

Regular Board Packet

August 1, 2024

Board Packet

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OUR MISSION

“We Focus on Personalized Quality Health Care and Wellness for Those We Serve”

OUR VISION

“Oak Valley Hospital District Will Continue as an Independent Locally Controlled and Governed Special District Hospital. To Accomplish This We Will Adhere to the Following Guidelines:
Being Fiscally Responsible in Our Decision Making Process
Maintain and Expand Services that Best Reflect Our Needs and Resources Available
Promote Positive Change in the Health Status of Employees and Area Residents.”

OUR VALUES

“Accountability; Being Responsible for Actions Taken and Not Taken
Integrity; Doing the Right Thing for the Right Reason
Respect; Valuing All People at All Times”

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**REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF OAK VALLEY HOSPITAL DISTRICT**

**August 1, 2024, 5:30p.m.,  
1425 West H Street, Oakdale, CA 95361  
Royal and Charter Oak Conference Rooms**

| <u>Time</u> | <u>Action</u> | <u>Item</u>                                                 |
|-------------|---------------|-------------------------------------------------------------|
| 5:30 p.m.   | Action        | <b>MEETING CALLED TO ORDER</b><br>Dan Cummins, Chair Person |

**PUBLIC COMMENT**

In compliance with the California Brown Act the District Board of Directors welcomes comments from the public.

This is the opportunity for members of the public to directly address the District Board of Directors on any item of interest to the public under the jurisdiction of the District including items on this agenda.

Persons wishing to make a presentation to the Board of Directors shall observe the following procedure:

1. A written request to the Board on the form provided at the meeting (optional)
2. Oral presentations are limited to three (3) minutes.
3. Members of the public will be afforded the opportunity to speak at the beginning of the public meeting during the general Public Comment section of the agenda on any item under the jurisdiction of the District as well as during the consideration of an individual item on the agenda for that public meeting, however the three-minute limit described in item 2, above, will be applied to an individual’s cumulative comments during the meeting.

The proceedings of the Board are recorded and are part of the public record.

Materials related to an item on this Agenda, submitted to the Oak Valley Hospital District after distribution of the agenda packet, are available for public inspection in the Secretary’s Office at 1425 West H Street, Suite 270, Oakdale, CA during normal business hours.

- Information/Action    **CONSENT CALENDAR ITEMS**  
Items 1-3 comprise the consent agenda, unless there is discussion by a member of the audience or Board Members, they may be approved in one motion.
1. **Oakdale Nursing and Rehabilitation Center Report**  
Will Pringle, V.P., Oakdale Nursing and Rehabilitation Center
  
  2. **Approval of Administrative Forms and Policies**
    - Bioterrorism Response
    - Decontamination Procedure
    - Decontamination Policy
    - Employee Family & Pet Care
    - Failure of Nurse Call System
    - Informed Consent for Assessment and Treatment
    - Riot or Civil Disturbance Response Plan
    - Shelter in Place
    - Telehealth Treatment Consent
  
  3. **Approval of Minutes –**
    - July 11, 2024 – Regular Meeting
- Action                    **MEDICAL STAFF REPORT – Andres Arellano, M.D., Chief of Staff**  
- No report for this meeting.
- FINANCE COMMITTEE – Edward Chock, M.D., Chairperson**  
- Matt Heyn, President and C.E.O. and Ann Croskrey, CFO
- Action                    1. Financial Reports for June 2024  
                                 Approval of June 2024 Financial Statements
- CHAIR PERSON REPORT**  
                                 - Dan Cummins, Chair Person
- Information              1. Chair Person Comments
- Action                    2. Ad Hoc Committee Selection for CEO Review

**CHIEF EXECUTIVE OFFICER REPORT**

- Matt Heyn, President and Chief Executive Officer

- Action 1. Approval of FY2025 Operating Budget Parameters
- Information/  
Action 2. NAGE -CBA Approval  
Matt Heyn, President and Chief Executive Officer
- Information 3. Chief Executive Officer Report
- OVHD Human Resources Statistics Report – Ann Croskrey, CFO

**ADJOURN TO CLOSED SESSION**

- Action 1. **Approval of Closed Session Minutes –**
- July 11, 2024 - Regular Meeting
- (See attached Agenda for Closed Session)**

**RECONVENE TO OPEN SESSION**

Information **REPORT OF CLOSED SESSION**

Action **ADJOURNMENT**

**The next Regular meeting of the Board of Directors is scheduled on Thursday, September 5, 2024 at 5:30p.m.**

Posted on: July 29, 2024

By: Sheryl Perry, Clerk of the Board

**OAK VALLEY HOSPITAL DISTRICT  
BOARD OF DIRECTORS  
AGENDA FOR CLOSED SESSION**

Pursuant to California Government Code Section 54954.2 and 54954.5, the board agenda may describe closed session agenda items as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items are described in substantial compliance with Section 54954.5 of the Government Code.

**Regular Meeting of the Board of Directors of the Oak Valley Hospital District  
August 1, 2024, 5:30p.m.,  
1425 West H Street, Oakdale, CA 95361  
Royal Oak Conference Room**

**CLOSED SESSION AGENDA ITEMS**

**HEARINGS/REPORTS**

(Government Code §37624.3 & Health and Safety Code §§1461, 32155)

**Subject matter:** (Specify whether testimony/deliberation will concern staff privileges, report of medical audit committee, or report of quality assurance committee):

- Medical Staff Credentials Report – Andres Arellano, M.D., Chief of Staff
- Chief Executive Officer – Matt Heyn, President and Chief Executive Officer

**ADJOURN TO OPEN SESSION**

In observance of the Americans with Disabilities Act, please notify us at 209-848-4102 prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

## July 2024 ONRC Board Report

ONRC is pleased to report our 7<sup>th</sup> month of above budgeted census. In June we saw a decrease in our average daily census. While in May we averaged 95, we closed out June at 94. The deficit can be attributed to lower utilization of the TCU. Our custodial census remains stable and averages 88. An atypical number of discharges were recorded in June, which additionally reduced our total average daily census. These discharges were unavoidable. The property has been stabilized and averaging roughly 95. This constitutes a 30% YOY increase in revenue and census development.

