

MEETING MINUTES



ANTELOPE VALLEY HEALTHCARE DISTRICT BOARD OF DIRECTORS MEETING - PUBLIC SESSION

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

DECEMBER 20, 2017

DIRECTORS PRESENT:

Kristina Hong, RN, 1st Vice Chair
Mateo Olivarez, Treasurer
Don Parazo, M.D., Chair
Mukund Shah, M.D., 2nd Vice Chair

DIRECTORS ABSENT: None

Abdallah Farrukh, M.D., Secretary

OTHERS PRESENT:

Mike Wall, Chief Executive Officer
Colette Menzel, Chief Financial Officer
Pramod Kadambi, MD, Chief of Staff
Satya Dandamudi, Chief Medical Officer
Trisha Guerrero, Executive Secretary - Board of Directors

1830 – OPEN TO PUBLIC SESSION

The meeting was called to order at 6:57p.m.

I. ACTIONS TAKEN IN EXECUTIVE (CLOSED) SESSION – Dr. Parazo, Chair

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

Dr. Parazo reported on actions of the executive session. The Board approved the consent calendar, Medical Quality Assurance Report, Medical Quality Assurance Committee Meeting minutes, the Chief of Staff Report, and MEC recommendations.

The Board unanimously approved to reject claims 0905 and 0903, and approved to deny claim 0954.

Dr. Shah announced his resignation from the Board, effective this day.

Dr. Shah left the meeting.

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

- A. Approve Board Public Session Meeting Minutes of November 29, 2017 (**ACTION**)
- B. Approval of Finance Committee Meeting Minutes of November 29, 2017 (**ACTION**)
- C. Approval of Audit Sub-Committee meeting Minutes of November 6, 2017 (**ACTION**)
- D. Approval of Board Committee/Subcommittee Charters (**POSSIBLE ACTION**)
 - Compliance Oversight Committee – Dr. Parazo / Ms. Hong - **Approved**
 - Community Advisory Committee – Dr. Parazo / Dr. Farrukh – **Approved**
 - Human Resources Committee – Mr. Olivarez / Dr. Parazo – **Approved**

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- Retirement Advisory Committee – Ms. Hong / Dr. Farrukh - *Pending*
 - Finance Committee – Ms. Hong / Dr. Shah - *Pending*
 - Medical Quality Assurance Committee – Dr. Farrukh / Mr. Olivarez - *Pending*
 - Audit Subcommittee - Dr. Parazo / Ms. Hong - *Pending*

MOTION: Mr. Olivarez moved to approve the consent calendar and Ms. Hong seconded. The motion was approved unanimously.

III. COMMITTEE REPORTS & RECOMMENDATIONS

A. Finance Committee – Ms. Hong

1. Review & Approve November 2017 Financial Report (**ACTION**) – Dr. Menzel

Dr. Menzel reports:

November trends are positive and the performance showed an excellent month for cash. Volumes are up. Medicare length of stay continues to improve. Nurse registry numbers are still a concern. Acute and adjusted discharges ahead of budget for the month and the previous year.

Monthly Statement of Income:
\$32.8M in operating revenue
\$30.4M in operating expenses
\$601K in total net income

YTD:
\$179.9M in operating revenue
\$159.3M in operating expenses
\$11.7M in total net income

Monthly Volumes:
The WIP volumes for deliveries and inpatient surgeries trended down.
Trauma, ER and total surgeries are ahead of budget for the month and last fiscal year.

Cash Collection:
\$28.1M in cash collections
Operating cash rose by \$29.4 million for November due to supplemental funds from Prime and IGT funds.

Cash and cash compliance: 152 days cash on hand

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MOTION: Ms. Hong moved to approve the Finance Report and Mr. Olivarez seconded. The motion was approved unanimously.

IV. NEW BUSINESS

A. Intensivist Program (**ACTION**) – Mr. Wall

Mr. Wall presented the Intensivist Program proposal to the Board. The Program will provide AVH with 24-hour coverage 7 days a week by two critical care physicians as well as outside physicians. The fair market value is around the \$250 per hour. The total cost of the program is approximately \$3M for 2 years. AVH will do the billing and keep the revenue. The program is being driven by superior patient care and quality will be improved immensely.

MOTION: Dr. Parazo moved to approve the Intensivist Program and Mr. Olivarez seconded. The motion was approved unanimously.

Mr. Wall asked to make a clarification with the Board on the annual budget that is approved. Keenan helps AVH to renew benefits and the contract is renewed annually. It's within the CEO's threshold. Mr. Wall recommends that repeated contracts not be necessary to come to the Board. Mr. Wall asked the Board for direction.

