

SOUTHERN INYO HEALTHCARE DISTRICT

Special Meeting of the Board of Directors Minutes

Date: Wednesday, May 1, 2019

Time: 3:30 p.m.

Location: Southern Inyo Hospital-Employee Dining Room
501 East Locust St
Lone Pine, CA 93545

Director Mark Lacey will be participating via phone.
335 Indian Springs Drive, Lone Pine, CA 93555

AGENDA

PRESENT

Jaque Hickman, President
Charles Carson, Vice President
Richard Fedchenko, Treasurer
Mark Lacey, Director (via phone)

ABSENT

Carma Roper, Secretary

OTHERS

Brian Cotter, CEO
Chester Beedle, Financial Consultant (via phone)
Scott Nave, Attorney (via phone)
Jeffrey Golden, Attorney with W&GG, LLP (via phone)

I. CALL TO ORDER

The meeting was called to order at 3:30 p.m.

Treasurer Fedchenko moved to approve the Special Meeting agenda of May 1, 2019.
Vice President Carson seconded. All approved.

Roll Call-

Richard Fedchenko	"AYE"
Charles Carson	"AYE"
Mark Lacey	"AYE"
Jaque Hickman	"AYE"

II. CLOSED SESSION

Closed Session began at 3:37 p.m.

- A. Existing Litigation (Govt Code 54956.9): Chapter 9 Bankruptcy
- B. Personnel Evaluation: CEO

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III. CLOSED SESSION REPORT

The Board and the Legal Counsel discussed Item A. under Closed Session. Item B. will be discussed after the close of the Open Session.

The Open Session reconvened at 4:08 p.m.

IV. BUSINESS ITEMS

The Board requested to switch item A. and B.

A. Approval of Contract for Bankruptcy Legal Counsel

Note on \$15k Retainer-Attorney Nave stated the Jeff Shinbrot has been working with HCCA to try and get the amount of money released from tax funds being held by Inyo County. From there, SIHD can pay Jeff Golden's firm. At this time, Shinbrot is working on the stipulation.

Treasurer Fedchenko questions page 1 under delinquent account. Jeffrey Golden, Attorney with W&GG, LLP will edit Item 4. Attorney Nave will then review and will send his comments to the President Hickman.

Action: Treasurer Fedchenko moved to approve the W&GG, LLP Bankruptcy Legal Counsel Contract with subject to Attorney Scott Nave's review and input and instructions by the Board members. Vice President Carson seconded. All Approved.

Roll Call

Mark Lacey	"AYE"
Richard Fedchenko	"AYE"
Charles Carson	"AYE"
Jaque Hickman	"AYE"

President Hickman explained the reason for the action on Item IV. A. Approval of Contract for Bankruptcy Legal Counsel.

HCCA filed to disqualify Foley & Lardner and Attorney Ashley McDow. The judge granted the motion on April 10, 2019. Foley & Lardner and Ashley McDow will represent Southern Inyo Healthcare District until May 10, 2019. McDow and Golden are working together to transfer information and material.

B. Services with Medsphere Systems Corporation

Item B. Services with Medsphere Systems Corporation under Business Items is a discussion item only.

SIHD is trying to work through the issues with billing and Medsphere. How do we address these issues? SIHD cannot do it without building a team of people who are involved that can put in their input and look at scenarios.

Brian Cotter gave a brief report on the Revenue Cycle situation.

Monthly operating revenue has been up and down. There has been several IGT's that SIHD has paid into but have yet to receive. Looking for an IGT return in May.

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The operating revenue in the month of December, January and February were not as good as SIHD had hope for. March was good, about \$800k. April was not a good month, about \$390k. SIHD received a \$345k from old EHR monies.

SIHD is on its Fourth Amendment with Medsphere agreement. Currently SIHD's payments are at \$14k a month but deferring into a lump sum payments once a year.

President Hickman and Brian Cotter had many discussions with Irv Lichtenwald with Medsphere. Irv understands our financial situation. Irv has offered options and has been flexible and open to different ways on handling the situation.

Medsphere provided the following options for SIHD-

Alternative 1: Keep things as they stand now per the signed Fourth Amendment: Monthly Payments of \$14k plus annual catch up lump sum payments of 151,200 in October 2019, 2020, 2021, 2022, 2023 and then \$324,080 due July 2024.

Alternative 2: Upgrade to RCM Cloud and add the billing services but do not add the GL related services. Keep payments same as Alternative 1 for everything but the billing services. Billing services would be based on 2.5% of collections.

Alternative 3: Upgrade to RCM Cloud, add the billing services and add the GL related products.

Alternative 4: Upgrade to RCM Cloud, add the billing services, add the GL related products and delete the \$14k monthly payments but keep the annual lump payments: Medsphere would take 4.5% of the monthly collections for everything. The annual lump sum payments in October (July for 2024) would remain, so you would have to budget for those lump sum amounts.

Alternative 5: Upgrade to RCM Cloud, add the billing services, add the GL related products and delete the \$14k monthly payments: AND delete the annual lump sum payments: No budgeting for any checks to Medsphere as Medsphere would take 8% of monthly collections and move the contract term date to 10/2024.

Currently, SIHD has Steering Meetings with Medsphere every other week. The meetings are for discussing, dealing and working on issues for each department. For example: meeting our needs, modifications and training. The ER Dept. will need training on the EMR system. ER Dept. will need to join the Steering Meeting. The Patient Portal is still being worked on.

President Hickman stated the Board doesn't use the program. The Board relies on the staff to get an overview. If we have a contractual issue with Medsphere, we want to work through the contractual issues in a way that it works for both parties. SIHD wants to look at what Medsphere can offer. President Hickman requested that Chet Beedle join in on the discussions with Irv and present any questions.

Per President Hickman, SIHD needs to put together a team to move through the process to see what works for SIHD. Bottom line is that SIHD needs to have a billing system that works.

Treasurer Fedchenko requested more detailed info on the provided spreadsheets from Medsphere, the NET outcome.

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Director Lacey stated that if we make it through legal issues and continue to move forward. We still don't have enough yearly revenue to break even.

President Hickman asked Traci Gilmore, Revenue Cycle Manager "What is needed to work denials". Traci stated that we need help with the back log and aging. There is a new hire that will be working on self-pay and collections.

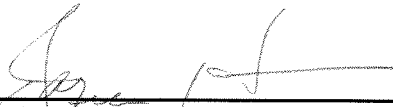
Karen Sheffield stated that she needs more feedback from the billing dept. and a list/spreadsheet of all errors or denials.

President Hickman requested a list of reports that SIHD is required to file every year.

SIHD will continue to review and discuss the services with Medsphere Systems Corporation and the options provided.

V. **ADJOURNMENT**

The open session meeting adjourned at 5:47 p.m.



Board President or Secretary

5-21-19
Date

Special Board Minutes of May 1, 2019

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