Clinically, we are very pleased to announce that we have successfully raised our CMS Star Rating at ONRC. We were recently given 4 Stars by CMS. This is an enormous achievement for the community. In the last year, we have improved from a 3 Star, to 3.5 and now 4 Star Skilled Nursing Facility.

To conclude, ONRC custodial averaged an 88 ADC in the Long term and 68% utilization in TCU. This concludes our July ONRC Board Report.

William Pringle II

VP of LTC

**REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF OAK VALLEY HOSPITAL DISTRICT  
OPEN SESSION  
July 11, 2024, 5:30p.m.  
1425 West H Street, Oakdale, CA 95361  
Royal Oak Conference Room**

**Board**

Dan Cummins, Chair Person  
Jim Teter, Vice Chair Person  
Louise Sanders, Secretary  
Edward Chock, M.D., Director  
Fran Krieger, Director

**Staff**

Matt Heyn, President and C.E.O.  
Ann Croskrey, C.F.O.  
David Rodrigues, V.P., C.O.O.  
Will Pringle, V.P., Oakdale Nursing & Rehab. Center  
Chang Ahn, Director of Finance  
Jennifer Cook, Interim Dir of Quality, Risk Mgmt. & PI  
Rael Pabalan, Interim., V.P., Nursing Services

**CALLED TO ORDER**

The District Board of Directors Meeting was called to order by Dan Cummins, Board Chair Person at 5:30p.m.

**PUBLIC COMMENT**

Public Comment read. Public in attendance.

Nancy Podolsky addressed the Board, requesting that instead of distributing Board packet yearly subscriptions in print, they be made available online.

The Board has agreed to implement this change starting with the August 1, 2024 District Board Meeting. Board packets will be accessible online for all.

**CONSENT CALENDAR**

The following items, 1-3, will be acted on by one action, with discussion, unless a director or other person requests that an item be considered separately. In the event of such a request, the item will be addressed, considered, and acted upon separately.

1. Oakdale Nursing and Rehabilitation Center Report  
Will Pringle, V.P., Oakdale Nursing and Rehabilitation Center
2. Approval of Administrative Policies
  - Interpreters and Translation Services
3. Approval of Minutes –
  - June 6, 2024 – Regular Meeting

Jim Teter made the motion to approve all Consent Calendar items. Edward Chock, M.D. made the second. No public input.

Cummins – Aye  
Teter – Aye  
Sanders – Aye  
Chock – Aye  
Krieger – Aye

**MOTION CARRIED**

**MEDICAL STAFF REPORT – Edward Chock, M.D. on behalf of Andres Arellano, M.D., Chief of Staff**

The Medical Executive Committee requests the District Board's approval of the following items forwarded from the June 18, 2024 meeting.

Edward Chock, M.D., on behalf of Dr. Arellano, Chief of Staff requested approval of the Medical Staff Report as presented.

**Forms/Policies**

A. POLICIES

A. Anesthesia Services

- i. Postoperative Anesthesia Care

B. Central Service Manual

- i. Decontamination Process of Instruments and Equipment
- ii. Steam Sterilization Process (Primus Prevac Sterilizer)
- iii. Wrapping and Packaging Items for Sterilization

C. Clinical Manual

- i. Preceptor Agreement – Students
- ii. Recovery of Surgical and GI Patients for Regular and After Hours

POLICIES – (RETIRE)

A. Forms

- i. Form0387 Procedure Verification – RETIRE
- ii. Form0395 Anesthesia Controlled Drug Record – RETIRE
- iii. Form0397 Controlled Substances Administration Record - RETIRE

B. Administrative Manual

- i. Medical Staff Proctorship - RETIRE



C. Anesthesia Services

- ii. Educational Responsibilities of the Department of Anesthesia - RETIRE
- iii. Completion of Anesthesia Record - RETIRE
- iv. Delineation of Responsibility for Patients in PACU - RETIRE
- v. Organization of Anesthesia Department - RETIRE

Louise Sanders made the motion to approve the June 18, 2024 Medical Staff Report. Jim Teter made the second. No public input.

Cummins – Aye  
Teter – Aye  
Sanders – Aye  
Chock – Aye  
Krieger – Aye

**MOTION CARRIED**

**Financial Report for May 2024**

Ann Croskrey, C.F.O. presented the May 2024 Financial Report. In May, the District posted a profit from operations before new hospital expenses of \$2.114 million dollars. The profit from operations including new hospital expenses was \$1.656 million dollars. The difference is the new hospital expenses of interest and depreciation.

As of the end of May, the year-to-date earnings before interest and depreciation (EBIDA), was 15.6%. Accounts receivable gross days decreased by 5 days to 67 days, and days of cash on hand increased to 121 days.

Jim Teter made the motion to approve the Financial Report for May 2024. Fran Krieger made the second. No public input.

Cummins – Aye  
Teter – Aye  
Sanders – Aye  
Chock – Aye  
Krieger – Aye

**MOTION CARRIED**

## **CHAIR PERSON REPORT – Dan Cummins, Chair Person**

### **Chair Person Comments**

#### **Financial Review and Reorganization Effort:**

After reviewing the financial performance of the last several months and discussing the impact of recent reorganization efforts. It was noted that while the reorganization was challenging and resulted in significant personnel changes, it was necessary for the financial health and sustainability of the organization.

#### **Financial Impact:**

- Operating income over the last four months averaged \$1.394 million per month, reflecting a significant improvement compared to the previous nine months, which averaged \$215,000 per month.
- The decision to implement deep cuts was difficult but has proven to be financially beneficial for the Hospital District as a whole.

**Future Outlook:** Discussion centered on leveraging the improved financial position to potentially expand hospital capabilities and introduce new procedures, enhancing services offered to the community.

