

**BOARD OF TRUSTEES MEETING MINUTES  
JANUARY 31, 2024**

**Members and Advisors Present:** Pat Miller (Chair), Dr. Shari Quick (Vice-Chair), Beth Llewellyn (Treasurer), Tom Sloan (Secretary), Dr. Tamara Cash, Kristin Salmans, Pat Brown, Dr. Lee Reussner and Dr. Scott Thellman

**Staff Members Present:** Russ Johnson, Sheryle D’Amico, Traci Hoopingarner, Jared Abel, Rebecca Smith, Michael Williams, Dr. Kirk Sloan, Danae Johnson, Autumn Bishop, Dr. Stephanie Schmidt, Dr. Adam Goodyear and Mimi Michaels

**Others Present:** Andy Ramirez, Hospital Counsel from Spencer Fane

**Excused:** Bob Moody and Dr. Beth Roselyn

**Call to Order**

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

**Approval of Consent Agenda**

The consent agenda (see below) for the January 31, 2024 meeting was presented for review with approval requested:

- Board of Trustees Meeting Minutes, Dec. 27, 2023
- Board of Trustees Meeting Minutes, Jan. 10, 2024
- Finance Committee Meeting Minutes, Jan. 26 2024
- Appointment of new Freedom of Information Act Officer – Mimi Meredith
- Restatement of Retirement Plan for Employees
- Medical Executive Committee Recommendations

MOTION to approve the consent agenda.

Made by Beth Llewellyn,

Seconded by Dr. Shari Quick.

Motion carried.

**Chairperson of the Board Report**

Pat Miller welcomed Dr. Stephanie Schmidt as Chief of Staff. She also recognized Traci Hoopingarner, SVP Operations and Chief Nursing Officer, as she prepares to exit the organization and begin retirement in early February.

Ms. Miller also reported that on January 16, she attended the Kansas Hospital Association Advocacy Day at the Capitol with Russ Johnson, President and CEO, Allison Koonce, Outreach and Community Engagement Supervisor, and Mimi Meredith, Director of Communications, Marketing and Community Engagement. Allison was recognized by KHA as a member of its inaugural class of Advocacy All Stars and the group heard from Governor Laura Kelly as she shared that her number one priority for the 2024 legislative session is Medicaid expansion. The Governor shared the following facts:

- Half of the rural hospitals in Kansas are in danger of closing.
- Medicaid expansion would benefit 260,000 Kansans, 38,000 of whom are children.
- Kansas has declined \$7 billion in Medicaid funds.
- Federal tax dollars from Kansas are currently going to California and New York to support their healthcare, and it is vital to take advantage of services for which we are already paying.

- 78% of Kansans support Medicaid expansion.
- The legislation the governor introduced includes a work requirement and relieves counties of the responsibility of paying for inmate healthcare.
- The federal government pays 90% of the cost of expansion and hospitals in Kansas have agreed to pay the other 10%, so Medicaid is expanded with no cost to the state.
- Expanding Medicaid is the first step, not a silver bullet for healthcare, but giving up on Medicaid is the equivalent of giving up on rural hospitals.

Ms. Miller stated that the Board witnesses firsthand the efforts of the leadership team and staff to deliver the highest quality of care while finding ways to stem the revenue losses due to items such as uncompensated care costs, federal restrictions on the 340B program, and white bagging.

### **Chief of Staff Report**

Dr. Stephanie Schmidt introduced herself to the Board and expressed her excitement to be Chief of Staff.

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

- **CEO Comments** – Russ Johnson reported on the following:
  - **Year in review** – Mr. Johnson reported on the following successes from 2023:
    - Patient access to specialty care increased with the implementation of a strategic clinical relationship with The University of Kansas Health System.
    - Advances in patient care included the implementation of virtual nursing on the post-surgical unit and ten rooms of the medical unit.
    - We received a number of accolades including a Grade A from Leapfrog-Money, being honored for digital excellence as a Digital Health Most Wired survey recipient and recognized by US News & World Report for exceptional care in our short-term rehabilitation facility.
    - We are looking to the future in primary care, as clinics began the transition to a new name – LMH Health Primary Care.
    - LMH Health received the inaugural Health Equity Innovation Award from KFMC Partners, recognizing our commitment to creating and implementing new ways to reduce health disparities and promote health equity in the community.
  - Mr. Johnson remarked that despite industry challenges, LMH is holding true to our abiding commitment - Elizabeth Watkins' charge to provide care to all, regardless of the ability to pay, continues over a century later. Care for those patients on institutions like ours. In 2022, the health system supported more than \$39 million in financial assistance and \$12 million in uncompensated care for patients in need, figures that are expected to have increased in 2023.
  - **2023 financials and 2024 outlook** – Mr. Johnson also reported that hospitals across the country and right here in the KC metro area have struggled to maintain sufficient operating margins since 2019—that has also been the case for LMH Health. While LMH's 2023 financials will show an operating loss, other hospitals in our area are seeing losses that are three to five times more. This is truly a challenging time for healthcare. Policy realities like the lack of Medicaid expansion have a dramatic impact on our bottom line. Mr. Johnson explained that the organization's ability to develop and deliver a sustainable business model is inherently tied to policy, programs and regulations, and shared what LMH Health is doing to address this new financial landscape:
    - Updating Destination Health and the importance of provider leadership and engagement
    - Rethinking assumptions and reassessing priorities
    - Affirming LMH's principles and values
    - Investing in the organization's culture, workforce and new technology

