

**BOARD OF TRUSTEES MEETING MINUTES
FEBRUARY 28, 2024**

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

Staff Members Present: Russ Johnson, Sheryle D’Amico, Jan Wiebe (Interim CNO), Jared Abel, Rebecca Smith, Michael Williams, Dr. Kirk Sloan, Danae Johnson, Autumn Bishop, Dr. Stephanie Schmidt, Mimi Meredith and Greg Meredith

Others Present: Andy Ramirez, Hospital Counsel from Spencer Fane

Excused: Beth Llewellyn (Treasurer)

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, Jan. 31, 2024
- Finance Committee Meeting Minutes, Feb. 23 2024
- Bylaw Revisions to Quality Committee Section
- Destination Health 2.0 Strategic Plan
- Human Resources Quarterly Dashboard – Q4 2023
- Medical Executive Committee Recommendations

MOTION to approve the consent agenda.

Made by Tom Sloan,

Seconded by Bob Moody.

Motion carried.

Chairperson of the Board Report

Pat Miller reminded the Board that last month they discussed the importance of Medicaid expansion for LMH Health and our community, and that Governor Kelly has made Medicaid expansion her number one priority for the 2024 Kansas legislative session. Hospitals and healthcare systems continue to absorb increased expenses for labor, equipment, medication and supplies. LMH and other community hospitals care for our community members whether or not they are covered by insurance. LMH provided about \$12 million in uncompensated or charity care in 2023. While LMH is proud to provide this care to our community that level of uncompensated care has a serious impact on the organization’s ability to remain financial stable.

Ms. Miller stated that if Kansas were to expand its Medicaid program an additional 165,000 people would be eligible for coverage. In Douglas County, an additional 3,800 residents without health insurance – for whom LMH is already providing care – could receive benefits.

According to the Kansas Hospital Association, more than 70% of Kansas hospitals had a negative operating margin in 2022 and 2023, with half of rural hospitals being in danger of closing.

Even though 78% of Kansans support Medicaid expansion, some Kansas state legislators are reluctant to support Medicaid expansion. LMH Health has extended invitations to local Kansas state legislators to visit our facilities so we can explain why Medicaid expansion is important for the health of their constituents and for all Kansans.

Ms. Miller remarked that the Board supports the commitments of the leadership team, the providers and staff to deliver the highest quality care while finding ways to stem the revenue losses and secure additional sources of revenue. Expanding Medicaid would be an important first step in shoring up the financial stability of Kansas hospitals, and it's the right thing to do for our patients, our communities and hospitals across the state.

In addition, Ms. Miller reported that LMH is in the process of updating the organization's strategic plan, Destination Health, which was unveiled in 2017. The new iteration of our strategic plan – Destination Health 2.0 – will set the direction for the health system to provide excellent health care, to support for staff and providers, and to ensure LMH Health remains a strong, independent community hospital.

Chief of Staff Report

Dr. Stephanie Schmidt reported that the next General Medical Staff meeting is set for March 5th. They are encouraging in person meetings to support more personal interaction.

CEO Report and Executive Team Report

- **CEO Comments** – Russ Johnson reported on the current healthcare environment and the impact of Destination Health 2.0. He highlighted a number of factors influencing 2024 goals and priorities, including:
 - Labor supply/demand
 - Strong economy with moderate inflation
 - Significant pressure on federal budget – no increase in Medicare rates
 - Investing in revenue-generating programs like PET and oncology
 - Technology for efficiency and expansion
- Mr. Johnson remarked that LMH is looking ahead with confidence and operating from a position of strength due to the organization's market, excellent workforce and determination.
 - The communities LMH Health serves are growing. LMH has a strong outpatient market share and the organization's inpatient share is solid. LMH is not competing with another hospital in the community and the payer mix is above average. The organization will continue to see opportunity for growth, especially through investments in service lines.
 - LMH Health has an outstanding medical staff and great medical staff leadership. Employees are ambitious and highly trained – they could work anywhere, and they choose to work at LMH.
 - LMH Health employees and physicians display an innovative spirit every day, ensuring that the organization is at the forefront of patient-centered technology. The Strategic Clinical Relationship with the University of Kansas Health System is a perfect example of this. It's nearly impossible for hospitals of LMH's size to go it alone, but this truly unique partnership will help LMH maintain independence while increasing access to care in the Lawrence community.
 - LMH Health is a good stewards of funds, and has been before there was a downturn in the market at the industry level. The organization's balance sheet has been strong because LMH has always looked for opportunities to operate more efficiently.

Executive Compliance Committee Charter and Update

Greg Meredith, Director - Compliance & Privacy Officer, reviewed the proposed Executive Compliance Committee Charter and updated the group on the work being done by that committee.

MOTION to approve the Executive Compliance Committee Charter as presented.

Made by Dr. Shari Quick,
Seconded by Tom Sloan.
Motion carried.

Open Discussion

No items were presented for discussion.

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, Board Advisors, the Senior Leadership Team and hospital legal counsel from Spencer Fane. The open meeting will reconvene at 9:40 am.

MOTION made by Dr. Shari Quick,
Seconded by Bob Moody.
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, Board Advisors, the Senior Leadership Team and hospital legal counsel from Spencer Fane. The open meeting will reconvene at 9:51 am.

MOTION made by Dr. Shari Quick,
Seconded by Bob Moody.
Motion carried.

Action on Organizational and CEO Goals for 2024*

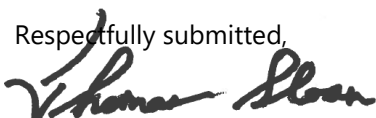
MOTION to approve the Organizational and CEO Goals for 2024 as presented.
Made by Tom Sloan,
Seconded by Dr. Shari Quick.
Motion carried.

Adjournment

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

MOTION made by Bob Moody,
Seconded by Dr. Beth Roselyn.
Motion carried.

Respectfully submitted,

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

Tom Sloan, Secretary of the Board