



**KANE COUNTY HUMAN RESOURCE SPECIAL SERVICE DISTRICT
DBA KANE COUNTY HOSPITAL
REGULAR BOARD MEETING**

Date: June 11, 2024

Place: KANE COUNTY HOSPITAL AMBULANCE BUILDING
98 West 300 North
KANAB, UTAH 84741

TIME: 7:10 p.m.

Members present

Jeff Mosdell, Chairperson; Bob Johnson, Vice-Chairperson; Dr. Stuart Allan, Board Member; Marybeth Kuntz, Board Member; Maggie Browning, Board Member; Chad Szymanski, and Ben Beckstead, Treasurer.

Ex-Officio Member

Kurt Loveless, CEO

Staff Present

Stephen Howells, CFO; Shauna Crosby, EA; Kim Nuttall, HR; Julia Sbragia, CNO; and Ben Armstrong, EMS Director (TEAMS), Tracy Van Ausdal; RN,

Guests Present: None

Excused:

Mr. Mosdell welcomed everyone to the meeting.

Mr. Mosdell asked for the approval of the consent agenda. Mr. Mosdell asked if anyone has any questions concerning the approval of minutes, nursing report, human resource report, and ambulance transport reports.

Mr. Beckstead made a motion to approve the consent agenda seconded by Mr. Johnson. All in favor-Motion carried.

Medical Staff Report

Mr. Mosdell inquired about the new ER scheduling process for providers. Dr. Allen reported that the transition is progressing well, but it's still in its early stages. He emphasized that bringing up concerns can sometimes lead to unintended consequences. Dr. Allen gave an example that Medical Assistants (MAs) and nurses will notify staff members if a board



member is present in the room, ensuring that staff are aware and prepared to interact with them. Mr. Mosdell appreciated the information and acknowledged the importance of considering the potential perception of staff members. Mr. Beckstead asked if staff had ever felt that a board member had insinuated receiving preferential treatment. Dr. Allen responded that while it's possible that some staff may have had this impression, it's also important to note that complaints that may be reported to a board members can lead to consequences, even if the staff member has followed the proper procedures.

Mr. Loveless inquired about a specific situation involving a swing bed patient and how it was handled. After investigating the matter, Mr. Loveless mentioned that the patient was accepted due to multiple factors, not solely because of their relationship with a board member.

Dr. Allen emphasized the importance of following established processes when receiving complaints or praise. Mr. Loveless agreed, stating that while receiving more kudos than complaints is ideal, it's essential to prioritize customer service and avoid causing unnecessary stress for staff and patients.

Mr. Beckstead cautioned board members to be mindful of their actions and words, as they can create perceptions and complicate situations

In conclusion, Mr. Loveless reflected on the importance of continuous learning and improvement, acknowledging that the current board is one of the most educated and effective ones he has worked with. The discussion concluded with appreciation for having brought up this topic and an understanding of the importance of considering the perspectives of all stakeholders involved.

Mr. Beckstead asked how the providers are doing, and if there is anything the board can do for them. Dr. Allen expressed his appreciation for the board and co-workers he works with but mentioned that if he were to cut back on covering the ER shifts, he would not be able to afford to live here. He emphasized that he is currently on his third year with the clinic and was hoping to see changes in the housing market. Dr. Allen also shared that working fewer hours would improve his personal life, but this would come at the cost of not being able to afford to stay here which he would like to do.

In response to Mr. Beckstead's inquiry about clinic volumes in Kanab compared to Alaska, Dr. Allen explained that he needs to see at least 49 patients or work two 24-hour ER shifts per week to break even. He mentioned that his recent financial struggles are due to the rent and the management fees with Revere.



Mr. Loveless mentioned the Revere model and its revenue requirements, stating that it takes approximately \$25,000 in revenue to cover overhead costs. Dr. Allen replied that if he were to take a week off, he would not receive pay.