## **CHIEF EXECUTIVE OFFICER REPORT - Matt Heyn, President and Chief Executive Officer**

### **Chief Executive Officer Report**

#### **Introduction of Staff Members:**

Mr. Heyn introduced two current staff members:

- Chang Anh, Director of Finance
- Rael Pabalan, Interim Vice President of Nursing

#### **Announcement of New Chief Nursing Officer (CNO):**

Mr. Heyn informed the board that David Neal, a candidate with extensive CNO experience in rural hospitals, has been selected for the position. He will commence his role on Monday, July 15, 2024.

#### **Radiology:**

Mark Butler has left the organization, resulting in the appointment of an Interim Director of Radiology. Additionally, the night shift radiologist group in the Radiology Department has been changed. These changes have brought some challenges, but the organization is committed to persevere and maintain the highest quality of patient care.

**Central California Surgery:**

Central California Surgery has expressed continued interest in partnering with our organization. They have submitted their credentialing packets to our medical staff office for review.

Central California Surgery specializes in Bariatric Surgery, and discussions are ongoing regarding collaboration for surgical coverage and their Bariatric Program.

**Purchase of Coag Analyzer:**

The organization has recently purchased a Coag Analyzer. This decision was prompted by ongoing issues with the previous analyzer, which frequently malfunctioned, necessitating sending specimens to Stockton for testing. The decision to purchase the Coag Analyzer ensures that our lab can function at its highest capacity, reducing downtime and improving turnaround times for test results.

**Budget Presentation - Matt Heyn, Chief Executive Officer, Ann Croskrey, Chief Financial Officer and Change Ahn, Director of Finance**

**FY 2025 Operating Budget Parameters**

Report attached.

**Public Comment:** Nancy Podolsky expressed concern regarding outpatient services potentially overtaking inpatient services. She inquired about the organization's competitive positioning compared to other facilities.

The Board Chair Person responded, emphasizing the importance of focusing on areas where the organization can excel. This includes maintaining a strong Radiology Department and Surgery Department, while also enhancing services in clinics and other outpatient services.

**ADJOURNMENT**

Jim Teter made the motion to adjourn to Closed session. Edward Chock, M.D. made the second.  
No public input.

Cummins - Aye  
Teter - Aye  
Sanders - Aye  
Chock - Aye  
Krieger - Aye

**MOTION CARRIED**

The Oak Valley Hospital District meeting was adjourned to closed session at 6:07p.m.

**RECONVENE TO OPEN SESSION**

**ANNOUNCEMENT OF CLOSED SESSION**

Board Meeting Minutes – Approved\_

- June 6, 2024 – Regular Meeting
- Quality Updates – Jennifer Cook, Interim Director, Quality & Risk Management
- Dashboard
- Risk Management Report

Chief Executive Officer Report – No Report

**Next Board of Directors meeting is scheduled on Thursday, August 1, 2024.**

**ADJOURNMENT**

Jim Teter made the motion to adjourn the Board of Directors meeting. Edward Chock, M.D. made the second. No public input.

Cummins – Aye

Teter – Aye

Sanders – Aye

Chock – Aye

Krieger – Aye

**MOTION CARRIED**

The Board of Directors meeting was adjourned at 6:27p.m.

Recorder: Sheryl Perry, Clerk of the Board.

APPROVED: \_\_\_\_\_  
Louise Sanders, Secretary

DATE: \_\_\_\_\_

# FY 2025 OPERATING BUDGET PARAMETERS

By: Matthew Heyn, CEO  
Ann Croskrey, CFO  
Chang Ahn, Director of Finance

# General Volume Assumptions

- Based on current fiscal year information, our inpatient days and inpatient ancillary services are projected to decrease 8% due to the following items:
  - Projected Average Daily Census (ADC) 5.0 in Acute Care
  - Projected Average Daily Census (ADC) 93 in Skilled Nursing
  - No more ICU Patient Days
  - Admit rate of 2.5% from the ER
  - Average length of stay of 3.6 in acute care

## General Volume Assumptions, continued

- Emergency department average visits at 56.0 per calendar day
- Outpatient clinic volumes remain similar to FY24 at 55,000 visits
  - Telemedicine, which accounts for average 22.3% of clinic visits, will still be reimbursed by government sources and contribute to overall visits

# General Revenue Assumptions

- 4% price increase to gross revenue for most services excluding Clinics, Lab, Central Supply, and ONRC





# Inflationary Assumptions

- Medical supplies increase 6%, except pharmaceutical drugs increase 28%
- Non-Medical supplies increase 7%
- Professional fees increase 3%



# General Expense Assumptions

- Registry and Traveler costs decrease 34% due to ICU closure, and the hiring of more RNs
- Purchased Services decrease 11%
  - Hired permanent Chief Executive Officer
  - Reduced temporary Locum Tenen providers in Clinics

