

**BOARD OF TRUSTEES MEETING MINUTES  
OCTOBER 26, 2022**

**Members Present by Zoom:** Tom Sloan (Chair), Pat Miller (Vice-Chair), Rob Chestnut (Treasurer), Dr. Shari Quick (Secretary), Bob Moody, Tamara Cash, Kristin Salmans, Dr. Beth Roselyn, Dr. Jon Heeb and Dr. Lee Reussner

**Staff Members Present by Zoom:** Russ Johnson, Sheryle D'Amico, Traci Hoopingarner, Deb Cartwright, Colleen Browne, Jared Abel, Rebecca Smith, Danae Johnson, Amy Northrop, Korianne Kaleikini and Erica Hill

**Others Present:** Andy Ramirez, Hospital Counsel and Austin Hornbostel, LJ World

**Excused:** Michael Williams and Brian Bradfield

**Call to Order**

The meeting was called to order at 8:31 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 October 26, 2022 meeting and consent agenda (see below) were presented for review with approval requested.

- Board of Trustees Meeting Minutes, Sept. 28, 2022
- Finance Committee Meeting Minutes, Oct. 21, 2022
- Risk Management Plan (Exhibit 1)
- Committee Assignments 2023 (Exhibit 2)
- Medical Executive Committee Recommendations (Exhibits 3 and 4)

MOTION to approve the agenda and consent agenda.

Made by Beth Llewellyn,

Seconded by Bob Moody.

Motion carried.

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

Tom Sloan, Chair, welcomed new trustees, Tamara Cash and Kristin Salmans, to the Board. In addition, he announced that he is reappointing Dr. Lee Reussner and appointing Dr. Scott Thellman as physician advisors to the Board.

### **Chief of Staff Report**

Dr. Jon Heeb reflected on the recent sessions hosted at LMH by Dr. Jabraan Pasha on cultural humility and implicit bias. Dr. Heeb was thankful for the opportunity to participate in these sessions with his colleagues.

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

#### **CEO Comments:**

- Russ Johnson, President and CEO, shared his vision for keeping LMH an independent community hospital. He said that aspects of this conversation have been amplified with the recent announcement of an agreement between Olathe Health and The University of Kansas Health System (TUKHS).
- Olathe's shift in conversations from an affiliation model, which was in ways similar to what LMH has been working on through the strategic clinical relationship, to joining TUKHS is an interesting development. This change is indicative of an industry that is complicated, primarily financially, and in the structure and nature of their delivery to the point that institutions are taking a look at who they are and how they're aligned.
- Mr. Johnson made it clear that this moment in healthcare is challenging, with well over half the hospitals in the country having negative operating margins. This isn't sustainable for any hospital in the long-term, but LMH Health is committed to remaining an independent institution.

#### **Strategic Clinical Relationship Update:**

- Sheryle D'Amico, SVP for Strategy Integration, shared an update on the strategic clinical relationship (SCR) exploration with The University of Kansas Health System. She shared that the LMH team is reviewing a revised preliminary draft of the legal agreement. It's important to remember that what LMH Health wants from an SCR is a different affiliation model than what was recently announced between Olathe Health and TUKHS. LMH's guardrails have been valued and incorporated into discussions on this potential relationship. The agreement should be executed in the next 45 days.
- LMH is working with TUKHS in the area of orthopedics and sports medicine and have welcomed a new addition to the partnership. Dr. William Tucker, a fellowship-trained foot and ankle surgeon, is now working at the West Campus.
- LMH Health is also offering new vascular surgery services within the Lawrence General Surgery suite at the Main Campus since the first week of October thanks to an agreement with a team from TUKHS. To date, the vascular team has done eight surgical cases. This reinforces the intent of the SCR, as these are eight patients who would have had to travel to out of town for care otherwise.

#### **Financial Update:**

- Deb Cartwright, SVP and Chief Financial Officer, provided a financial update. At the close of the third quarter, LMH finds itself moving from being behind budget projections to a place of being
- Ms. Cartwright explained that healthcare systems continue to face intense pressure dealing with rising expenses for supplies, drugs, equipment and the workforce. The impact of the Omicron surge in January, volatility in the equity and stock markets, and a lack of relief funding all contribute to the challenges faced by healthcare systems nationwide.

- Challenging economic conditions due to the COVID-19 pandemic and rising inflation have affected both the health system and our patients. As the largest safety net provider in our community, LMH provided more than \$34 million in charitable care and financial assistance in 2021, and this need is expected to grow. In 2020, LMH temporarily discontinued self-pay collections in order to provide needed relief to our patients and community.
- In September 2022, LMH saw a much higher than expected incidence of patients who have insurance unable to pay their portion of the bill, whether through co-pay, co-insurance or their deductible. LMH has recently made changes to make it easier for patients to pay while avoiding collections and counterbalancing bad debt obligations.
- LMH's financial teams continue to work toward the end of the year, finalizing the 2023 budget while keeping an eye toward the organization's five-year plan. That plan includes targets of 200 days cash-on-hand and a 3.5% operating margin.

#### **Treatment and Recovery Center Update:**

- Mr. Johnson also an update on the Douglas County Treatment and Recovery Center (TRC) progress. More than 75 members across LMH have been working alongside colleagues from Bert Nash to support Behavioral Health Partners (BHP), the organization created to develop and manage the TRC. This non-profit LLC formed by LMH and Bert Nash, in dialogue with the county, is led by board members appointed by LMH, Bert Nash and the County. Its members include physicians, community leaders and representatives from local non-profit partners. The board provides high-level governance and oversight for the TRC, and the TRC's executive director reports to the BHP board.
- The remarkable nature of this community collaboration is what stands to make the TRC successful, and it's why LMH Health answered the county's call to play a role in this important initiative. LMH's focus is supporting BHP's efforts to open the TRC as soon as possible, because that's what's best for LMH's patients, their families and the community.

#### **Facilities Update:**

- Mr. Johnson reported that a planned expansion of the emergency room waiting area and associated measures will be underway soon. LMH is expanding the waiting area for patient privacy and comfort. This also ensures a single point of entry to the hospital after hours and allows for the implementation of security measures to protect both patients and staff. The expansion should be complete by the end of the year.
- Lawrence residents Bill and Marlene Penny have committed a generous donation of \$175,000 to support the renovation of the rooftop pavilion at the main campus. This project is in honor of their late son, Nate, and many community members have joined in offering financial support for this project. Renowned artist Louis Copt will also be painting a mural for the project.
- Work on the renovation of the LMH Health Cancer Center continues to move along. Five architectural proposals have been submitted. The team will select the architects and the project will proceed in a timely manner.

#### **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.

Made by Beth Llewellyn,  
Seconded by Pat Miller.  
Motion carried.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Shari Quick".

Dr. Shari Quick, Secretary of the Board