Mr. Loveless proposed exploring hybrid options, such as becoming contractors with a different agreement, which could potentially provide more flexibility for providers.

Ms. Browning asked about the possibility of insta-care services, and Dr. Allen suggested hiring ER providers for night shifts in the ER.

Mr. Mosdell emphasized that if the hospital is doing well financially, it would be beneficial to share those benefits with staff members, but since providers are not employees of the hospital, they do not receive any of those benefits.

Dr. Allen highlighted the importance of prioritizing patient care and mentioned that Revere likes us to send patients there and you want them to stay here. Dr. Allen will sometimes keep patients in the ER to monitor their condition and ensure they start showing improvement. He wants to do what is best for the patient.

The board members acknowledged Dr. Allen's concerns and emphasized the need for a balance between work-life balance and financial sustainability for providers. Mr. Beckstead concluded by stating that the board will continue this conversation and explore options to benefit both the clinic and its providers and asked to keep in on the agenda for discussions.

Nursing Department Report

According to Ms. Sbragia, the Emergency Department managed 14 patient cases between 7am and 7pm, with all patients receiving timely care. Additionally, Ms. Sbragia successfully oversaw nine patients on the floor during this period.

Ms. Sbragia's turned the time over for to Ms. Van Ausdal to do a presentation and an update on the Sexual Assault Nursing Examiner (SANE) program. As part of this initiative, Ms. Van Ausdal has secured a grant to support the development of this critical program. Furthermore, our team is currently training four additional nurses to become SANE-educated, ensuring that we can maintain a 24/7 on-call presence to provide comprehensive support to law enforcement agencies and facilitate the collection of essential data related to these sensitive cases. As part of the success of this program it is to be reported to the Hospital board to comply with the requirements for the grant.

Human Resources

Mr. Loveless mentioned the Auxiliary has a new President and updated its By-laws. The Board has reviewed the changes, and the Auxiliary board is seeking approval.



Mr. Beckstead made a motion to approve the Auxiliary By-Laws seconded by Ms. Kuntz. All in favor-motion carried.

New Business

As requested by Mr. Loveless, Mr. Armstrong has reviewed the two EMS equipment requests. The first quote from Stryker is for the implementation of a load system in all ambulances to improve back injury prevention and patient handling safety for both our staff and the patients we serve. Unfortunately, one of our existing cots experienced a damaged electrical connection, rendering it inoperable. Due to the incompatibility of our old cots, the affected ambulance was temporarily taken out of service.

Stryker's representative has graciously offered to sell us a brand-new cot, which we are the only ones to have utilized so far. They are willing to provide this exclusive model to us for \$25,000, which represents a significant discount from the retail price of \$37,000. This new cot will be used as our spare cot in case we have any other issues.

Dr. Allan made a motion to approve the Stryker Cot in the amount of \$25,000 seconded by Mr. Szymanski. All in favor-motion carried.

Mr. Armstrong has provided a quote for the Lucas Chest Compression automated safeguard device in the quantity of four. In order to ensure uniformity in our equipment inventory, we must consider whether to transport this device when doing a Big Water transport or leave it in Big Water for use in 911 calls. We have negotiated with the vendor to accept trade-in credit for three cots and a cardiac monitor. As part of this agreement, we will also receive discounts on the GPO and grant money. The total purchase without the grant money and trade in is \$52,665.02. The net out-of-pocket cost for this purchase is \$36,228.02.

Ms. Kuntz made a motion to approve the purchase of four Stryker Lucas Chest Compression in the amount of \$52,665.02 seconded by Mr. Beckstead.

Mr. Mosdell asked for feedback from the group concerning the new surgical building. Ms. Browning expressed concerns about the current hospital remodel being approved separately from the surgical center. Mr. Loveless clarified that the remodel will be a separate approval item. He also explained the financial aspects of the proposal, including a \$20 million loan to cover costs of \$27-29 million, which will allow for interest earnings and a healthy cash reserve. Mr. Beckstead commented on the group's current financial situation, noting they have an impressive 600 days of cash on hand, equivalent to two years of operation if they ceased operations immediately. Mr. Johnson initially had reservations but is now supportive of the new facility after careful consideration. Mr. Mosdell then asked each member to share their opinions on the proposal.



