most since June 2022
Specialty Clinic Visits	164	1,713 Projected (1,931 in FY 2022)
Clinic Visits	712	8,699 Projected (9,177 in FY 2022)
Provider		
Andy Craig, MD	3	2 nd most Observation patients in FY
Shannon Kuehn, APRN	84	Most Clinic Visits since October 2022

Accounts Payable Register (Gross)	March 2023	April 2023
(2) Payrolls & (2) Check-Runs	1,189,351.85	1,042,497.56

Bad Debt Report & Averages					
March 2023	April 2023	FY 2023 Average	FY 2022 Average	FY 2021 Average	FY 2020 Average
\$46,048.74	\$28,439.32	49,000	\$59,000	\$43,982	\$40,840

Action Taken: A motion was made by Dick McBride to approve the Financial and Statistical Report. The motion was seconded.

Voting Aye: Dahlgren, Hanson, McBride, Olson, and Stadler
Motion Carried.

Action Taken: A motion was made by Sam Stadler to approve the Bad Debt Report. The motion was seconded.

Voting Aye: Hanson, McBride, Olson, Stadler, and Dahlgren.
Motion Carried.

3. Quality Assurance (QA)/Infection Control Report

Kendra Brown, CNO, gave the QA/IC report for May. At the QA/IC meeting held on May 18, 2023, reports were given by Social Services and Utilization Review, Human Resources, Health Information Management, Nuclear Medicine, along with Cardiac Rehabilitation, Swing Bed, and Senior Life Solutions.

Action Taken: A motion was made by Sam Stadler to approve the Quality Assurance Report. The motion was seconded.

Voting Aye: Dahlgren, Hanson, McBride, Olson, and Stadler.
Motion Carried.

4. Ancillary Services Report

Rebecca Cooke, COO reviewed the Operations Report for May 2023 documentation in board packet. Rebecca touched specifically on physical rehabilitation, the Senior Life Solutions program, Radiology personnel changes in directorship, along with recruiting and marketing data.

Speaking to Radiology, Rebecca stated that Sarah Halkyard, whom is now the appointed Director of Radiology, is doing a great job. Rebecca commented on interviews underway for a Radiology Technologist to back fill Sarah Halkyard's departure in that role.

Hires

Position	Department	Status
LPN (Night)	Acute	Part-Time
Patient Care Tech	Acute	Temporary
Administrative Intern	Administration	Temporary
Business Office Specialist	Business Office	Full-Time

Recruiting

Position	Department	Status
Registered Nurse (<i>Night</i>)	Acute	Full-Time
Business Office Specialist (<i>New</i>)	Business Office	Full-Time
Radiology Tech & Ultrasound Tech	Radiology	Full-Time

Turnover Rates

March 2023	YTD	Prior YTD 2022
3.2%	3.2%	2.7%

Employment Numbers

April 2023	Total	Full Time	Part Time/PRN	FTEs
	125	92	33	100.82

**Incident Reports were reviewed.

5. CEO Report

Outpatient Services

- Wound Care Services – Discussions are still ongoing for July-August 2023 start with Restorix Health in partnership with Mary Lanning Memorial Hospital.
- Cardiology – Cassandra Lundberg PA-C has started her monthly clinic in conjunction with Dr. Douglas Netz. We also started the Mobile Nuclear Medicine provided by Pioneer Heart Institute.
- UNMC Residents – The last day for UNMC Residents rotating for Kearney County Health Services will be June 22, 2023. Dr. Shelby Liesemeyer, MD will join KCHS in October 2023.
- ER Coverage – Jon Becker, PA has transitioned into a set weekly ER rotation joining Jordan Kohtz, APRN, Doug Wulf, APRN and Diane Jackson, APRN. Clinic APPs rotate every third week with primary call one night per week, with physicians rotating all ER back-up call.

Cerner Program

- Onsite “Health Check” will be May 16th. Administration continues to press Cerner on the “Patient Accounting” aspect of implantation/optimization. Late in 2023, Cerner as part of our contract will send an optimization team out to again follow up with concerns. This visit will also focus on optimization of existing workflows.

Policies

- No policies this month are up for approval, as no Medical Staff meeting was held in May.

VII. Executive Session

Action Taken: At 1:12 PM a motion was made by Jeff Hanson to go into Executive Session. The motion was seconded.

Voting Aye: Dahlgren, Hanson, McBride, Olson, and Stadler.
Motion Carried.

Other staff left the meeting except Luke Poore, Gavin Blum, Rebecca Cooke, and Janell Shelton. Brent Stuart also stayed for the remainder of the meeting.

Action Taken: A motion was made by Stephen Olson to come out of executive session at 1:20 PM. The motion was seconded.

Voting aye: Hanson, McBride, Olson, Stadler, and Dahlgren.

Motion Carried.

VIII. Other Comments/Communication

Next meeting will be June 28, 2023 at Noon in the Functional Health Meeting Room.

IX. Adjournment: The meeting was adjourned at 1:25 PM.

AJ Dahlgren, Chairman

Stephen Olson, Secretary