



December 30, 2020

Welcome Announcement of Open Meeting Law Posting

Loren Wiedel called the Meeting of the Thayer County Health Services Board of Trustees to order on November 24, 2020, at 7:02 pm, in the TCHS Bruning Conference Room, 120 Park Avenue, Hebron, NE. The open meeting laws are posted and viewable in the conference room. Present on roll call were Loren Wiedel, Karen Dahikoetter (by phone), Connie Lichty, Laura Tuma (by phone), and Libby Heitmann. Others in attendance: Paul Edwards, Aaron Teachout, Shawn Petras, Jamie Koch, and Lori Grummert. Recorder: Bridget Behrends, Executive Assistant.

Approval of Agenda & Approval of November 24, 2020 Minutes: Connie motioned to approve the agenda and November 24, 2020 board meeting minutes. Libby seconded. Roll call vote, all yes. Motion carried.

Financial Statements- November 2020:

Aaron reviewed the financial statement packet for the Five Months Ended November 30, 2020 and 2019 with the Board:

Month of October: Operating Income was 738,624 or 29.2%, total margin of 739,459 or 29.3%, and an EBIDA of \$882,138 or 34.9%. The gain is significantly above budget of 2.1%. Gross revenue for the month was 24.8% above budget primarily from increased outpatient and inpatient services to budget. Expenses were under budget by \$131k due to a decrease in salary/benefits cost and pharmacy supplies for the month. The overall income numbers have the first part of the PPP loan forgiveness included for \$789,798 which without would have resulted in a loss for the month due to the cost report true up made in the month. Cash flow for the month was \$175,000 due to our increase in operations with ending cash balance of \$11.7M. The month ended with an increase in day's cash on hand to 201 compared to prior month of 194.3.

Year to Date: Operating Income was 1,217,499 or 11.0%, total margin of 1,243,741 or 11.2%, and an EBIDA of \$2,011,973 or 18.1%. We are off to a great start of the fiscal year given the current climate of COVID-19. Gross revenues are 16.2% above budget and 18.5% above prior year. Expenses are over .8% to budget and 8.1% over prior year. The overall income numbers have the first part of the PPP loan forgiveness included for \$789,798 which without would have resulted in a 4.2% operating margin for the year which is still significantly above budget of 0.8%. Days in AR are 48.6 (gross) and 45.5 (net). Our AR days are very good and considerably better than benchmark. TCHS Medicare cost per day and our cost to charge ratio has significantly decreased from prior year. This has caused a larger payable to Medicare as a result. TCHS payer mix continues to stay higher than expected in Medicare which is allowing for more costs being reimbursed but at no margin. This would be expected this to correct itself more in line with budget in the remaining part of the fiscal year. Age of plant continues to rise as our depreciation expenses continues to drop along with minimal capital investments.

Current Month: The month of December is continuing the level of services performed and revenue when compared to prior months but will slow down with the holidays. We are on current pace for gross revenues to end the month at budget. We continue to see an increase in visits for most departments to budget. This trend is expected to continue for the rest of the month and into January as long as COVID remains manageable. We have received multiple CAREs Act stimulus payments. We continue to review the regulations regarding these funds so they can be properly accounted for which changes weekly.

Libby made a motion to approve the November 30, 2020 financial statements, Connie seconded. Roll call vote, all yes. Motion carried.

Officers Reports:

Chief Executive Officer Report- Paul Edwards

- a. **Consent Agenda (November) – Connie made a motion to approve the October consent agenda as written; Libby seconded. Roll call vote, all yes. Motion Carried.** Discussion before approval: none
- b. **Year 1 of 5 Capital Plan:** Paul reported by presenting the TCHS Year 1 of 5 Capital Plan Presentation. Paul stated that the TCHS Senior Leadership Team has developed a 5 Year Capital Plan for 2021-2026. This has been a strategic effort to plan for the future needs of TCHS. By doing so, Senior Leaders have met with all departments, providers, and physician specialists to determine capital needs over the next five year period and have prioritized those needs. Although all years of the plan have strategic importance, the first 6 months of 2021 involves faster than routine budgeting and approval process due to COVID-19 and needed COVID-19 related operational changes. Paul reported that TCHS priorities involve: protection and mitigation against COVID-19, growth in Specialty Clinic, and growth in Behavioral Health Services. TCHS has learned from the pandemic that many areas of our hospital are not operational ready for a drawn out pandemic. The strategic plan will address: replacing current furniture with hospital grade furniture to reduce transmissions, installing Cisco Meraki switches to increase internet security and reliability, creating a larger conference/training room with greater social distancing, creating a larger Specialty Clinic Waiting Room with greater social distancing to handle increased volume, creating a dedicated Oncology Center for immune compromised patients to receive care in a semi secluded location, increasing Specialty Clinic physical space to spread out physician specialists and patient population which allow greater uninterrupted specialty care, establishing dedicated/adequate storage space to handle large bulk purchasing of essential hospital supplies, and creating 2 additional patient isolation rooms. Paul explained that Specialty Clinic Providers currently account for > 65% of revenue for TCHS and has seen 15% growth in the past 2 years. The TCHS strategic plan will address: expansion of provider/patient space to accommodate up to 4 providers per day, increase patient waiting are from 15 individuals to 35 individuals, increase Specialty Clinic procedure rooms from 1 to 2 rooms, increase infusion chairs from 2 to 6, dedicate oncology space, create dedicated facility storage area, and increasing Specialty Clinic will allow for strategic growth in Pain, Orthopaedics, Oncology, OB/GYN, and Dermatology, etc. Additionally, Paul reported that there is a growing demand for Behavioral Health. Currently, there is not clinic space to establish Behavioral Health. The Year 1 of 5 Capital Plan will address: 50% of current administration area will be allocated for expansion for the Behavioral Health Program, 50% will be remodeled for conference/training room for TCHS. No current space exists for larger employee functions, and building more efficient office space to accommodate administration, finance, marketing, and human resources. Following these statements, Paul provided background information to support these strategic plans. TCHS currently has 201 Days of Cash on Hand or 11.5 million which included \$3.5 million in CARES Act payment. TCHS needs 75-95 Days of Cash on Hand or 4.2-5.6 million which is standard for a Critical Access Hospital. TCHS generates 1 million in cash each year. TCHS long term debt is 3.7 million, with project payoff in 2024. Paul then stated overall assessments of the TCHS Capital Plan. The Five Year Capital Plan from 20-21, capital investment is approximately 5.8 million. TCHS is still waiting on a firm quote for the Hybrid RF Suite. Also, as a Critical Access Hospital that is reimbursed by Medicare/Medicaid for costs, TCHS expects to be reimbursed approximately \$3.6 million over the life of these capital improvements. Paul listed recommendations for the TCHS Capital Plan which involve: TCHS administration obtaining firm quotes, designs, and coordination for all projects, presenting and obtaining approval from hospital board at the December 30th Meeting, and beginning projects by January 2021. Loren stated that TCHS recently bought the Priefert Pharmacy and mentioned that TCHS needs to frame their current financial status correctly. Loren requested more details regarding the radiology equipment, minor remodeling, and furniture that will be included in the Five Year Capital Plan. Aaron reported that this cutting edge radiology equipment will allow for table rotation, better patient positioning, and will possess modules that can expand services for more specialists. Following this description, Loren stated that these enhancements would be reinvesting back into the facility. Aaron reassured the Board that these improvements will be taken into consideration by Medicare. Therefore, Medicare would be picking up part of that cost. Continuing on, Paul reported that TCHS has developed a TV Marketing Plan which began with a market analysis with CHI. The first step of this marketing analysis required TCHS to identify their top areas of service. Since then, TCHS has signed a TV Advertisement Agreement with 1011 for 2021. This will be a rotation of advertising on a quarterly basis. Quarter 1- Chronic Pain Management, Quarter 2- Family Practice, Quarter 3- Orthopaedics, and Quarter 4- Oncology & Hematology. TCHS has seen significant growth from these areas over the years and feels that there will be additional growth through the utilization of televised advertisement of these services. This information led to Connie questioning current provider statuses and future physician recruitment. Shawn reassured

the Board that the current providers plan to be a part of the growth with TCHS. TCHS has been working with CHI Health Regional Cancer Center at Saint Francis in Grand Island, NE to align with their oncology program. The goal of TCHS is to continue to grow the oncology program by offering treatment closer to home. Loren stated that the board needs more time to take the opportunity to absorb all of the information due to not wanting to rush construction. Notice of Special Meeting of The Board of Directors of Thayer County Health Services was given by order of Loren Wiedel, Chair, Thayer County Health Services Board of Trustees. The Board of Trustees of Thayer County Health Services will hold a Special Meeting on Wednesday, January 13, 2021 at 7:00 pm in the Bruning Conference Room.

- c. **Physician Involvement/Satisfaction Survey:** Paul reported that Thayer County Health Services appreciates the work and dedication of their physicians. TCHS has been searching for ways to improve the engagement with its physicians. In the past, TCHS Physicians have been included in the Employee Engagement Survey along with other staff members of TCHS. However, TCHS is striving to develop a survey that is made specifically for its physicians. TCHS has collaborated with Erick Decker from CHI to develop a Physician Engagement Survey that will require feedback for numerous components such as: supplies, equipment, and even their personal schedules. This survey will be delivered via email and composed of 48 specific questions and concerns that are directed at physicians that will fit all within management agreement with CHI Health.
- d. **New Hires:** Bridget reported that there were eleven new hires within the month of November. These individuals include: Jasa Wiedel, CNA, Brenda Striggow, Pharmacy Tech, Jack Priefert, Pharmacist, Teresa Hofts, Pharmacy Clerk, Judy Nun, Pharmacy Clerk, Carla Seaman, Pharmacy Tech, Peggy Schoenholz, Pharmacy Clerk, Bev Harms, Pharmacy Clerk, Heath Grone, Pharmacist, Jayde Carstens, Hospital RN, and Katelyn Richardson, Pharmacy Intern. There was discussion of the adoption of Priefert and their staff. Paul reassured the Board that he goes down to Thayer County Pharmacy several times each week to touch base with staff.