Mr. Johnson stated that he is going to have to resign from the Hospital board. When they asked me to be on the board I had a reservation. I can't put myself in controversy and have conflict with the calling in my church and don't want to offend someone in the community. He wanted to share a few items that he has written down on ideas to support the surgery center and hospital independence. After years of the hospital conserving and saving, use the reserve and future income from the 1% sales tax to support the plan of upgrading and providing superior services locally and becoming self-sustaining in 7-8 years.

1. Determine what areas of surgery could support a resident surgeon.
 - a. Use resident and visiting surgeons.
 - b. Go after those who could be residents.
 - c. Offer incentives to help other vital employees locate here.
 - d. Recruit from educational entities and existing hospitals with incentives.
2. Use reserve funds to help make the Podiatrist a resident.
 - a. Make funds committed to this, contingent on certain things.
 - b. Make it a onetime investment not ongoing.
 - c. But get him here as a resident -embed him in the community.
3. Make Dialysis a top priority – find a way to make this happen.
4. Use a portion of the Reserve to build the Surgery Center.
 - a. Reduce the number of years you will have a debit service.
5. In the spirit of transparency, Publicize and sell the plan and your purpose to the community.

Mr. Johnson appreciates the opportunity to be part of this board. You have the resources to make this work. It's going to make every area better within the hospital. We need to try and get the doctors to be a part of the hospital and then we can give them some of the benefits and make their life better.

Ms. Kuntz mentioned she agrees with Mr. Johnson and there is data and when you improve services it raises the bar in all the areas of the facility. We need to work with the providers and Revere to bring the providers back to working for the hospital.

Mr. Loveless stated that during my tenure as Chief Financial Officer at Newman Regional Health in Emporia, Kansas, I was involved in a situation where a surgical group sought to establish a joint venture with the hospital. However, the hospital declined the proposal. Subsequently, the surgeons opted to build their own surgical center, only to discover that they were unable to secure contracts. Two years later, they suffered significant financial losses and eventually relocated out of the community. This ultimately resulted in a significant decline in revenue for the hospital, with numbers dwindling by half over a period of five years.

When I later took on the role of Regional Vice President with Quorum, I worked on a similar situation in Montrose, Colorado. In this instance, the surgeons again expressed interest in establishing a joint venture with the hospital. Drawing from my experience at Newman



Regional Health, I cautioned the hospital against rejecting the surgeons' proposal. Instead, I advised that it would be more beneficial for the hospital to work collaboratively with the surgeons and maintain a smaller percentage of outpatient surgeries (30%) rather than risking the loss of all inpatient surgeries if they were to leave the area.

Fast forward to today, we are currently designing a new surgery center with an ambulatory surgery component that can be carved out and used as an incentive to attract surgeons to the area. This flexibility would allow us to consider a joint venture with surgeons in the future if needed. Throughout my career, I have witnessed firsthand the devastating impact of hospitals engaging in costly and often futile battles with physicians, as well as the benefits of building strong partnerships that drive growth and success. My recommendation is not to do that today but if needed in the future we are prepared.

Mr. Beckstead mentioned wanting to go on the record. As board members, we are asked to assess the risk and make a decision. This is the ultimate way to fulfill our obligation as board members - to help provide guided insight to make a big decision like this. I have wanted to see this happen for years. I want to see us get to a position where we can self-sustain ourselves in operations. My primary reason for pursuing this is so that we can be self-sustaining in such a way that we can afford to provide services that may not be self-sustaining on their own, like dialysis. It opens the door to tax revenue as a great vehicle to get us there. I'm on board with seeing this be so successful that we can walk away from the sales tax in eight to ten years. That would be the ultimate confirmation that we made the best decision possible.