Dr. Parazo says renewals within the CEO's threshold are not necessary to come to the Board unless there is a significant change or if the CEO feels the Board needs to address a particular renewal. The Board is in agreement.

B. Vascular Surgeon Recruitment Agreement (**ACTION**) – Mr. Wall - **TABLED**

C. Lease Equipment Purchase (**ACTION**) – Dr. Menzel

Dr. Menzel referenced the recent cash inflow of \$29M for November. This allows strategic moves for the Hospital balance sheet. Currently AVH has \$15M in operating leases which may affect the Hospital's balance sheet negatively in the future. AVH is now in a position to purchase these items. Dr. Menzel recommends buying and purchasing out \$9.843M in equipment that has been leased. \$4M in leases will remain on the books comfortably. This recommendation was presented to the Finance Committee and approved.

MOTION: Ms. Hong moved to approve the lease equipment purchase and Mr. Olivarez seconded. The motion was approved unanimously.

D. Cerner Status Update – Mr. Butler

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Mr. Butler provided the Board with an update on the schedule of the Cerner project. The project is on schedule for the Go-Live on August 1, 2018. The budget is also on target and is being carefully monitored. There are 60 hospital staff and about 40 being consulted during this implementation of Cerner.

Mr. Butler discussed a new program called PowerChart Touch. A PowerChart Touch video was played for the Board.

E. Fiber & Wireless Upgrade (ACTION) – Mr. Butler

Mr. Butler says a previous firm was contracted to fill the requirement for fiber needed and found that there were significant misses. The firm also would not have completed the job as they refused to do the coring needed. Mr. Butler has found a firm with the competency needed called Applied Technology. The firm has a good reputation for performing the work needed and for being on time. Due to the urgency this was not put out for bid. Mr. Butler requested an approval from the Board for the fiber and wireless upgrade at the cost of approximately \$1.5M.

MOTION: Mr. Olivarez moved to approve the fiber & wireless upgrade and Ms. Hong seconded. The motion was approved unanimously.

F. Update on Interim Leadership Agreements (ACTION) - Mr. Wall

Mr. Wall requested to increase his threshold for two interim leadership positions with BE Smith. The increase would cover the Interim Executive Director of Surgical Services and the Interim Director of Case Management. Administration has had success with the current leaders in these positions.

MOTION: Mr. Olivarez moved to approve extending the CEO's threshold for the 2 interim leadership positions and Ms. Hong seconded. The motion was approved unanimously.

G. Approval of Chief Executive Officer Compensation (ACTION) – Dr. Parazo

Dr. Menzel presented the Board's recommendation for the CEO's compensation. Dr. Menzel provided a presentation that reflected a market survey of CEO compensation.

MOTION: Dr. Parazo made a motion to increase Mr. Wall's salary by 5% with annual bonus potential of 20%. Ms. Hong moved the motion and Mr. Olivarez seconded. The motion was approved unanimously.

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V. CHIEF EXECUTIVE OFFICER'S REPORT – Mr. Wall (INFORMATION ONLY)

VI. PRESENTATIONS/EDUCATION AND/OR CHAIRMAN'S REPORT – Dr. Parazo, Chair

A. AVHD Six-Month Board Meeting Schedule for January-June 2018 (ACTION)

MOTION: Mr. Olivarez moved to approve the 6-month board meeting schedule and Ms. Hong seconded. The motion was approved unanimously.

B. 2017 Chairman's Report

Dr. Parazo says many accomplishments have been made together as a Board.

VII. BOARD ORGANIZATIONAL MATTERS - Dr. Parazo, Chair –

Dr. Parazo says the current Boards plan is to move forward to get the AVH, Inc. started. The Board has 60 days to make an appointment to fill the current vacancy.

A. Nominations and Election of Board officers for 2018 (ACTION)

Dr. Parazo nominated Ms. Hong as Chair, Mr. Olivarez as Vice Chair, Dr. Farrukh as Treasurer, and Dr. Parazo as Secretary.

MOTION: Dr. Parazo moved to approve the board officer nominations and Mr. Olivarez seconded. The motion was approved unanimously.

VIII. PUBLIC COMMENT ON NON-AGENDA ITEMS

IX. ADJOURNMENT - 8:10p.m.

A handwritten signature in black ink, appearing to read "D. Parazo".

4/9/2014

Don Parazo, M.D, Board Secretary