

BOARD OF HOSPITAL COMMISSIONERS

March 26, 2024

Those in attendance were Hospital Commissioners Darrin Moody, Gayle Weston, and Don Welander. Also present were Eric Moll, Mason Health CEO; Mark Batty, Mason Health COO; Steve Leslie, Mason Health CFO, Robert Johnson, Legal Counsel, Dr. Darren Cuevas, Mason Health CMO, and Peggy Utesch, CFO Executive Assistant.

Others in attendance: None.

Gayle Weston called the regular meeting of the Board of Commissioners to order at 8:00 a.m.

Agenda Review and Minutes:

The agenda was reviewed with no changes. It was moved, seconded, and voted to approve the March 12, 2024, meeting minutes as presented.

Commissioners' Committee Report & Calendar

Don Welander attended BOHC on March 12, 2024, met with Eric Moll 1:1 on March 25, 2024, and attended the Quality Improvement Committee meeting on March 19, 2024.

Gayle Weston attended BOHC on March 12, 2024, General Staff Meeting on March 18, 2024, Finance Committee Meeting on March 20, 2024, Retirement Committee Special Meeting on March 21, 2024, and met with Eric Moll 1:1 on March 25, 2024.

Darrin Moody attended BOHC on March 12, 2024, Construction Meeting on March 18, 2024, met w/Eric Moll 1:1 on March 11, 2024, and met with North Mason Fire Chief, Beau Bakken, on March 14, 2024.

Public Comments: Eric read comments emailed to Mason Health by Bob and Lorylin Rogers, commending Mason Health for their commitment to improving our wound care program.

Consent Agenda:

It was moved, seconded, and voted to approve the March 26, 2024; consent agenda as presented.

Legal Counsel – None

CEO's Report –

- a. WSHA Bills – Eric reviewed the legislative agenda of importance to Mason Health. Of note:
 1. Over \$400K was approved in the State budget for the Alliance Program to expand women's health services.
 2. A mergers and acquisitions bill was not approved, which was not supported by WSHA.
 3. Redefining Charitable Care was not successful for WSHA. DOH did not address the geographic issues with the current definition. WSHA will continue pursue changes to the geographic definition for charity care.

CEO's Report (continued)

- b. GCCM, the alternative method for general contractor selection has begun. Twelve contractors have applied to date and will be evaluated and interviewed. The goal is to finalize contractor selection by May, to begin working with the architect. Mason's strong reputation in the building arena will help to secure "A" team applicants. Darrin was thanked for his participation on the Construction Committee. This is the first phase of the construction projects outlined in the Campus Master Plan that will unfold over the next five years.

Monthly Reports –

February financial reports show a very strong start to the year across the board. Service volumes were reviewed, with patient days, surgery cases, lab visits, diagnostic imaging and clinic visits all finishing greater than budget. Also performing better than budget were operating margin (+0.5%), non-operating gains (+3.9%), and interest income (+22.1%). Without a federal interest reduction, bonds continue to perform well and will likely remain strong through June. The total margin YTD is +2.4%. Days cash on hand was reduced during budgeting in anticipation of significant cash outlays for strategic initiatives later in 2024. Timing now suggests some construction costs may be pushed to early 2025, so cash on hand should remain strong throughout the year.

Commissioner questions regarding volumes and staffing were asked and answered. It is anticipated that volumes will remain strong due to pent up demand as pandemic recovery continues.

Also discussed were the impacts and recovery plans for accounts receivable, due to the cyber-attack that took out the Change Healthcare billing clearinghouse nationwide. In the immediate aftermath, paper claims were submitted to payers. Mason has moved to Trizetto for clearing house services and will remain with them going forward.

The Financial Statement Audit is wrapping up and no significant issues have been noted. The year-to-date consolidated financial results were also reviewed, including year-over-year improvements in many areas and a discussion of changes to charity care.

Old Business – None

New Business - None

Administration Roundtable

Dr. Cuevas – A shout out to all providers was given for their strong performance that has resulted in strong service volumes and the resulting positive financial results. A group of providers from each department has been formed to address charity care numbers. The commissioners acknowledged Provider Day and asked Dr. Cuevas to share their kudos.

Mark Batty shared Mason Health has used a referral and prior authorization program called Clarity, which is being terminated. Mason's options are to upgrade to a new Clarity product or select another third-party vendor. To date, new software has not been identified. Cerner has a method to handle referrals but are unable to do the prior authorizations. A two-week sunset extension has been

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Administration Roundtable (continued)

granted, and if new software is not identified within that timeframe, the Cerner option will be used temporarily. Impacts to referral staff who will then handle prior authorizations was noted.

An OBGYN candidate was interviewed with very positive feedback. A contract has been sent to her, with a two-week deadline to respond. She will graduate in 2025.

Steve Leslie discussed the Retirement Plan record keeper change is going very well. The heavy lifting phase is wrapping up, including final mapping of how funds will transfer from Corebridge to Empower. The next phase, April – June, focuses on supporting staff through the transition. At the Committee’s special meeting on March 21, 2024, it was agreed to put forward a budget amendment that provides a fee holiday to account holders with balances of less than \$5K. A second FAQ will go out by the end of March. The July-September phase includes the actual transition and August go live with Empower. Questions about messaging the generosity of Mason for the fee holiday and encouraging retirement plan participation were also discussed.

The S&P annual rating interview with Aamna Shaw took place on March 22, 2024 and went well. Steve Leslie gave an overview of the conversation and thanked Eric Moll for providing Mason’s five-year strategic plan. The final report should be available by May, and Aamna Shaw indicated Mason’s rating will likely remain at A- Stable.

Adjourned at 9:27 AM.

PUBLIC HOSPITAL DISTRICT NO. 1
OF MASON COUNTY, WASHINGTON

BY: _____

Attest: _____
