

CALL TO ORDER                      The meeting was called to order at 5:30 p.m. by Mary Mae Kilpatrick, Northern Inyo Healthcare District (NIHD) Board Chair.

PRESENT                                Mary Mae Kilpatrick, Chair  
Melissa Best-Baker, Vice Chair (present via zoom)  
Jean Turner, Secretary  
Ted Gardner, Treasurer  
Stephen DelRossi, MSA, Interim CEO / Chief Financial Officer  
Allison Partridge RN, MSN, Chief Nursing Officer / Chief Operations Officer  
Adam Hawkins, DO, Chief Medical Officer  
Alison Murray, Chief Human Resources Officer

OPPORTUNITY FOR  
PUBLIC COMMENT                      Chair Kilpatrick reported that at this time, members of the audience may speak only on items listed on the Notice for this meeting, and speakers will be limited to a maximum of three minutes each. The Board is prohibited from generally discussing or taking action on items not included on the Notice for this meeting. There were no public comments.

FOUNDATION ROI  
REPORT                                 Chair Kilpatrick called attention to the Foundation ROI Report. Greg Bissonette, Foundation ED and Grant Writer, presented the Foundation's income versus expense statement. He stated the main expense is his salary and income categories include grants and other subsidy programs.

    Jean Turner thanked him for the detailed report and asked about the telecom subsidies. Mr. Bissonette stated USAC (Universal Services Administrative Company) is a federally run program that funds schools, libraries, and healthcare facilities. NIHD receives discounts on broadband and telephone lines through their rural health care program. They cover approximately 65% of broadband costs.

    Jean Turner asked about grants stating they look robust. Mr. Bissonette stated prior to 2019 we had a number of fairly small annual grants, each one totaling \$10,000 - \$15,000 per year. There was a huge increase in 2018 – 2019 from MAT funding, which continued to 2023.

APPROVAL OF THE  
FISCAL YEAR 2023-2024  
BUDGET                                 Chair Kilpatrick called attention to the FY2023-2024 Budget.

    CEO DelRossi reviewed assumptions used in the budget process. He stated large corporations use top-down budgets which dictate the amounts allowed to be spent. NIH used a bottom-up approach that brought leaders to the table to discuss their operational needs, including safety concerns and staffing levels. CEO DelRossi stated he believes the best predictor of what an organization is going to do in the future is what it is currently doing. Without any changes to current processes, this produces a \$16,000,000 deficit; however, there will be changes. The Executive Team

has been working tirelessly to balance the budget and have so far come up with \$9,500,000 in total changes that will be made to this budget. CEO DelRossi recommended the Board approve this budget with the understanding the Executive Team is working to put the new plans into operation.

Chair Kilpatrick asked for details of the plans. CEO DelRossi stated they include a series of services, a series of cost cutting efforts, and a series of growth in revenue.

Jean Turner stated she appreciates the forecast and fears there will be pain ahead because we cannot continue in the same way as before. She stated service cuts will be painful, but there can be no sacred cows and we must turn over every stone.

CEO DelRossi emphasized revenue growth is instrumental to this plan. We have already signed a contract with a cardiologist who will come in two days a month, and we are looking to get a gastroenterologist to come in a couple days a month. He stated that while these are incremental increases, they will stop an entire service line from being a complete loss and bring it to a break even position.

Jean Turner asked if there are any more services that could fit in with the RHC to receive the higher reimbursement rates. CEO DelRossi stated they continue to consider new suggestions for the RHC.

Chair Kilpatrick asked for clarification on how many services they are thinking about changing.

Dr. Hawkins, CMO, stated they have literally looked at every single service line we offer to assess if it can generate more revenue or if there is opportunity for cost savings. The task is to find balance between the two depending on the projected loss. He stated it is difficult to answer her question in a vacuum because incremental changes potentially affecting each service line and down-stream revenue created by each service line must be considered.

Allison Partridge, CNO/COO, added they are also considering whether any given service line has the necessary resources allocated to continue, and what is needed to support it appropriately.

Dr. Hawkins reiterated the importance of analyzing down-stream revenues attributed to each service line.

Chair Kilpatrick commended leadership staff on the work they are putting in. She stated the Board understands there are some services the community desperately needs, and they are interested in which services

the community could do without. She added she has confidence the leadership we have is exactly what we need.

Jean Turner seconded Chair Kilpatrick's comments, and noted the \$9,500,000 staff has come up with in pending changes is only half the problem.