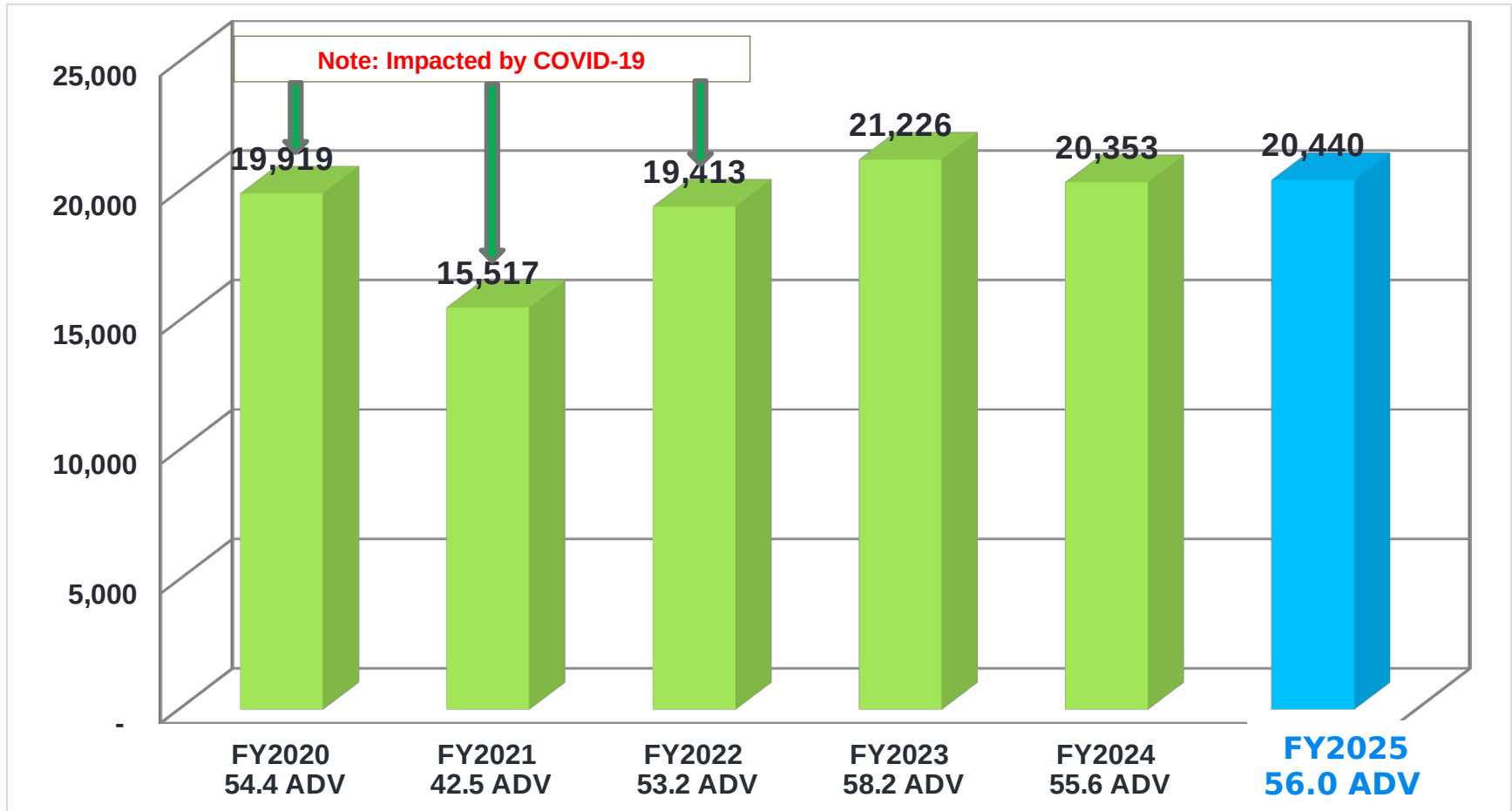


# General Expense Assumptions

- Interest expenses increase 11% due to the issuance of the 2024 Revenue bonds
- Rental expenses increase only 1% with saving from FSN annual rental expenses of \$40,000
- Property and liability insurance costs increase 4% due to high industry claims

