

Sierra Vista Hospital
Regular Joint Powers Commission Minutes
August 8, 2024 @ 1:00pm

1. The Joint Powers Commission of Sierra Vista Hospital met August 8, 2024 at 1:00pm in the boardroom at Sierra Vista Hospital for a regular/ annual meeting. Jim Paxon, Chairperson, called the meeting to order at 1:02pm.

2. **Pledge of Allegiance** Jim Paxon, Chairperson

3. **Roll Call** Jennifer Burns, Recorder

Joint Powers Commission

Attendees: City of Elephant Butte

Kim Skinner, Present by phone
Phillip Mortensen, **Vice Chair**, present
Cathy Harmon, Present
Janet Porter-Carrejo, CM EB, Absent

City of T or C

Rolf Hechler, Present
Amanda Forister, Absent
Ingo Hoepfner, Present
Angie Gonzales, City Manager, Absent

Sierra County

Travis Day, Absent
Jim Paxon, **Chair**, Present
Hank Hopkins, Present
Amber Vaughn, County Manager, Absent

Village of Williamsburg

Cathy Luenenborg, Present by phone
Magorie Powey, Present
Deb Stubblefield, Present
Amanda Cardona, Absent

Sierra Vista Hospital

Frank Corcoran, CEO, Present
Ming Huang, CFO, Present
Sheila Adams, CNO, Excused
Kathi Pape, **Governing Board Chair**, Present
Lawrence Baker, HR Director, Present
Lisa Boston, Present
Zach Heard, Present

AGENDA ITEMS

PRESENTER

ACTION REQUIRED

Jim Paxon welcomed Kathi Pape, Governing Board Chairperson to the meeting.

4. **Approval of Agenda** Jim Paxon, Chairperson

Philip Mortensen motioned to approve the agenda. Deb Stubblefield seconded. Motion carried unanimously.

5. **Approval of Minutes** Jim Paxon, Chairperson

A. May 2, 2024 Regular Meeting Minutes

Deb Stubblefield motioned to approve the May 2, 2024 minutes with the correction to page JPC4. Sight should be site. Hank Hopkins seconded. Motion carried unanimously.

Sierra Vista Hospital
Regular Joint Powers Commission Minutes
August 8, 2024 @ 1:00pm

6. Public Comment – None

7. Old Business

Jim Paxon, Chairperson

None

8. New Business

A. Election of Officers

Jim Paxon, Chairperson

1. Chairperson-

Majie Powey nominated Jim Paxon for Chairperson. Rolf Hechler seconded. There were no other nominations. The vote was unanimous.

2. Vice Chairperson-

Cathy Harmon nominated Philip Mortensen for Vice Chairperson. Majie Powey seconded. There were no other nominations. The vote was unanimous.

B. Appointment of Recording Secretary-

Deb Stubblefield motioned to nominate Jennifer Burns as recording secretary. Ingo Hoepfner seconded. There were no other nominations. The vote was unanimous.

C. Nondiscrimination Resolution 24-102

English and Spanish

Majie Powey motioned to approve Resolution 24-104. Cathy Harmon seconded. Motion carried unanimously.

D. Open Meetings Act Resolution 24-103

Deb Stubblefield motioned to approve Resolution 24-103. Hank Hopkins seconded. Motion carried unanimously.

E. Public Records Request Resolution 24-104

Philip Mortensen motioned to approve Resolution 24-104. Deb Stubblefield seconded. Motion carried unanimously.

F. Meeting Schedule FY24/25

1. October 17, 2024 @ 2:00

2. January 16, 2025 @ 2:00

3. April 24, 2025 @ 2:00

4. August 7, 2025 @ 2:00 (After GB Annual in July)

Deb Stubblefield motioned to approve the meeting schedule for FY24/25. Majie Powey seconded. Motion carried unanimously.

G. Review of JPC Policies

Philip Mortensen motioned to approve the JPC Policies. Cathy Harmon seconded motion carried unanimously.