Melissa Best-Baker asked if they are seeing an increase in revenue as a result of changes already implemented. CEO DelRossi stated they are now seeing a collection rate of 42% which is significantly higher than it had been and is within our contractual guidelines.

Melissa Best-Baker asked if the Board can approve a budget that is not balanced. CEO DelRossi stated he had sent that question to legal counsel but had not yet received a response. Ms. Best-Baker stated she has never approved a budget that was not balanced and asked the other Board member if they have done this in the past. Chair Kilpatrick asked if legal counsel were in attendance and it was noted they had already left the meeting due to prior commitments.

CEO DelRossi stated last year's budget approved by the Board showed it was net neutral with \$5,000,000 in spend down of cash. Ted Gardner stated it is not unusual to use cash reserves to balance budgets.

Jean Turner asked for information regarding the state of rural hospitals nationally, and if there are factors NIHD missed over the years. Stephen responded 50% of California hospitals are operating in the red, and it is a little higher nationally. He stated volume is a factor in rural hospitals, but the biggest cost is labor, which is a national problem.

Chair Kilpatrick brought the discussion back to the budget deficit and stated she would not bring it to a vote under the given circumstances. Melissa Best-Baker suggested staff add a line item for the use reserves to cover the deficit and show a balanced budget. Jean Turner stated she would be in favor of this, and Ted Gardner added this had been done in the past.

It was motioned by Melissa Best-Baker to approve the Fiscal Year 2023-2024 Budget with the revision of the income statement to show miscellaneous income of \$15,969,175 coming from reserves and net income shows the budget is balanced, Ted Gardner seconded the motion as restated, and the motion passed 4-0.

APPROVAL OF DISTRICT  
BOARD RESOLUTION 23-  
05, FY2024  
APPROPRIATIONS LIMIT

Chair Kilpatrick read aloud District Board Resolution 23-05, FY2024 Appropriations Limit.

It was motioned by Jean Turner to approve District Board Resolution 23-

05 as presented, Ted Gardner seconded, and the motion passed 4-0.

APPOINTMENT OF  
ADHOC COMMITTEE TO  
RECOMMEND  
CANDIDATES FOR  
BOARD APPROVAL TO  
FILL ZONE 1 BOARD  
MEMBER VACANCY

Chair Kilpatrick called attention to the Appointment of ADHOC Committee to recommend candidates for Board approval to fill Zone 1 Board Member Vacancy

Chair Kilpatrick stated Ted Gardner and Melissa Best-Baker volunteered to serve on the committee.

It was motioned by Jean Turner to approve the appointment of Ted Gardner and Melissa Best-Baker to the ADHOC Committee to recommend candidates for Board approval to fill Zone 1 Board member vacancy, Mary Mae Kilpatrick seconded, and the motion passed 4-0.

CONSENT AGENDA

Chair Kilpatrick called attention to the consent agenda which contained the following items.

1. *Approval of Policies and Procedures – Biennial Review*
  - a. *Appointments to the NIHD Board of Directors*
  - b. *Election Procedures and Related Conduct*
  - c. *NIHD Board of Directors Conflicts of Interest*
  - d. *Public Records Requests*
  - e. *Suggested Guidance to Fill a Board Vacancy by Appointment*
  - f. *Work Flow for Appointments to Fill Board Vacancy*
  - g. *Onboarding and Continuing Education*
  - h. *Board Member Resignation and Filling of Vacancies*

Jean Turner stated she is currently the only member of the Governance Committee and she acknowledged Chair Kilpatrick's work on policies in past years. Ms. Turner stated there is confusion as to who on staff is their point person regarding policies and she would look to Stephen for guidance. She stated there is redundancy in policies A, E and H that needs some work. She noted F is a workflow tool that is meant to be attached to one of the policies rather than a standalone policy as it is displayed. She asked the Board to consider letting her work with any other Board member who would like to be involved on policies A, E and H with F being an attachment to the final product. She recommended the Board approve B, C, D, and G.

It was motioned by Melissa Best-Baker to approve policies B, C, D, and G, Ted Gardner seconded, and the motion passed 4-0.


ADJOURNMENT

Adjournment at 6:12 p.m.



Mary Mae Kilpatrick, Northern Inyo Healthcare  
District, Chair

Attest:



Jean Turner, Northern Inyo Healthcare District,  
Secretary