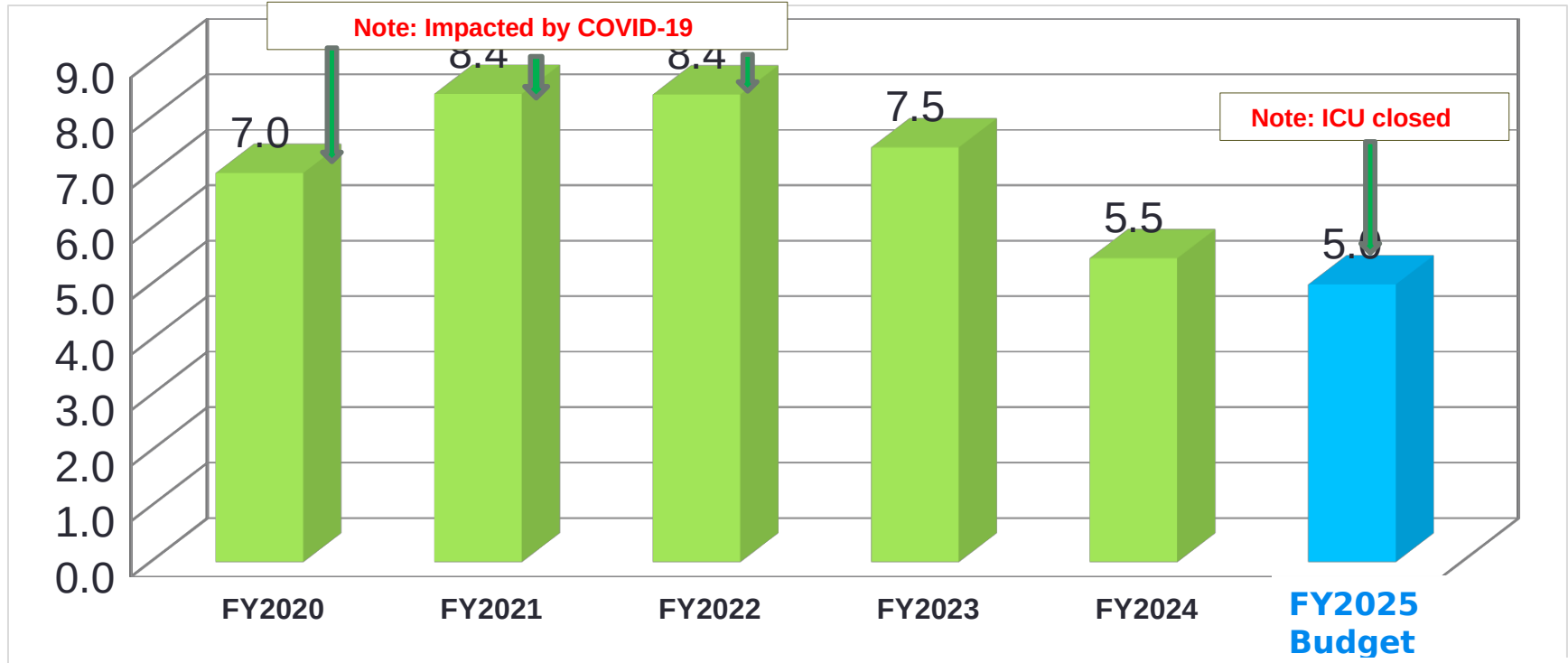


# Emergency Department Visits; includes non urgent visits



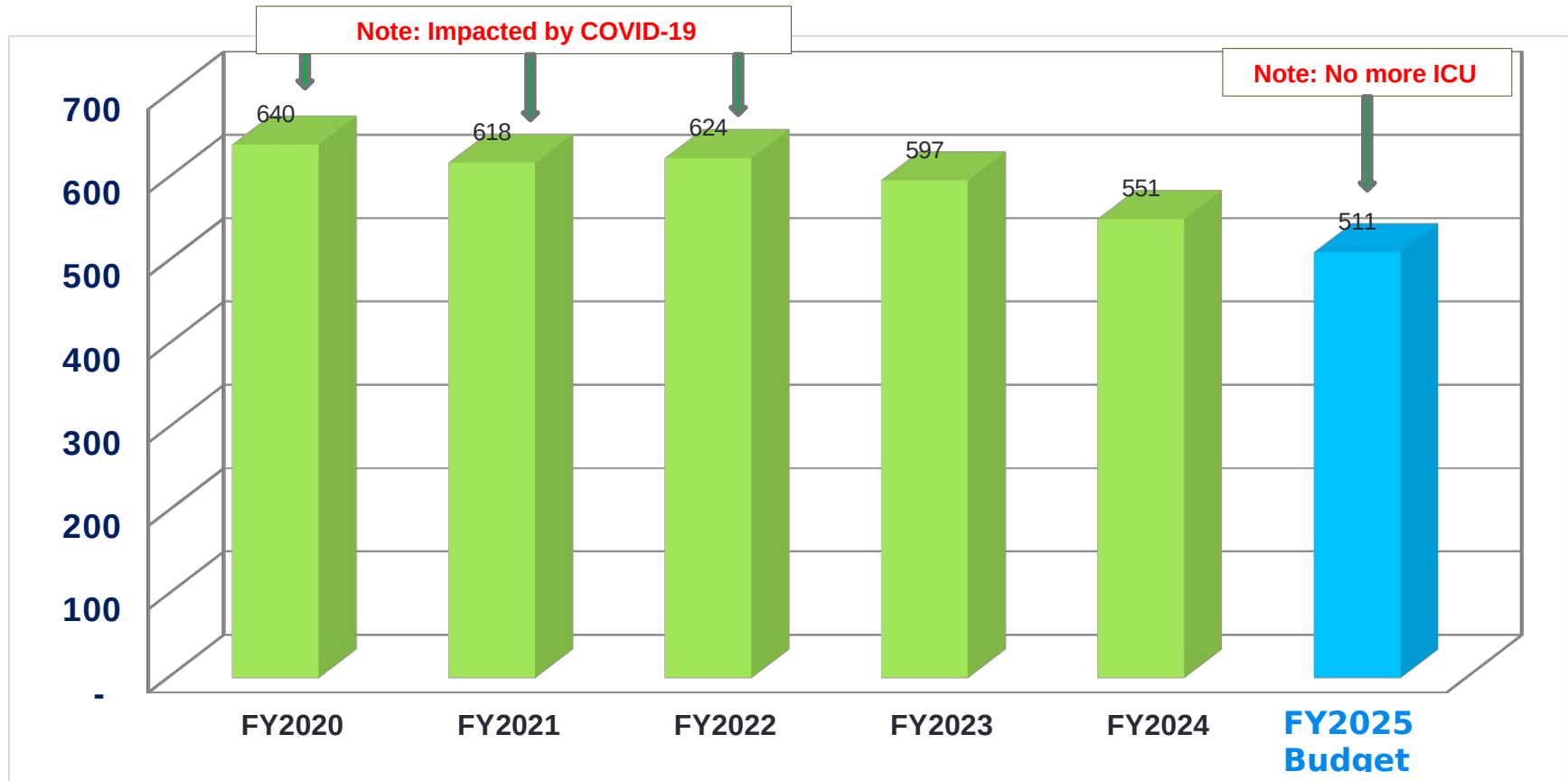
# Acute Care Volume

- Budgeted average daily census is 5.0 patients per day because ICU department was closed during FY24

