

**BOARD OF TRUSTEES MEETING MINUTES  
AUGUST 31, 2022**

**Members Present by Zoom:** Beth Llewellyn (Chair), Tom Sloan (Vice-Chair), Rob Chestnut (Treasurer), Pat Miller (Secretary), Bob Moody, Larry McElwain, Jim Brooke, Dr. Shari Quick, Dr. Beth Roselyn, Dr. Jon Heeb and Dr. Lee Reussner

**Staff Members Present by Zoom:** Russ Johnson, Sheryle D’Amico, Traci Hoopingarner, Janette Kirkpatrick, Deb Cartwright, Colleen Browne, Michael Williams, Jared Abel, Brian Bradfield, Rebecca Smith, Danae Johnson, Amy Northrop, Korianne Kaleikini and Erica Hill

**Call to Order**

The meeting was called to order at 8:30 a.m.

**Opening Statement**

The following opening statement was read by Danae Johnson, Director – Executive Administration:

“Good morning. Thank you for joining the LMH Health Board of Trustee’s meeting. Before we get started, we’d like to outline a few important procedural details for this meeting:

- LMH Health Board of Trustees welcomes community feedback on policies and issues affecting its clinics and the hospital. In order to ensure time is used efficiently, we will not take public comments during the meeting. However, comments may be shared with board members in a number of different ways, including the comments section of our webpage, by emailing [trustees@lmh.org](mailto:trustees@lmh.org), by calling 785-505-6138, or by contacting individual trustees with the contact information listed on our website at [lmh.org](http://lmh.org).
- During the meeting, each Trustee will identify themselves using their first and last name prior to commenting.
- Roll call will be taken for voting on each item requiring board action.
- We will not be having an executive session at this meeting.
- If members of the public wish to obtain meeting materials, please contact [trustees@lmh.org](mailto:trustees@lmh.org) or call 785-505-6138.”

**Approval of Agenda and Consent Agenda**

The agenda for the August 31, 2022 meeting and consent agenda (see below) were presented for review with approval requested.

- Board of Trustees Meeting Minutes, July 20, 2022
- Finance Committee Meeting Minutes, August 26, 2022
- Level IV Trauma Center Designation Application (Exhibit 1)
- Restatement of the LMH Health 401(a) Retirement Plan (Exhibit 2)
- Human Resources Quarterly Dashboard (Exhibit 3)
- Medical Executive Committee Recommendations (Exhibits 4 and 5)

MOTION to approve the agenda and consent agenda.

Made by Tom Sloan,

Seconded by Jim Brooke.

Motion carried.

### **Chairperson of the Board Report**

Beth Llewellyn, Chair, recognized the HR Dashboard that was on this month's consent agenda. It is a dashboard that the Board requested to enable them to have visibility into initiatives that impact the workforce the most. Ms. Llewellyn also recognized the importance of the work being done on compensation and how vital it is to a strong workforce.

### **Chief of Staff Report**

No report.

### **CEO Report and Executive Team Report**

#### **CEO Comments:**

- Russ Johnson, President and CEO, remarked on the following:
  - Executive Compensation Committee: Met in August to review progress on the organization's goals. The Committee assigned a "weighting" to each goal, which will come to the Board for approval in the future.
  - KOMA Training for Trustees: Scheduled for September and will be provided by the Kansas League of Municipalities.
  - Cancer Center Accreditation: The LMH Health Cancer Center has been granted accredited status by the National Accreditation Program for Breast Centers (NAPBC), a quality program administered by the American College of Surgeons. This designation means patients can be confident their breast care team includes healthcare professionals from a variety of disciplines who are committed to working together to provide the best care available through their entire course of treatment.
  - Philanthropy at Work: Mr. Johnson also shared three milestones for the LMH Health Foundation that showcase the overwhelming support the health system receives from donors and the community.
    - Cancer Center Support: The LMH Health Foundation received a \$2 million gift from the Sunderland Foundation to support the planned Cancer Center expansion and renovation. Community support for the expansion and renovation has been significant, with the Foundation having raised more than \$6.1 million to date.
    - Anderson Gift Commitment: Dana Anderson recently committed \$10 million to support strategic initiatives at LMH Health. The commitment is the largest in the Foundation's 52-year history and the hospital's 101-year history.
    - Rooftop Garden: One of the most popular features of the West Campus is the rooftop garden. Employees use it as a place to rest and recharge and the outdoor seating has provided a welcome safe space throughout the pandemic. Patients and their family members also enjoy using the relaxing space. While the hospital also has an outdoor rooftop garden (accessible from the third floor), an updated space would be used and enjoyed more frequently by patients and their families – and especially our employees. Longtime Lawrence residents Bill and Marlene Penny recently made a generous \$175,000 donation in honor of their late son, Nate, to support renovation of the hospital's rooftop garden. Nate loved the outdoors and the Pennys understand the positive impact sunshine has from a morale and mental health perspective. Many community members have also joined the Pennys to offer financial support for the

