Valor Health
FY2024 Budget

	F21 Actual	F22 Actual	F23 YTD Actual thru 6/2023	FY23 Budget	F24 Budget	
Inpatient Revenue	$ 4,390,042	$ 4,137,278	$ 2,532,930	$ 5,172,550	$ 3,177,578	
Outpatient Revenue	29,820,198	31,090,205	24,581,148	35,390,920	41,145,197	
TOTAL REVENUE	**34,210,241**	**35,227,482**	**27,114,078**	**40,563,470**	**44,322,775**	
TOTAL DEDUCT FOR REV	**(13,155,004)**	**(13,937,464)**	**(10,793,687)**	**(17,091,683)**	**(19,102,327)**	
NET REVENUES	**21,055,236**	**21,290,018**	**16,320,391**	**23,471,787**	**25,220,448**	
Other Operating Revenues	744,439	877,471	790,368	759,843	1,025,404	
TOTAL OPERATING REV	**21,799,676**	**22,167,490**	**17,110,759**	**24,231,630**	**26,245,852**	
Salaries and Wages	11,084,270	11,846,022	8,645,835	12,209,529	12,246,612	
Benefits	3,324,367	3,457,738	2,680,155	3,241,932	3,627,162	
Professional Fees	1,404,309	3,161,092	2,782,126	1,865,442	2,540,906	
Supplies and Minor Equipment	1,351,780	885,478	544,386	827,495	680,451	
Patient Chargeable Supplies	1,638,001	1,669,938	1,113,734	2,717,446	2,928,034	
Patient Non-Chargeable Supplies	310,462	326,997	198,721	338,302	260,771	
Repairs and Maintenance	286,110	382,736	321,833	318,190	434,903	
Marketing	162,707	159,800	116,046	156,403	126,215	
Purchased Services	1,580,437	1,509,169	815,271	1,628,264	2,046,838	
Education/Travel/Dues	67,658	95,378	76,992	83,849	91,301	
Rents and Leases	33,531	19,727	10,802	203,677	164,212	
Utilities	232,158	243,804	194,771	242,438	261,960	
Insurance	101,245	112,893	73,749	119,883	112,161	
Other Expenses	144,887	167,813	139,480	173,097	190,573	
Interest Expense	31,522	49,605	29,811	51,172	48,646	
Depreciation and Amortization	556,389	749,769	583,950	650,295	799,839	*
TOTAL EXPENSES	**22,309,834**	**24,837,958**	**18,327,663**	**24,827,414**	**26,560,583**	
NET OPERATING MARGIN	**(510,158)**	**(2,670,468)**	**(1,216,905)**	**(595,784)**	**(314,731)**	
Net NonOperating Rev/Exp	5,713,831	3,440,128	2,426,397	595,784	314,731	
EXCESS REV OVER EXPENSE	**$ 5,203,673**	**$ 769,660**	**$ 1,209,492**	**$ 0**	**$ 0**	
Gross Margin %	**24%**	**3%**	**7%**	**0%**	**0%**	

Valor Health
Our priority is people

**Depreciation is a non-cash item, which does not negatively affect cash flow*

TITLE: **Board of Trustees Regular Meeting**
DATE/TIME: **July 25, 2023, at 7:00 AM**
LOCATION: **Zoom and Valor Health Executive Board Room**

I. CALL TO ORDER

The Valor Health Board of Trustees meeting was called to order at 7:01 a.m. by Dave Shaw. The meeting was held via Zoom.

Board Member Attendance: Dave Shaw (Chair), Earl DeFur (Vice Chair), Judy Barbera, Kirk Wille, Lisa Resinkin, Dr. Madison Beatty (President of the Medical Staff), Brad Turpen (CEO)

Staff and Guest Attendance: Corey Furin (CFO), Matt Godfrey (Exec. Dir. of Physician Services), Kathy Prindle (Exec. Dir. of Clinical Services), Victoria Mendoza (Executive Assistant/Med Staff Coordinator), Tahja Jensen, Dr. Bill Vetter, Mike Cummings, Jena Hacker (HR Administrative Assistant- Training), Anna Balken (HR Administrative Assistant)
Absent: Shane Roe (Vice Chair Elect), Larissa Kimball (Past Chair), Anita Taylor

II. AGENDA AMENDMENTS – ACTION ITEM

III. STANDING AGENDA

A. Consent Agenda – ACTION ITEM

1. Approval of minutes
   - PICC 6/13/2023
   - Joint Finance/Planning 6/20/2023
   - Board 6/27/2023

MOTION: Earl DeFur moved to approve the consent agenda. Judy Barbera seconded the motion. No objections, the motion passed.

B. Public Comment Period

- No public comments were made.

C. Patient Story – *Lisa Resinkin*

- Lisa shared positive comments patients have provided in their surveys from Press Ganey.

D. Commissioner Update – *Kirk Wille*

1. General Update
   - The County is in the final steps of the FY24 Budget.
   - There is a fire in Ola of about 800 acres that is 85% contained as of this morning.
   - The Fair & Rodeo is coming up on the first week in August at the Gem County Fairgrounds.
2. Gem County COVID Funding
   - It was noted there is no additional COVID funding.