- Identifying opportunities for cost savings and reducing overhead through efficiencies
- Maintaining a sharp focus on patients
- The 2024 budget protects and prioritizes clinical quality and care delivery, including the addition of digital tools to streamline operations and improve patient access and convenience. Other factors include:
  - Cost of living increase to ensure compensation is aligned with the market, which supports retention of exceptional staff and caregivers
  - LMH Health Cancer Center & physician clinic expansions and renovations
  - Adding PET technology for cardiology and oncology, which will expand services and improve access and patient care. This is a significant revenue opportunity that will fuel capital investments in the years ahead.

### **New Patient Experience Structure**

Traci Hoopingarner, SVP Operations and CNO, and Mardi Bowlin, PI and Patient Experience Manager, reported on updates related to LMH's patient experience program.

### **Open Discussion**

Pat Miller and Tom Sloan reviewed the actions from the Advocacy Committee which included sending the Board approved letter to Senators Kloos and Gossage. The Committee has talked with the Insurance Commissioner about hosting a meeting between insurance commissioner and insurance providers. This will hopefully be held in February. Mr. Johnson and Mr. Sloan also met with Janet Stanek, Secretary of the Kansas Department of Health and Environment. Mr. Johnson is working with the Kansas Hospital Association on mobilizing other hospital CEOs to advocate for Medicaid expansion. Mr. Johnson is also in discussions with UKHS about collaborating on advocacy for 340B, white bagging and brown bagging.

Mr. Sloan also reminded the Trustees that at the January 10<sup>th</sup> special Board meeting, the Advocacy Committee committed to bringing a proposal to the Board for expanded authority for that group to communicate on behalf of the Board on specific legislative issues. Pat Miller emphasized that the importance of the motion presented in the materials was that Trustees cannot act as individuals without permission from the Board. This motion would grant Trustees the authority to do this in a limited capacity and in context of legislative actions.

Motion was made to authorize the Advocacy Committee of the Board to collaborate with other organizations and entities related to matters that will have a positive benefit for the financial stability of LMH Health and for the healthcare outcomes of our patients. Such matters include, but are not exclusively limited to, expansion of Medicaid in Kansas, pharmaceutical matters such as white bagging and brown bagging, pre-approval for medications and services by insurers, and the 340B drug program. It was further moved that individual Trustees, pursuant to a specific campaign identified by the Advocacy Committee, may send communications to other healthcare organizations, local, state and federal legislators, elected officials, and government agencies and personnel. All such communications sent by individual Trustees in their official capacity as a Trustee shall be copied to the LMH Health Director of Executive Administration.

MOTION made by Tom Sloan,  
Seconded by Dr. Shari Quick.  
Motion carried.

### **Executive Session 1**

Motion was made to recess into executive session. The subject matter of the executive session is to discuss personnel matters with counsel as authorized by Section 75-4319(b)(2) of the Kansas Open Meetings Act which

authorizes consultation with the hospital's attorney on matters deemed privileged by the attorney-client privilege. This executive session will include the Board of Trustees, the CEO, and hospital legal counsel from Spencer Fane. The open meeting will reconvene at 10:02 am.

MOTION made by Dr. Shari Quick,  
Seconded by Kristin Salmans.  
Motion carried.

### **Executive Session 1 – Extension**

Motion was made to recess into executive session. The subject matter of the executive session is to discuss personnel matters with counsel as authorized by Section 75-4319(b)(2) of the Kansas Open Meetings Act which authorizes consultation with the hospital's attorney on matters deemed privileged by the attorney-client privilege. This executive session will include the Board of Trustees, the CEO, and hospital legal counsel from Spencer Fane. The open meeting will reconvene at 10:19 am.

MOTION made by Dr. Shari Quick,  
Seconded by Beth Llewellyn.  
Motion carried.

### **Recommendations from Executive Compensation Committee**

I move to approve the following recommendations made by the Executive Compensation Committee:

1. Increase CEO's base pay by 4%, which aligns with the cost of living increase that will be extended to all LMH Health employees in April 2024.
2. Award CEO 45.25% of his total potential variable compensation.

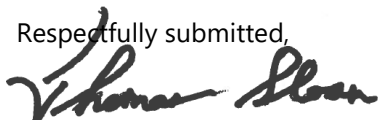
MOTION made by Dr. Shari Quick,  
Seconded by Dr. Tamara Cash.  
Motion carried.

### **Adjournment**

With no further business presented, a motion was made to adjourn the meeting at 10:23 a.m.

MOTION made by Beth Llewellyn,  
Seconded by Tom Sloan.  
Motion carried.

Respectfully submitted,

A handwritten signature in black ink that reads "Tom Sloan".

Tom Sloan, Secretary of the Board