Chief Nursing Officer Report- Jamie Koch

- a. **COVID-19 Vaccine:** Jamie reported that the administration of the Moderna COVID-19 vaccination at TCHS began on Monday, December 28th. There were 20 vaccinations administered on Monday with another 20 vaccinations administered on Tuesday. TCHS plans to finish the first round of staff by the end of the week. One vial of the vaccine contains ten doses. Meaning, proper coordination is required due to the vaccines only lasting for six hours without being administered. TCHS plans to have everyone in the facility wanting the vaccine to have an appointment scheduled by the end of the day. The COVID-19 vaccine is not required but, it is highly encouraged. Jamie reported that the first and second dose of the vaccine will be 28 days apart. TCHS hasn't heard of any side effects at this time. A COVID-19 Vaccine Task Force has been created and will work to push out information when TCHS is provided with more guidance. Jamie stated that there has been a lot of people calling into TCHS requesting vaccination information. In the meantime, TCHS has been working to identify patients that will need the vaccine sooner than others and will put out a message as soon as possible. TCHS is hoping for potential community vaccination in the spring. This information led to Connie asking which facilities received Moderna and which facilities received the Pfizer COVID-19 Vaccine. Jamie stated that Rural Hospitals received the Moderna Vaccine. While, long-term facilities that are either contracted with CVS or Walgreens received the Pfizer vaccination. Following this discussion, Loren asked who received the communication from Public Health. Jamie responded that Megan Janousek, Infection Control Coordinator is the point of contact, though TCHS is hopeful that Public Health will provide specific guidance and firm direction of future COVID-19 vaccinations.
- b. **Nutritional Services/HHS Update:** Jamie reported the Thayer County Health Services has partnered with HHS Culinary and Nutrition Solutions, LLC. TCHS went live with HHS on December 7th. So far, the partnership has gone well given the quick change. HHS is currently recruiting a head chef that will hopefully be the permanent director by the end of the month. Overall, TCHS has received good feedback from patients and staff. TCHS will reevaluate at a later date about the potential of community takeout after the first of the year.

Chief Financial Officer Report- Aaron Teachout

- a. None

Vice President of Clinic Services- Shawn Petras

- a. **Rural Health Clinic:** Shawn reported that volumes were flat for the last quarter. A strategic plan has been developed in order to increase rural health clinics numbers by 10%, with a portion of the plan designed to increase visits by targeting Medicare recipients to maximize their benefits with annual wellness visits.
- b. **Rehab:** Shawn reported that the Rehab Department has an action plan to increase referrals. Rehab is actively managing and setting benchmarks.
- c. **Specialty Clinic:** Dr. Waters, Podiatrist will be starting January 21st, 2021. This was a referral from Dr. Adams, Obstetrician-Gynecologist. Dr. Bohlen, Orthopedist will be bringing a physician assistant with him. TCHS is collaborating with Dr. Bohlen's Office to increase surgeries by 20% with him. Dr. Vande Gutche, Orthopedist will be at TCHS the second and forth Friday of each month. Shawn commented that the expansion will allow for more space to work in. Loren questioned what feedback or who has been involved in this expansion. Shawn reassured the Board that the Providers along with Specialty Clinic Staff have been involved in this project.
- d. **Cerner Optimization:** Shawn stated that there has been closure to some issues with Cerner Optimization. However, there are other topics that will continue to be worked on. TCHS has decided that there will be a "Super User" in each department who will stay up-to-date with Cerner.
- e. **Employee Wellness Program:** Shawn reported that beginning this year, staff that meet the wellness program requirements will receive incentives that will impact their insurance premiums for the following year.

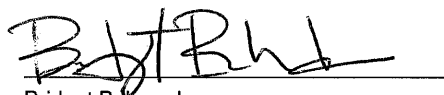
Old Business for The Board: Connie asked about the status of Thayer County Pharmacy. Paul reported that the Pharmacy team has put in a lot of work during the transition. Paul recognized the TCHS IT Department for going above and beyond, as their efforts made a tremendous difference. Paul explained to the Board that he rounds down at Thayer County Pharmacy several times a week, as staff was stressed about COVID-19 and a learning curve regarding a few tasks. Thayer County Pharmacy prescriptions are doing well, as they are filling approximately 180 prescriptions per day. Paul stated that TCHS has hired a Pharmacist that is coming from Omaha and will work primarily in the hospital, while Michael Logsdon will be down at Thayer County Pharmacy. Paul stated that all things considered, the acquisition could not have gone better.

Miscellaneous/New Business for the Board: The Board of Trustees thanked Libby for being a part of the Board for the past six years. Loren stated that it takes a team and Libby has represented TCHS very well.

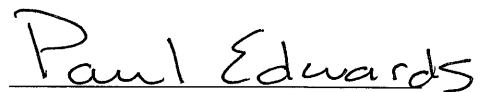
Visitor Comments: none.

Executive Session: none.

Libby made a motion to adjourn the meeting at 9:25pm, Connie seconded. Roll call vote, all yes. Motion carried, meeting.



Bridget Behrends
Executive Assistant



Paul Edwards
President & CEO