E. Emmett City Council Update – *Dave Shaw*

1. Dave Shaw shared a report provided by Steve Nebeker. Highlights include:
   - Elevate Emmett Comp Plan approved.
   - Beth Range has been appointed to the Library Board of Trustees.
   - Some misdemeanors have been changed to infractions which results in lesser penalties.
   - The Splash Pad construction at Emmett City Park has commenced.

F. Finance Committee – *Earl DeFur*

1. Committee Report
   - The committee reviewed June financial reports at the July Joint Finance and

Planning meeting.

2. Financial Statements
3. Financial Statements
    - Volumes
        - 18 total admissions for the month of June. There were 0 Obstetric or Newborn admits which reflects the first full month of no Labor & Delivery services.
        - Overall, Family Medicine, Sleep Lab and Radiology are showing strong volumes.
    - Income Statement
        - The month ended with $3.2M in total patient revenue and $1.97M for Operating Revenue.
        - The total operating expenses ended at $1.85M which is the lowest they have been since September 2021.
        - Received the final Workforce Development Grant for $45K.
        - The expense reduction plan compared to Oct-Jan run rate came in at a 15% improvement. There was 10% improvement in April and 8% in May. Overall, we are pleased with the amount of focus and positive momentum there has been over several months.
        - The second payment of the Employee Retention Credit was received, we have one more payment left to come through.
        - The 340B program allows patients to receive medications that are extremely costly to them at a lower cost and in turn we receive reimbursement. This amount is listed under Other Operating Revenue.
        - Professional fees are at $188K, there is still contract labor in Radiology. Contract labor will be a consistent trend for the Emergency Department and Radiology but there are good agreements in place with Hometown Staffing for lower rates.
    - Gross A/R Days
        - There is an uptick for Gross A/R days between 0-30
            - Corey is working with the staffing challenges in Revenue Cycle. There are resources with our Clearinghouse in helping with appeals. He is also working with vendors for interim staffing.

Discussion:
Dave asked if there is any plan with the 340B fallout that is trying to happen across the country. It was noted at this point there are no plans to remove the 340B program as it is remaining steady and expected to grow within the next year. Brad also added he is aware they are trying to remove it, but so far AHA has been able to make efforts to continue to keep the 340B program.

4. Finance Dashboard
    - The Finance Dashboard was not discussed.
5. Financial Outlook
    - This was not discussed.
6. FY24 Operating Budget – **ACTION ITEM**
    - Salaries and Wages are increasing at the anticipated rates due to growth in specific areas and continued market pressures.
    - There is a decrease in expenses where we have focused our Operating Excellence Plans, such as Contract Labor, Overtime, other professional fees, L&D, etc.
    - More expenses in drugs for Pharmacy due to the start of Chemotherapy services that is noted on Patient Chargeable Supplies.
    - As we grow the Lab through the InReach program, there will be incremental revenue, and the profit-sharing payments to InReach will be reconciled in Purchased Services.
    - Valor Health Center according to the proforma that was put together and approved by the Board, you will see the reflection in Rents and Leases based on payment. The amount is about $24-26K a month which is roughly 1.5% of the total monthly expenses.

Discussion:

Kirk asked why only $160K is reflected on Rents and Leases when the Valor Health Center payment is expected to be about $24K a month. Corey noted he does not expect payments to start until April, which will be halfway through FY24. Earl asked if there will be increased revenue with the volumes from Valor Health Center. It was noted from a volume perspective, there might not be much growth but it is expected to see growth in FY25 with increased volume and visits. Earl asked when will the open date for the Pharmacy be? It was noted that Corey has been working with the contractor, KHI. The Director of Operations and CEO have come out to meet with Corey and they agreed to solve all the deficiencies. The plan is to be up and running by October.

MOTION: Earl DeFur moved to approve the FY24 Operating Budget. Judy Barbera seconded the motion. No objections, the motion passed.

G. Planning Committee – *Judy Barbera*

1. Committee Report
   - Shane and Judy have met and suggest separating the Finance and Planning meetings. They have found, in most of the recent meetings, there has only been 20-30 minutes left to discuss Planning agenda items. The two committees can meet quarterly as it is still beneficial to coordinate them.
   - Shane and Judy have finalized the Planning Committee Charter that will be sent out to the Board members.
2. Committee Dashboard
   - Brad still plans to meet with the City Council and County Commissioners in September.
   - The Valor Health Center timeline will be presented in the Annual Board Meeting.
3. FY23 Strategic Plan Update
   - This was not discussed.
4. Valor Health Center Lease – **ACTION ITEM**
   - It was decided to discuss Valor Health Center lease after the Annual Board Meeting and the presentation with the County Commissioners.