H. Fourth Quarter (April, May, June) Financials

1. Resolution 24-110

Ming Huang, CFO, directed board members to page JPC28 of the packet. Gross patient revenue in April was \$5,396,678. After subtracting all deductions, we have total operating revenue of \$2,929,155. Total operating expenses were \$2,981,631. We ended April with a negative EBITDA of (\$52,476).

Sierra Vista Hospital
Regular Joint Powers Commission Minutes
August 8, 2024 @ 1:00pm

In May, gross revenue was \$6,681,638. Total operating revenue was \$3,450,168. Total operating expenses were \$3,055,987. We ended May with an EBITDA of \$394,181.

In June, gross patient revenue was \$5,741,886. Net revenue was \$3,018,685. Total operating expenses were \$3,090,681. June ended with a negative EBITDA of (\$71,996). Year to date we have a positive EBITDA of \$711,660.

Looking at the balance sheet on page JPC29, at the end of June 2024 we had \$5,947,969 in the bank. At the end of June 2023, we had \$10,348,345 in the bank. At the end of June 2023, we had \$7,263,177 in accounts receivable gross. At the end of June 2024, we have \$14,738,750 in accounts receivable. Changing over to Cerner delayed our billing and collection process. The money that is not in the bank is sitting in accounts receivable. We have not lost money; it is just taking twice as long to bill and collect. As we get the kinks worked out we will come back around to normal.

Deb Stubblefield motioned to approve the fourth quarter financials and Resolution 24-110. Philip Mortensen seconded. Motion carried unanimously.

I. Budget Revision FY2024

Ming Huang, CFO

1. Resolution 24-103

Revisions to last year's budget include increasing supplies by \$100,000, increasing contract services by \$200,000, increasing utilities by \$100,000 and repairs and maintenance by \$100,000 for a total adjustment of \$500,000.

Majie Powey motioned to approve the budget adjustment and Resolution 24-103. Deb Stubblefield seconded. Motion carried unanimously.

J. Final Budget FY2025

Ming Huang, CFO

1. Resolution 24-104

For FY25, the budget is \$64,721,502 in gross revenue. After subtracting total deductions, total operating revenue will be \$37,993,008. Expenses are expected to be \$36,905,119 giving us an EBITDA of \$1,087,889. Depreciation is the major cause for loss.

Rolf Hechler motioned to approve Final Budget FY2025 and Resolution 24-104. Deb Stubblefield seconded. Motion carried unanimously.

K. CEO Report -

Frank Corcoran, CEO

We have two of our behavioral health practitioners credentialed with the VA nursing home. They will be seeing patients there one day per week. Our psychiatrist will be joining us in August. We are seeing improvement in the community with our expanded behavioral health services.

Cerner is getting better. We are starting to see increased deposits coming in daily. HDAA is on target to launch in July 2025 with fund distribution quarterly starting in October 2025. This is a program that we contribute to and get back federal funds. CMS is reviewing the program now. We have requested \$1.5 million from Senate bill 161, a bill that passed for small rural hospitals. We will ask for the remaining \$2.7 million next year. These funds are paid out quarterly starting in October. In the next session of legislation, the NMHA will be focusing on defensive strategies as opposed to funding. Mergers and acquisitions is a law that was passed requiring us to seek permission from the superintendent of insurance for a variety of situations. For example, changing our management group would require permission from the superintendent. Nurse to patient ratios and med malpractice reform are also on our agenda. Our med malpractice/ general liability insurance increased to \$1.7

Sierra Vista Hospital
Regular Joint Powers Commission Minutes
August 8, 2024 @ 1:00pm

million from \$900,000 last year. We went through 22 insurance companies to find one who would carry us. Most carriers will not do business in New Mexico.

Through the AHA (American Hospital Association) we will be working on the Pharmacy 340B program, which is currently worth about \$1 million to the hospital annually. Big pharmacy is trying to force us to use only one local pharmacy in order for us to participate in this program. We will also be working to keep telemedicine going. Telehealth came around during COVID and is scheduled to end at the end of December this year. Fraud and quality of care are real issues with telehealth.