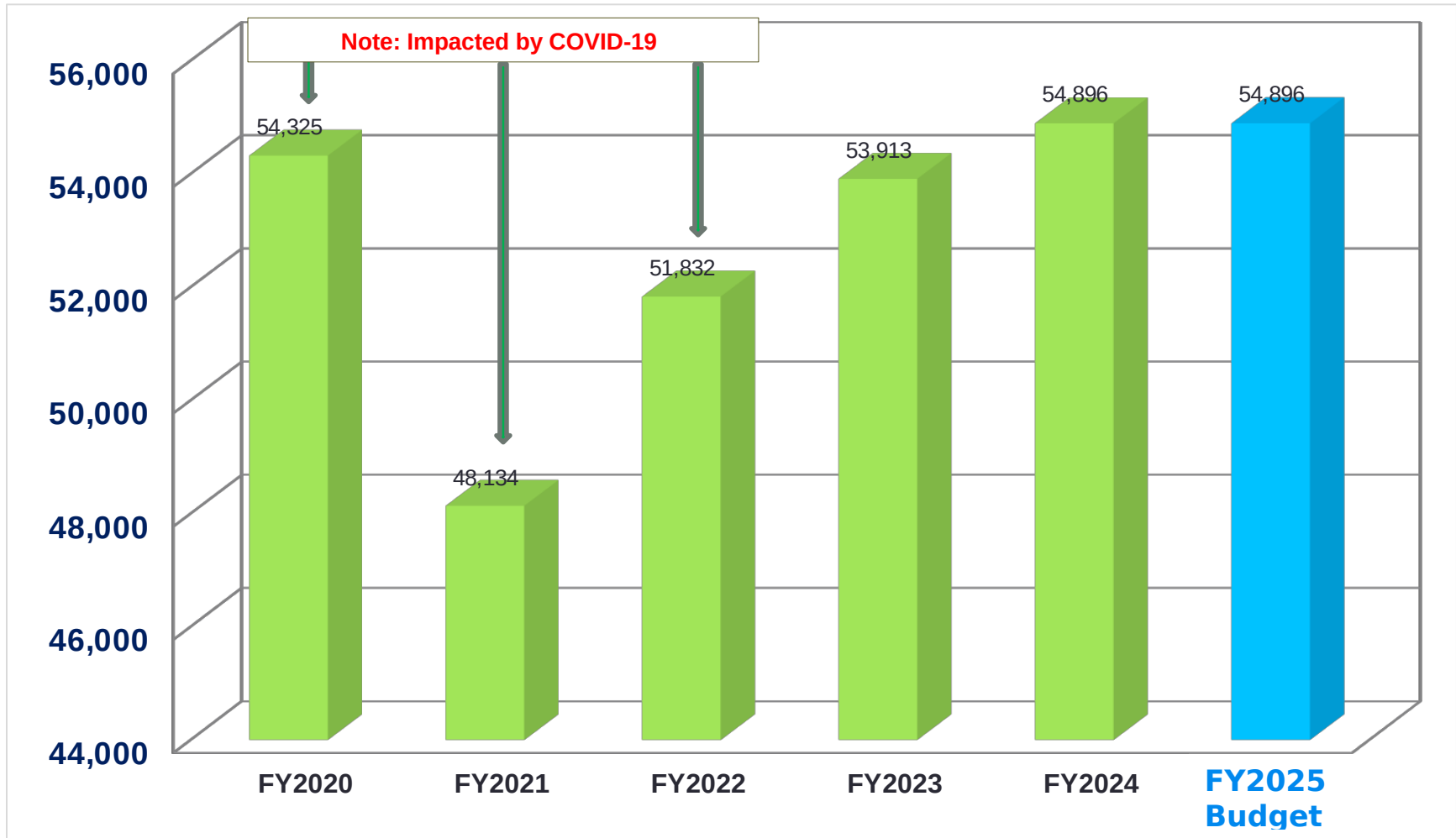


# Acute Care Volume, continued - Admits

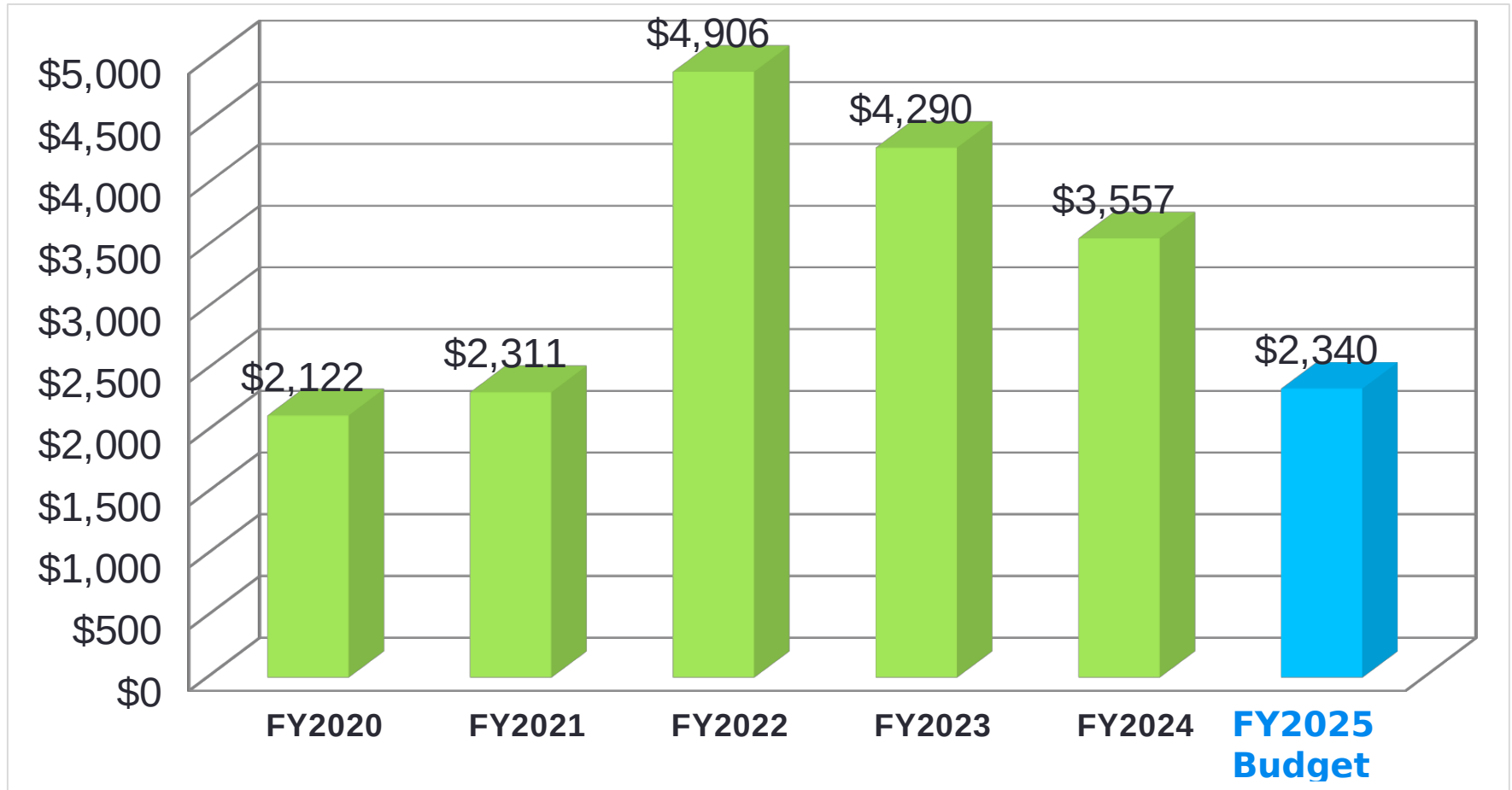
General Acute Admissions projected to be 511 due to ICU closure