H. Performance Improvement Committee – *Anita Taylor*

1. Committee Report
   - Stephanie prepared a Board of Directors (BOD) Executive Summary and Lisa briefly went over this report. Highlights include the following.
2. BOD Executive Summary*
   - Orthopedics have jumped 4% of their goal on Positive Patient Experience.
   - Kudos to Podiatry that hit 99% of their goals.
   - The Value-Based Care (VBC) program has been rolling steadily. Stephanie included an update separating each payer mix.
3. 12- month Rolling Trend: Definitely Recommend*
   - Discussed in the BOD Executive Summary.
4. Antimicrobial Stewardship June 2023*
   - A competency was sent out to the entire workforce as it is requirement of DNV (Det-Norske Veritas).
   - There will be marketing done to raise awareness during Antibiotic Awareness Week.

I. Medical Staff – *Dr. Madison Beatty*

1. June Medical Staff Meeting Summary* *(reference only)*
2. Committee Report: MEC, Labor & Delivery
   - MEC reviewed the Credentialing packets for providers due in July. Dr. Fox, our onboarding Pediatrician, was approved.
   - Deficient charting was reviewed and the MEC has encouraged our providers to stay up to date on their documentation.
   - Peer Review for 2023 has been released. Medical Staff is encouraged to get these completed before the holiday months.
   - There were a good number of providers out on PTO for July.

- There are no longer Labor & Delivery Ramp down meetings, but Dr. Beatty welcomes anyone who has questions.
- The first Non-Stress Test was done at the clinic. This is a good service our Medical Assistants can provide for prenatal care, as well as a good revenue generator for our clinic.

J. Patient Care Services – *Matt Godfrey/Kathy Prindle*

1. General Update
   - Matt
     - The value engineering on the clinic is complete and is expected to have saved almost $500K.
     - A traffic study has been requested by the County.
     - The Free Sports Physical Event at our specialty clinic (SMSC) is today. There are about 100 kids that are scheduled.
     - Dr. Mumford departure is on July 31. There is a good plan in place for his transition out.
     - Dr. Fox, our pediatrician, will begin on September 16.
     - There is a lunch scheduled with Dr. Howard Sill, our new Visiting Specialist for Peripheral Vascular services on August 21.
     - Dr. Darren Pittard, gynecologist, will begin to provide services in October.
     - The contract with West Idaho Anesthesia is being finalized to be able to do after-hours cases for Orthopedic.
   - Kathy
     - There is work being done to understand the workflows of the clinic and hospital to be able to build a good culture and foster positive morale.
     - The Acute Manager role has been filled by Billie Osterhoudt and the Emergency Department Manager filled by Renee McDaniels. They have both decided to be working managers, which will save $35K in expenses with these changes.

Discussion:
Tahja mentioned her concerns after checking in with developmental services. It does not look like the city has approved yet to extend services down 12th street for the Valor Health Center location. Matt noted BVA does have a connection with the City and Legal counsel, while it could not be approved there are other paths and options to remain optimistic.

K. Provider Privileging Approvals – ACTION ITEM

1. July 2023

MOTION: Dave Shaw recommended approving the listed providers. Judy Barbera moved to approve the provider privileging for:

- Zachary Fox, MD – Pediatric
- Gabriel Palmer, MD – Telemed Radiology
- Lyndon Box, MD - Cardiology

Earl DeFur seconded. No objections. The motion passed.

L. Board of Trustees

1. General Update
   - There is still a vacancy on the Board. Earl updated that there are three candidates and an interview scheduled for tomorrow.
2. Board Goals Discussion*
   - This will be further discussed at the Quarterly Board Meeting next week. Judy plans to put together a survey to track the participation of the Board in Valor and community events as well as who has purchased a brick for Valor Health Center.
3. Other Upcoming Meetings
   - Medical Staff – August 1 at 7:30 a.m.
     - Dave Shaw will attend and report for the Board.

- PFAC – August 17 at 12 p.m.
    - Judy Barbera will attend and report for the Board.

4. Agenda Items – Submit by August 10

Foundation Update – *Brad Turpen*

- The Festival of Trees event is planned for November 10-17 with a Gala on the 18th. There will be more detailed plans closer towards that date. The goal is for the festival to be the primary event of the year for the Foundation.
- There will be an announcement made on the campaign to sell pavers that will align with the timeline on groundbreaking for Valor Health Center.
- Bob Shaw is working on a newsletter. We will also be asking Valor vendors to support the paver-selling campaign.

M. Administration

1. General Update
    - There will be an Employee driven picnic on August 12. The goal is to bring Valor employees and family together. There will be activities for kids and the staff is selling tickets to throw pies at the Executives for fundraising purposes. The Board is encouraged to attend this event.
    - We received the physicist's report on the MRI that shows good results. A technician with Phillips also came out and reports the machine is in good working condition. We will continue to do follow up work.
    - Inreach, our Lab outreach program, has launched a few samples. We are following the process with Revenue Cycle.
    - The most recent Speed of Trust program with Department Heads was focused on Market Trust, Reputation, Behaviors and Consistency.
    - Mike announced that Anna will be leaving to attend school, Jena Hacker will replace her and keep moving things forward. Jena will also support Vicky with the Medical Staff role.
    - The Annual Board meeting in August will be in person with a zoom option available. There will be dinner provided by our café.

IV. **NEW BUSINESS**

A. Executive Session – None

V. **ADJOURNMENT**

Being no further business, the meeting was adjourned at 8:27 a.m.