It is my hope that making the hospital economically viable for the long term on its own merits will allow us to provide services in a rural community that we would never be able to access because we will have enough overhead revenue generated to supply these non-profitable services that are really life-changing for our community. (Like dialysis) That's what I'm hoping surgery will bring to us here. It's awesome that we're in a position where we can do it with the cash reserves we have.

Dr. Stuart Allan, when I joined the hospital board, I couldn't understand why we were still taking the 1% sales tax, considering the significant amount of money we have in the bank. Over the last several years, specifically the proposal of the surgical building to use and utilizing that money to help make this community better. I applaud all the previous board members and all the decisions they made to get us in this financial position. The community trusts us to use this money wisely and make a positive impact. In my opinion, there is no better way to do so.

Mr. Szymanski stated that we have been talking about this since I have been on board. I never thought it would be possible. I have looked at the previous board members Ms. Alvey and Mr. Adair and all they did to help get us here. Mr. Szymanski stated we were lucky to get Mr. Loveless at this time given his expertise in surgery. It seems that everything is falling into place.



Mr. Mosdell stated before we proceed to the vote, I would like to give an opportunity for any additional comments or questions from board members. As we move forward, I encourage all new board members to feel free to reach out with any questions or concerns they may have. Your input is invaluable in ensuring our collective success as a board and ultimately, the organization as a whole.

Mr. Beckstead made a motion to move forward in accepting bids on the surgery building and move forward with financing appending final cost estimation from the architects seconded by Ms. Browning. All in favor-motion carried.

Mr. Loveless stated that he has explored financing options with multiple financial institutions, which have all presented terms requiring a ten-to-fifteen-million-dollar loan with a ten-year repayment period. However, we are seeking more flexible terms.

To address this, we have identified an alternative solution through Mark Anderson with Zions Public Finance, who has extensive experience working with the Community Impact Board (CIB) and has established connections with the County. Their fees total less than \$100,000, and their expertise will handle all necessary paperwork and coordination.

Mr. Loveless is requesting approval for the Management Advisory contract with Zions Public Finance.

Dr. Stuart Allan made a motion to approve the Management Advisory services with Zions Public Finance (Mark Anderson) seconded by Ms. Kuntz. All in favor- motion carried.

County Commission Business

Commission Wade Heaton was not present.

Committee Reports

Planning:

The planning meeting was cancelled.

Finance:

Mr. Howells reported that our revenue has remained on track with our budgeted projections thus far. Notably, Senior Life, Surgery, Clinic, and Ambulance services have all shown significant growth. However, our Accounts Receivable (A/R) has been a concern, as we have not been billing patients since April. The attached graph illustrates the trend, which shows a decline in May, followed by a steady increase since then.



Regarding the fraud risk, Mr. Howells brought this to our attention, and we discussed it further in finance. Our fraud score has improved from 315 last year to 355 this year, placing us in a low-risk category. As a result of us adding the audit committee to finance and appointed Mr. Beckstead as Treasurer last year to ensure the integrity of our financial operations that helped our score.

Dr. Stuart Allan suggested that we obtain signed Statements of Ethical Behavior from all staff members. This initiative is expected to yield an additional 20 points in our fraud score, solidifying our position as a low-risk organization.

OLD BUSINESS

None

Mr. Szymanski moved to go into closed session to discuss personnel at 9:43 Kane County Hospital Ambulance Building, 98 West 300 North, Kanab, Utah 84741 with a second by Dr. Stuart Allan. All in favor-motion carried.

Mr. Beckstead moved to adjourn the meeting at 10:13 p.m. at Kane County Hospital Ambulance Building, 98 West 300 North, Kanab, UT 84741 with a second by Ms. Kuntz. All in favor-Motion carried.

Mr. Jeff Mosdell, Chairperson