

MEETING MINUTES

ANTELOPE VALLEY HEALTHCARE DISTRICT

BOARD OF DIRECTORS MEETING - PUBLIC SESSION

Auditorium, Community Resource Center
44151 15th St. West, Lancaster, CA 93534

JULY 24, 2019



DIRECTORS PRESENT:

Mateo Olivarez, RN, Chair
Phil Tuso, 1st Vice Chair
Abdallah Farrukh, M.D., 2nd Vice Chair
Don Parazo, M.D., Secretary
Kristina Hong, NP, Treasurer

DIRECTORS ABSENT:

None

OTHERS PRESENT:

Edward Mirzabegian, Chief Executive Officer
Satya Dandamudi, Chief Medical Officer
Troy Schell, General Counsel
Trisha Guerrero, Executive Assistant

6:30PM – ESTIMATED START TIME

OPEN TO PUBLIC SESSION – 7:39PM

I. REPORTABLE ACTIONS TAKEN IN EXECUTIVE (CLOSED) SESSION – Mateo Olivarez, Chair

- A. Report on Actions on Claims Filed with the District (REPORT)**
- B. Medical Staff Recommendations (REPORT)**

Mr. Olivarez reported actions taken in executive session to include:

- Approval of the consent calendar in executive session
- Approval of the Medical Staff recommendations
- Approval of action recommended on anticipated litigation claims AVHD 201801124, AVHD201801125, and AVHD201801126

II. CONSENT CALENDAR – THE CONSENT CALENDAR, AGENDA ITEMS MAY BE ACTED UPON WITH ONE MOTION, A SECOND AND THE VOTE – Mateo Olivarez, Chair

- A. Approval of Board Public Session Meeting Minutes of June 19, 2019 (ACTION)**
- B. Acceptance of Finance Committee Meeting Minutes of June 19, 2019 (ACTION)**
- C. Acceptance of Community Advisory Committee Meeting Minutes of May 8, 2019 (ACTION)**
- D. Review and Approval of Administrative Manual policy LD.16 entitled BOARD OF DIRECTORS – STANDING COMMITTEE & SUBCOMMITTEE APPOINTMENTS (ACTION)**

MOTION: Ms. Hong made a motion to approve the consent calendar; Dr. Parazo seconded. The motion passed unanimously.

III. COMMITTEE REPORTS & RECOMMENDATIONS

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A. Finance Committee – Dr. Parazo

1. Approval of June 2019 Soft Close Financial Report (**ACTION**) – Ken Robinson, CFO

Mr. Robinson reported the soft close financials for June 2019.

Operating Income - \$886K loss

The first half of the fiscal year suffered a negative of approximately \$13.7M.

In the last 6 months the hospital has been able to pick up the \$13M loss and essentially break even.

Net Income from Operations - \$7.3M

YTD Net Income - \$6.6M

Expense/Salaries(productive/non-productive) – reduced contract labor from approximately \$16M to \$13M. Raises to the non-bargaining employees is also included in the variance. Overall a 1.2% variance from the previous year is very good.

A big issue for California is cost of benefits – AVH benefits run high at about 37% of our salaries. The cost of the Pension Plan for AVH is approximately \$22.6M (\$14M to beneficiaries, \$8.5M additional contribution from AVH).

Outpatient revenue is an important factor nowadays – we are dependent on inpatient volume and the volume in the ER.

Cerner created an issue in accounts receivable for FY19 with the possibility of lost charges.

MOTION: Dr. Farrukh made a motion to approve the June 2019 financials; Ms. Hong seconded. The motion passed unanimously.

IV. NEW BUSINESS

- A. Approval of SEIU Collective Bargaining Agreement (**ACTION**)

Mr. Mirzabegian reported the completion of the SEIU contract and requested the board's approval.

MOTION: Dr Farrukh made a motion to approve the SEIU Collective Bargaining Agreement; Dr. Parazo seconded. The motion passed unanimously.

Ms. Hong recused herself from the vote.

V. CHIEF EXECUTIVE OFFICER'S REPORT – Ed Mirzabegian (**INFORMATION ONLY**)

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The Joint Commission surveyed the hospital early this year which will result in a full accreditation. The hospital did very well.

The ED plan modular is still underway. The new unit will now be fully licensed which will change the original cost. Final costs will be brought back to the board for approval.

Dr. Farrukh thanked Mr. Mirzabegian on his expedient work on fixing the historical issues of the emergency room. Dr. Farrukh also thank the rest of the board for their support to Ed on this project.

Mr. Mirzabegian discussed the plans for financing of the new hospital structure. The hospital will go to the public to vote on a general obligation bond as well as seeking funding through private bonds. The hospital's communication firm is currently polling the district to test the public's feeling toward a general obligation bond.

Mr. Mirzabegian discussed the hospital's initiative on heavily recruiting new physicians to be dedicated to the hospital over the next 5 to 10 years. Coming on board to the medical staff are new cardiothoracic surgeons, two vascular surgeons, and a perinatologist. In addition, interventional neurologists will be staffed for the thrombectomy program.

VI. PUBLIC COMMENT ON NON-AGENDA ITEMS

Public comment provided by:

Blanca, EVS at AV Hospital

Matt Sessa, Financial Advisor

Murial Blake, Financial Advisor

Mike Rives, Community Member

VII. ADJOURNMENT – 8:08PM



Mateo Olivarez, RN, Chair