# Total Visits for all Clinics by Fiscal Year



## Registry & Traveler Expenses (All vendors) (\$ in 000's)

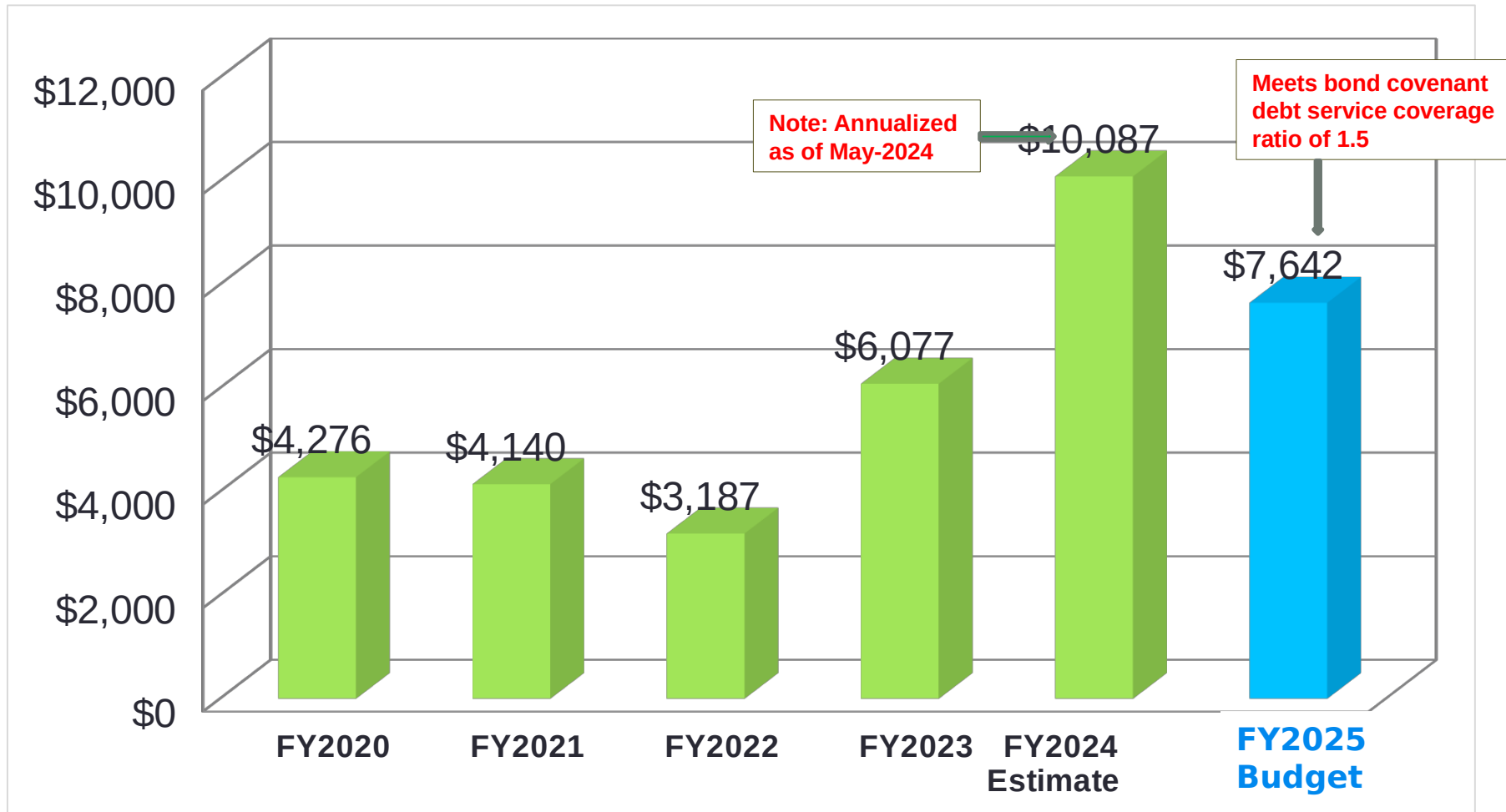




# Employee Health Insurance

- No cost increase to employees, their spouses and/or dependents!
  - Last increase to our employees was in January 2014!
- Employee Health Insurance expected to rise from \$5.6 million to \$5.8 million (3.0% increase from prior year and comprises 7.0% of total expenses, and 12.4% of total payroll expenses)
  - Sutter Health: Hospitals and Physicians remain **excluded!**

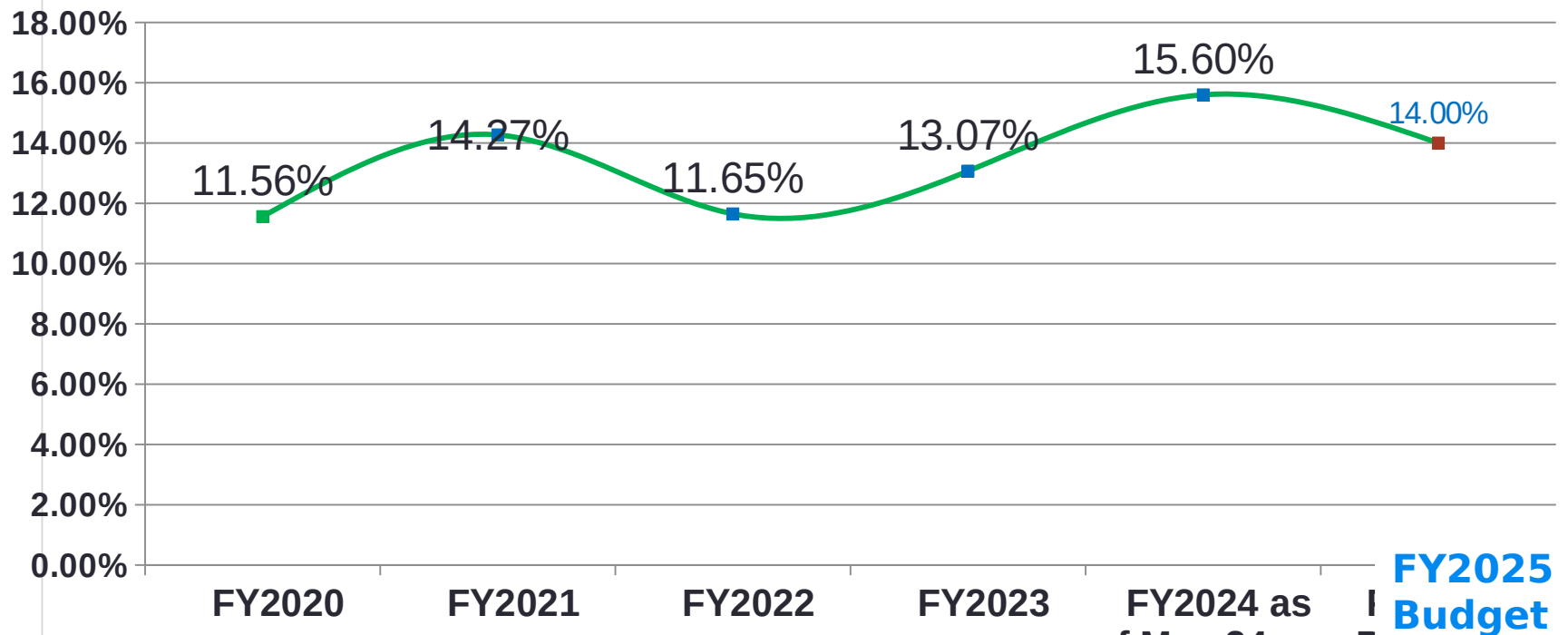
# Net Income (All Sources) (\$ in 000's)



