

MEETING MINUTES



ANTELOPE VALLEY HEALTHCARE DISTRICT BOARD OF DIRECTORS MEETING - PUBLIC SESSION Board Room, 1600 West Avenue J, Lancaster, CA 93534

DECEMBER 22, 2021

PUBLIC COMMENT: Members of the public desiring to address the Board concerning items on the meeting agenda may do so **before action is taken and after the item has been discussed by the Board**. Public comment cards are available, and time is limited to two minutes per speaker.

Reminder: Board Members must disclose any potential conflicts of interest prior to voting.

IN ACCORDANCE WITH MEASURES GIVEN BY STATE AND LOCAL PUBLIC HEALTH OFFICIALS, THE BOARD OF DIRECTORS MEETING WILL BE MADE AVAILABLE TO THE PUBLIC AT THE LOCATION SPECIFIED ABOVE.

THE PUBLIC WILL ALSO HAVE THE OPPORTUNITY TO PARTICIPATE AND MAKE COMMENT PER BROWN ACT GUIDELINES (2-MINUTE TIMELIMIT PER PERSON). FOR FURTHER SAFETY, THE MEETING LOCATION WILL ALSO IMPOSE SOCIAL DISTANCING MEASURES.

6:30PM – ESTIMATED START TIME

START TIME: 6:41PM

OPEN TO PUBLIC SESSION

I. REPORTABLE ACTIONS TAKEN IN EXECUTIVE (CLOSED) SESSION – Abdallah Farrukh, MD, Chair

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

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

- A. Approval of Board Public Session Meeting Minutes of November 18, 2021 (**ACTION**)
- B. Acceptance of Finance Committee Meeting Minutes of November 18, 2021 (**ACTION**)
- C. Acceptance of Human Resource Board Committee Meeting Minutes of November 4, 2021 (**ACTION**)
- D. Appointment of new Finance Committee Members (**ACTION**)

MOTION: Dr. Tuso made a motion to approve the Consent Calendar; seconded by Ms. Hong. Discussion from Mr. Rives regarding the new Board Finance Committee Members regarding Mr. VonTungeln and the possibility of incompatibility regarding being on the AVC Bond Measure Committee.

Specifically, Mr. Rives believed that Mr. VonTunglen's appointment to the Finance Sub Committee was a conflict of interest in that he was also a member of the Antelope Valley Community College Bond Measure Sub Committee. When asked by the Chairman and counsel to elaborate, Mr. Rives further stated that he believed that holding these two positions are incompatible with one another with potential conflicts.

The motion was tabled.

Mr. Mirzabegian will communicate with Mr. VonTungeln to discuss his resignation on the Antelope Valley College Bond Measure Sub Committee.

COMMITTEE REPORTS & RECOMMENDATIONS

A. Finance Committee – Don Parazo, MD, Chair

- 1. Approval of November 2021 - Financial Report (**ACTION**) – Fred Vitello, CFO
Reviewed and Discussed the following:

Dr. Tuso asks if the diversion hours are tracked and if they are reflected within the financials.

Mr. Mirzabegian responded to all questions posed by Dr. Tuso and the other Directors.

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Mr. Vitello provided a detailed financial overview which included the following points:

- Admission Trends Graph November 2019 - November 2021: Reviewed
- Net Patient Revenue Graph November 2019 - November 2021: Reviewed
- Statement of Income – November 2021
 - Revenues Reviewed
 - Total Operating Revenues: Actual 37.5, Budget 43.9, Budget Variance (14.5%)
 - Expenses Reviewed
 - Total Operating Expenses: Actual 4.4%, Budget 6.0%, Budget Variance (37.6%)
 - Operating Income Reviewed
 - Net Income Reviewed
- Statement of Income – November 2021 Year to Date
 - Revenues Reviewed
 - Gross Patient Revenue: Actual 822.0, Budget 907.7, Budget Variance (85.6)
 - Net Patient Revenue: Actual 182.2, Budget 197.4, Budget Variance (15.2)
 - Total Operating Revenue: Actual 198.8, Budget 216.7, Budget Variance (17.8)
 - Expenses Reviewed
 - Total Operating Expenses: Actual 185.1, Budget 205.9, Budget Variance (20.7)
 - EBIDA: Actual 6.9%, Budget 5.0%, LY: 4.4%
- FY 2022 Trend Report Reviewed with EBIDA 13.6
- Volumes Reviewed
 - Adjusted Patient Days are about 17% under budget
 - CMI 2.06
 - CMI YTD: 2.20 due to the work of CDI
- Collections & Debt Covenant Requirements Reviewed
 - Revenue cycle review and initiatives have been initiated
 - 2.5% increase to charge master
- AVOIC Statement of Income YTD 2021
 - Catch up work being done since acquisition
 - Preparing a budget for 2022
 - Significant staffing shortages and equipment going down/need of replacement
- Volume by Service Date & Modality YTD 2021
- Collection & Debt Covenant Requirements Reviewed
 - Cash Collections: Actual 33.9, Budget 38.8
 - Cash Collections/Net Patient Revenue: Actual 102.1%, Budget 96.8%
- AVOIC Year to Date Financial Review
 - Statement of Income Reviewed
 - Revenue Total Income: 15.6
 - Expenses: 15.0
 - EBIDA: 602,283

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- Volumes by Service Date & Modality Reviewed

Mr. Rives inquired as to the payor mix.