project. Renowned artist Louis Copt will be painting a mural for the project. Construction is set to begin next month.

- Economic Development: In mid-July, Panasonic Energy revealed plans to build the world's largest EV battery plant near De Soto. The facility will create up to 4,000 new jobs and about \$4 billion in capital investment, representing the largest economic development in the state's history. Russ shared that LMH is working closely with the Lawrence Chamber of Commerce to ensure our communities are ready to support Panasonic's entry into the area. LMH is considering how the organization can best adapt to support this anticipated growth.

### **Financial update**

- Deb Cartwright, SVP and CFO, provided an update on the organization's year to date financial performance. While the last two months have seen a positive financial performance, the remaining challenge is bridging the gap to our year end goal. Key areas of emphasis for this year include:
  - Workforce
  - Revenue Cycle: Focusing on collections from insurance and balances over 90 days from the date of service
  - Clinician Coding: Assisting medical staff to ensure payment received for services is appropriate to the level of care provided
  - Service Growth and Access: Teams are coordinating care to ensure patients are receiving the insurance benefits they deserve and that we are paid appropriately.
  - Supply Chain and Inflation: Investigating alternatives to help offset issues caused by delays in the supply chain as well as rising inflation
  - Industry Insights and Reflections:
    - It's important to note that more hospitals are receiving credit downgrades than those that are remaining stable or being upgraded.
    - The forecast for inflation in the supply chain is 3.4% over the next 18 months, with the highest rate in the cost of office supplies. LMH is working to go digital to reduce our consumption of paper products.
    - Increased labor and energy costs over the last year continue to outpace reimbursements.
- The 2023 budget process is currently underway. Designed as patient-centered and physician-driven, this year's process will allow more collaboration between service areas and physician practices. The finance team will present the 2023 budget to the Trustees for approval at their November meeting.

### **Strategic Clinical Relationship (SCR) Update:**

- Sheryle D'Amico, SVP – Strategic Integration, reported on recent activities with the SCR. LMH has received a red-lined version back from The University of Kansas Health System on the potential agreement and that the conversations have been very good - thoughtful, inclusive of physician input and mindful to patient needs. LMH's guardrails have been valued and incorporated into discussions on this potential relationship.

**CBIZ Compensation Review:**

- Colleen Browne, VP and Chief People Officer, reported that:
  - LMH has retained CBIZ Compensation Consulting, a national firm with extensive experience working in the healthcare industry, to provide a competitive market analysis of the organization's compensation programs.
  - The compensation study enables LMH to understand how the organization's compensation compares to others in the region; enhance LMH's ability to attract and retain qualified individuals; and, establish pay structures that meet changing needs in the marketplace.
  - The findings show that LMH is very competitive with the market, with a significant majority (99.17%) of our position pay grades being at or above median pay. This is due in part to adjustments we have implemented over the past 12 months for clinical positions across 65 departments, including starting wages and salaries, shift differentials, call pay and PRN.
  - Adjustments will be made to some positions that are currently below the market as needed over the coming months. LMH will also update all of our pay grades and structures based on their research of the market. This will allow LMH recruiters to continue to confidently make offers to candidates knowing that ranges of our pay grades reflect the regional market while still maintaining consistency and equity within the program.

**Open Discussion**

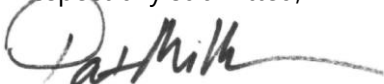
No topics for open discussion were presented.

**Adjournment**

With no further business presented, a motion was made to adjourn the meeting at 10:00 a.m.

MOTION made by Tom Sloan,  
Seconded by Bob Moody.  
Motion carried.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Pat Miller", written over a horizontal line.

Pat Miller, Secretary of the Board