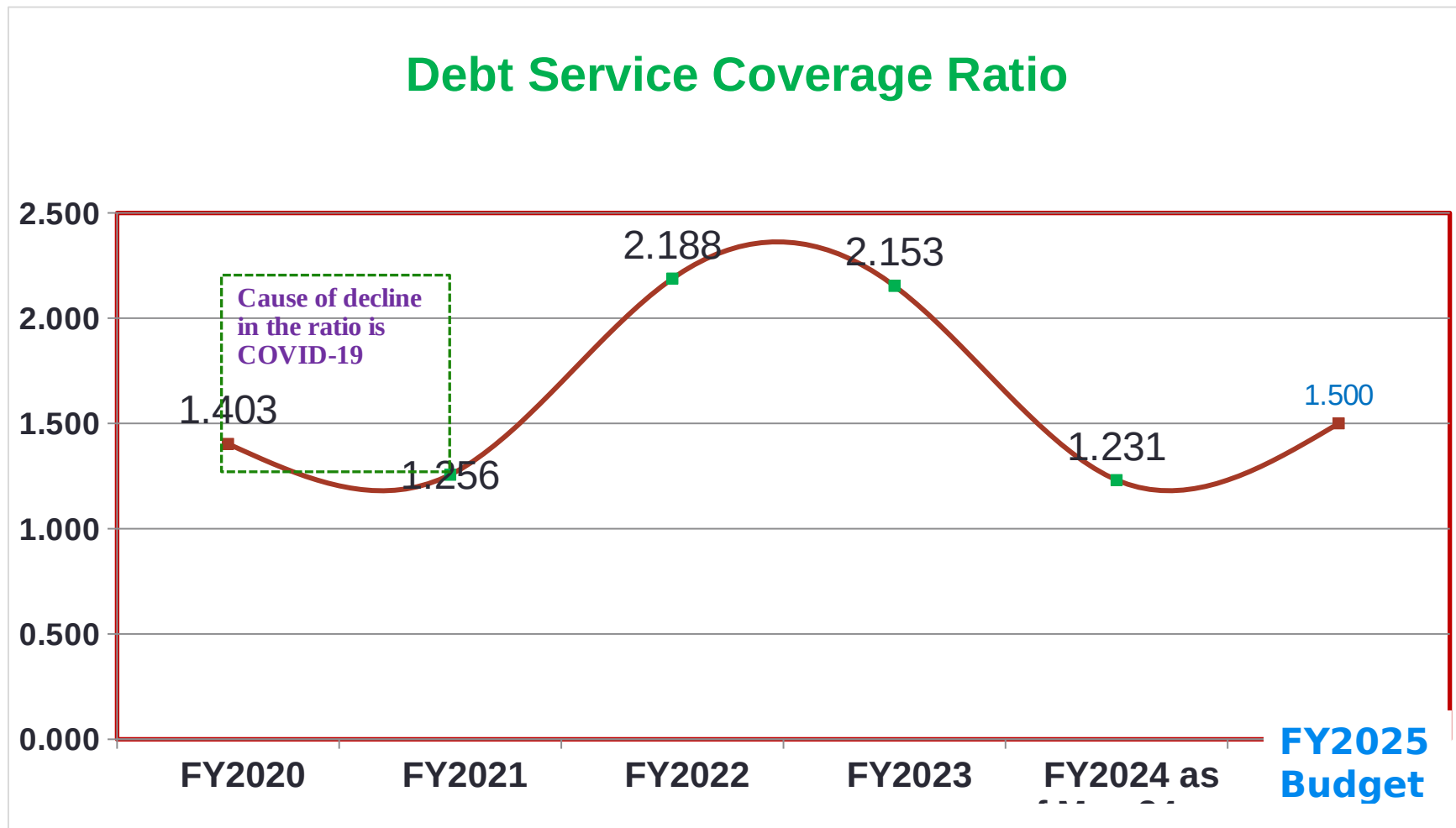
# EBIDA Margin Performance

## EBIDA Margin Percent (%)

EBIDA: Earnings before interest, depreciation and amortization



# Debt Service Coverage Performance



# Bond Covenants

- The operating budget meets our bond covenants debt service coverage ratio required for budgeting purposes of 1.5
  - Note: Actual income requirement for bond covenants includes a debt service coverage requirement of 1.10 with at least 75 Days Cash on Hand, or 1.25 if Days Cash on Hand is between 50 and 75

Any questions?

Thank you!