Surgery is up and running again with the addition of an anesthesiology group from Three Crosses in Las Cruces. We want to start pain management with this group as well.

Our water pressure is not high enough to sustain our sprinkler system. Rolf Hechler updated the board on the cities findings. After the installation of the roundabouts, there were several water line breaks throughout the community. The water pressure on the west side of the roundabouts was 60 pounds and on the east side it was 40. There may be a ghost valve that got covered or turned off or manipulated in some. We cannot locate it. We have decided to tie into the line where we have 60 pounds of pressure, do a bypass line, and tie into the water main that goes to the elementary school and the hospital and reintroduce that 60 pounds of pressure to boost both systems. Frank added that the hospital is on fire watch 24/7 until this is resolved. We had looked at putting a water truck on the property, but they only hold 10,000 gallons of water and we would need 96,000 gallons of water to run the sprinkler system.

We are looking for a new quality director. In the meantime, Michelle Back from Ovation along with Lisa Boston will be helping out.

Cardiology is on hold right now. The Cardiologist from Las Cruces can't keep up with getting reports done so we have paused this service temporarily until he is caught up. We want to bring Orthopedics here with the help of Three Crosses hospital.

1. AHA Leadership Summit- The AHA (American Hospital Association) held their Leadership Summit in San Diego mid-July. Frank provided a copy of a presentation from the event. This presentation gives a very good description of where hospitals, commercial insurance, Medicare and Medicare advantage stand across the country today. Government underfunding is a key driver of the healthcare crisis. Optimal commercial rates are essential for survival of healthcare providers. Access will eventually surpass price as the primary concern in the industry. Some areas to work on include demanding optimal commercial and MA rates, eliminate expenses that do not contribute to direct patient care, develop partnerships where health systems lack core competencies and spend more time on the front lines actively listening to physicians, nurses, patients, and others and less time in corporate meetings.

Finally, "If you survive long enough to see tomorrow, it may bring the answer that seems impossible today."

2. Amplify- Frank presented a report prepared by Veronica Lynch from Amplify, our revenue cycle management company, showing the status of collection from our old billing system, Athena, and the progress with our new system, Cerner. We have drafted a strong letter to Cerner insisting that the issues we are having with some departments be fixed and built properly the way they should have been done in the first place. Cerner hired a third party to build our system.

3. Lisa Boston presented board education regarding fiduciary responsibilities as a board member.

Sierra Vista Hospital
Regular Joint Powers Commission Minutes
August 8, 2024 @ 1:00pm

- L. Governing Board Report Kathi Pape, GB Chair
1. Bylaws Revision
2. Code of Conduct

Kathi Pape reported that the Governing Board held their annual meeting last week. Kathi was elected Chairperson; Serina Bartoo was elected Vice-Chair and Cookie Johnson was elected Secretary. The Code of Conduct policy was approved. The Bylaws have been revised to include this policy.

Deb Stubblefield motioned to approve the revision to the Bylaws. Philip Mortensen seconded. Motion carried unanimously.

Philip Mortensen motioned to close the meeting. Deb Stubblefield seconded. Motion carried unanimously.

9. Executive Session – In accordance with Open Meetings Act, NMSA 1978, Chapter 10, Article 15, Section 10-15-1 (H) 9 the JPC will vote to close the meeting to discuss the following items:

10-15-1 (H) 9 - Public Hospital Board

- A. Master Facility Plan Frank Corcoran, CEO

10. Re-Open Meeting – As required by Section 10-15-1 (J), NMSA 1978 matters discussed in executive session were limited only to those specified in the motion to close the meeting.

10-15-1 (H) 9 - Public Hospital Board

- A. Master Facility Plan No action required

11. Other

The next JPC meeting will be held on October 17, 2024 at 2:00.

12. Adjournment

Deb Stubblefield motioned to adjourn. Ingo Hoepfner seconded. Motion carried unanimously.

JB _____
Jennifer Burns, Recording Secretary

11-12-24