Mr. Vitello and Mr. Mirzabegian responded to his questions.

Mr. Rives asks about the financial monies in reserve.

MOTION: Dr. Tusso made a motion to accept the November 2021 Financial Report; Seconded by Dr. Parazo. The motion passed unanimously.

III. NEW BUSINESS

A. Antelope Valley Hospital Rebranding Initiative (ACTION) – Ed Mirzabegian, CEO
Rebranding Initiative Presented and Discussed by Cynthia Frausto, Director of Marketing and Public Relations

Review and Discussion of the Rebranding and New Logo Process

Legal

Mr. Schell will assist with trademarking the name and logo.

Dr. Tusso made a comment regarding the Meta-Verse line and the correlation of preparing for the future and the possibility of the Meta-Verse Medical correlation.

MOTION: Ms. Hong made a motion to accept the AVH Rebranding Initiative; Seconded by Dr. Parazo.

Discussion by Mr. Rives regarding the definition of Medical Center and that Medical Center is associated with Medical Schools.

He further states that he does not feel that AVH has specialties such as UCLA or USC. Mr. Rives did not believe that the Hospital was a Medical Center.

Mr. Mirzabegian noted that the hospital provides significant service lines which constitutes it being called a Medical Center and is truly representative of the care being provided.

Ms. Hong expands on the services AVH provides.

Dr. Tusso states this will provide hope for our community.

The motion passed 4:1 with Mr. Rives - Nay

B. Action on Resolution 122221A approving the resolution of the Board of Directors of the Antelope Valley Healthcare District determining that the public interest and necessity demand the construction, furnishing, equipping, and supplying of a new, safe, modern, state-of-the-art general acute care hospital and trauma center project with financing through the issuance of general obligation bonds. (ACTION) – Ed Mirzabegian, CEO

C. Action on Resolution 122221B Approving a resolution of the Board of Directors of the Antelope Valley Healthcare District, calling and giving notice of the holding of a special district election on Tuesday, June 7, 2022, for submission of a measure to the qualified voters of the district to approve general obligation bonds and requesting the Board of Supervisors of the county of Los Angeles to consent to and order the consolidation of elections and to render specified services related to the election. (ACTION) – Ed Mirzabegian, CEO

D. Action of Resolution 122221C Approving a resolution of the Antelope Valley Healthcare District authorizing the filing of a written argument and a rebuttal argument regarding a

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district bond measure to be voted upon at a special district election to be held on June 7, 2022. **(ACTION)** – Ed Mirzabegian, CEO

MOTION: Dr. Tuso made a motion to accept Resolutions 122221A, 122221B, 122221C; Seconded by Dr. Parazo.

Discussion by Mr. Rives regarding the Resolutions for the General Obligation Bonds to go on the June 7, 2022 Primary Election.

Mr. Rives would like further input from the community on the build of the new hospital.

Dr. Farrukh commented that the community has been more than involved in the past several years with countless town hall meetings and discussions regarding the need of the new hospital. Dr. Farrukh further noted that the community needs have been reviewed and incorporated into the design and operation of the new hospital.

The motion passed 4:1 with Mr. Rives Nah

E. AVHD Six-Month Board Meeting Schedule for January-June 2022 **(ACTION)** – Dr. Farrukh

MOTION: Dr. Tuso made a motion to accept the AVHD Six-Month Board Meeting Schedule for January-June 2022; Seconded by Dr. Parazo. The motion passed unanimously.

IV. CHIEF EXECUTIVE OFFICER'S REPORT – Edward Mirzabegian, CEO **(INFORMATION ONLY)**

A. COVID-19 Summary & Update

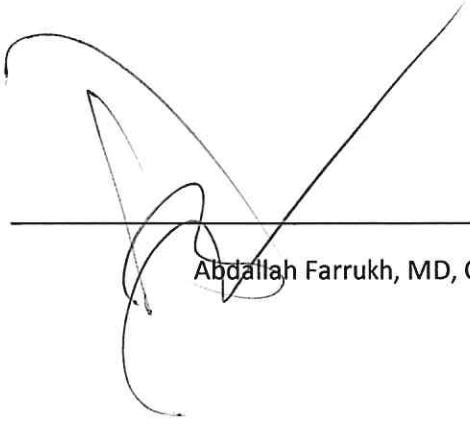
- Hospital is busy. We have frequent ED diversion.
- ED Expansion on Schedule for February 2022
- Financing from FLM Group
- COVID Information from Media not aligned with what we are seeing in our hospital
- Staff shortage

V. PUBLIC COMMENT ON NON-AGENDA ITEMS

Andrea Alexander regarding her experience of our ER Patient Care during her visit.

Mr. Mirzabegian responds that Executive Leadership will contact her to resolve the concerns.

VI. ADJOURNMENT: 7:38PM


Abdallah Farrukh, MD, Chair