



MEETING MINUTES
ANTELOPE VALLEY HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING - PUBLIC SESSION
Auditorium, Community Resource Center
44151 15th St. West, Lancaster, CA 93534

JANUARY 31, 2018

DIRECTORS PRESENT:

Kristina Hong, RN, Chair
Mateo Olivarez, 1st Vice
Don Parazo, M.D., Secretary
Abdallah Farrukh, M.D., Treasurer

DIRECTORS ABSENT: None

OTHERS PRESENT:

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

1900 – OPEN TO PUBLIC SESSION

The meeting was called to order at 7:10p.m.

I. ACTIONS TAKEN IN EXECUTIVE (CLOSED) SESSION – Ms. Hong, Chair

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

Ms. Hong reported actions in closed session:

The Board approved the MEC Recommendations and report, and the Medical Quality Assurance Committee Minutes and report.

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

- A. Approve Board Public Session Meeting Minutes of December 20, 2017 (ACTION)**
- B. Approval of Finance Committee Meeting Minutes of December 20, 2017 (ACTION)**
- C. Approval of Administrative Manual policy LD.33 entitled CONTRACTUAL AGREEMENTS (ACTION) – Ms. Salazar**
- 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**
 - Finance Committee – Ms. Hong - **Approved**
 - Retirement Advisory Committee – Ms. Hong / Dr. Farrukh - *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 Dr. Parazo seconded. The motion was passed unanimously.

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III. COMMITTEE REPORTS & RECOMMENDATIONS

A. Finance Committee – Ms. Hong

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

Dr. Menzel discusses the goal to break even on hospital operations. Did not get there this month and will be looking at strategies to make more room between income and expenses through the months. A new strategy is in place called SWB (Salary, Wage, Benefits). Current salary, wages and benefits are at 65% as a percent of the operating expenses. Currently other hospitals run at a 40% average for SWB. AVH needs to move in this direction and it will be a long term goal.

Dr. Menzel reports December performance:

Monthly Income:

\$33.7M in total operating revenue (up over last fiscal year but slightly below the budget)

\$33M in operating expenses

Net loss of \$855k

YTD numbers are on track and ahead.

\$213M in total operating revenue

\$192M in total operating expenses (just below budget)

Net income \$10.8M (exceeded budget)

Volumes:

Up again in December

Acute/Adjusted discharges above the budget and last fiscal year

Average daily census is 234

Medicare acute length of stay at 4.81

WIP volumes are slightly below the budget

Trauma and ER visits above budget and last fiscal year

YTD Volumes:

Acute/Adjusted discharges above budget and the previous fiscal year

YTD average daily census at 226

YTD Medicare acute length of stay at 4.98

WIP volumes slightly still below budget

Trauma and ER visits above the budget and last fiscal year

Cash collections:

December and November are slower months for cash collections.

Collected \$29.1M in December

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January will exceeded cash collections by \$6M.

Operating cash dropped by \$20M and due to \$10M in lease equipment purchases, a \$7.1M Cerner payment, PTO buy back, payroll taxes, and other expenses.

Days cash on hand: 139

Maximum annual debt service at 2.166

The \$10M spent to buy out leased equipment saved the Hospital \$214K per month. It has also put AVH in a better financial position for the new GASBE accounting rules in 2019.

Dr. Menzel reported that an agreement between the Hospital and HDMG on Medi-cal reimbursement has now been signed and agreed. The contract will provide better reimbursement for the Hospital and a true partnership.

MOTION: Dr. Farrukh moved to approve the December financials and Mr. Olivarez seconded. The motion was passed unanimously.

IV. NEW BUSINESS

A. Seismic Retrofit Update (ACTION) – Mr. Wall /RBB Architects, Inc.

Mr. Wall discussed the seismic retrofit construction requirements the Hospital must complete by January 1, 2020. The Board approved construction costs of approximately \$7M in 2015. The construction will begin and be on an aggressive timetable for building 1 and 3. No action is needed on this item. An updated estimate was obtained and will be significantly less than \$7M.

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

VI. PRESENTATIONS/EDUCATION AND/OR CHAIRMAN'S REPORT – Ms. Hong, Chair

A. Standing Board Committee Appointments (ACTION)

The board discussed the standing committee appointments. The board agreed to hold off on new appointments until the completed formation of the Hospital Corporation.

MOTION: Mr. Olivarez moved to approve holding off on the standing committee appointments and to add Dr. Farrukh to the Audit Subcommittee. Dr. Parazo seconded the motion. The motion passed unanimously.

VII. PUBLIC COMMENT ON NON-AGENDA ITEMS –

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Public comment made by community member Mr. Paul.

VIII. ADJOURNMENT – 7:29pm

 4/9 /2018

Don Parazo, M.D, Board Secretary

