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| Township Representatives: | | | | | | | |
| <input checked="" type="checkbox"/> | George "Bud" Banker, Bear Lake | <input checked="" type="checkbox"/> | Michael Cox, Oliver | <input checked="" type="checkbox"/> | Eric Hendricks, Orange | <input checked="" type="checkbox"/> | Diana Needham, Kalkaska Village |
| <input checked="" type="checkbox"/> | Gregory Bradley, Clearwater | <input checked="" type="checkbox"/> | Paul Erickson, Boardman | <input type="checkbox"/> | Ray Hoffman, Coldsprings | <input checked="" type="checkbox"/> | Tracy Nichol, Blue Lake |
| <input checked="" type="checkbox"/> | Nelson "Jerry" Cannon, Garfield | <input checked="" type="checkbox"/> | Dr. R. Troy Stobert, Springfield | <input checked="" type="checkbox"/> | Karl Klimek, Excelsior | <input checked="" type="checkbox"/> | Stuart McKinnon, Rapid River |
| <input type="checkbox"/> | Dale De Korne, Kalkaska Township | | | | | | |
| Members At Large Members: | | | | | | | |
| <input type="checkbox"/> | Robert "Bob" Barr | <input checked="" type="checkbox"/> | Kim Stephens | <input type="checkbox"/> | | <input type="checkbox"/> | |
| <input checked="" type="checkbox"/> | Melanie Pauch | <input checked="" type="checkbox"/> | Bruce Zenner | <input type="checkbox"/> | | | |
| Staff: | | | | | | | |
| <input checked="" type="checkbox"/> | Jeremy Cannon | <input checked="" type="checkbox"/> | Sandy Dilley | <input checked="" type="checkbox"/> | Andrew Raymond | <input checked="" type="checkbox"/> | Chandra Whiting |
| <input checked="" type="checkbox"/> | Daniel Conklin | <input checked="" type="checkbox"/> | Jeremy Holmes, DO | <input checked="" type="checkbox"/> | Kevin Rogols | <input checked="" type="checkbox"/> | Laura Zingg |
| <input checked="" type="checkbox"/> | Doreen Birgy | <input type="checkbox"/> | | <input type="checkbox"/> | | <input type="checkbox"/> | |
| Community: | | | | | | | |
| <input checked="" type="checkbox"/> | Joshua Boyle, WIPFLI (via TEAMS-left at 6:47 PM) | <input checked="" type="checkbox"/> | Samantha Burk, WIPFLI (via TEAMS-left at 6:47 PM) | <input type="checkbox"/> | | <input type="checkbox"/> | |
| <input type="checkbox"/> | | <input type="checkbox"/> | | <input type="checkbox"/> | | <input type="checkbox"/> | |

| TOPIC | SUMMARY | ACTION ASSIGNMENT |
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| Call to Order | Mr. Bruce Zenner called the meeting to order at 6:00 PM in the Dr. William W. Kitti Education Center. | |
| Pledge of Allegiance | The Pledge of Allegiance was recited. | |
| Conflict of Interest Roll Call | A roll call for Conflict of Interest was taken as follows: George "Bud" Banker, no; Nelson "Jerry" Cannon, no; Michael Cox, no; Gregory Bradley, no; Paul Erickson, no; Eric Hendricks, no; Dr. R. Troy Stobert, no; Karl Klimek, no; | |

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| | <p>Tracy Nichol, no; Stuart McKinnon, no; Diana Needham, no; Melanie Pauch, no; Kim Stephens, no; Bruce Zenner, no.</p> | |
| <p>Consent Agenda</p> | <p>The Consent Agenda was reviewed.</p> <p><u>Motion was made and duly supported to approve the Consent Agenda as presented. All "AYE." Motion carried.</u></p> | |
| <p>Public Comment Regarding Agenda Topics</p> | <p>No public comment was provided at this time.</p> | |
| <p>Moments of Excellence Great Place to Work Survey Results</p> | <p>Mr. Rogols thanked everyone for their attendance of the Board meeting.</p> <p>He then reported to the Board the results of the recent Great Place to Work Survey. This employee survey is completed by staff members annually and the results are benchmarked against Munson Healthcare and other hospitals in northern Michigan.</p> <p>Mr. Rogols referenced the document provided in the Board packet that showed the current year KMHC survey results compared to the scores from 2022. Mr. Rogols proudly stated that the 2023 results were the strongest employee engagement scores he has seen in his 10 years at KMHC.</p> <p>Mr. Rogols highlighted several questions from the survey and shared with the Board how KMHC compared against the benchmarks.</p> <p>KMHC Senior Leadership then answered questions from the Board regarding the survey and the results.</p> | |
| <p>FY 2023 Audit Results</p> | <p>Mr. Zenner announced a correction to the Board Agenda regarding the topic of FY 2023 Audit Results; this topic would be an Action Item for the Board and not informational.</p> <p>The complete Fiscal Year 2023 "draft" audit documents were included in the meeting packet for the Board Members to review.</p> <p>Mr. Raymond introduced Mr. Boyle and Ms. Burk, auditors, and partners from WIPFLI. Mr. Boyle and Ms. Burk presented the audit to the board.</p> | |

- Auditors reviewed their general responsibility in accordance with auditing standards generally accepted in the United States and Government Auditing Standards.
- Audit was performed according to planned scope and timing in accordance with discussions with management and engagement letters. During the audit process there was a high level of support and cooperation received from management.
- Briefly discussed qualitative aspects of accounting practices and significant estimates.
- Reviewed audit adjustments for 2023; there were no audit adjustments that impacted the net position for June 30, 2023, and four reclass entries that had no impact on change in the net position.
- Reviewed unadjusted amounts for 2023; these items were discussed with management and determined to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
- Covered opportunities identified to improve internal controls and enhance financial performance.
- Presented a financial analysis comparing Kalkaska Memorial Health Center (KMHC) to historical levels for the hospital, the median (50th percentile) for Michigan hospitals and regional median (50th percentile) for critical access hospitals.
- Provided an industry update including hospitals and health systems seeing a shift in payer mix and tighter reimbursements for services, increased awareness on reimbursement of Medicare and Medicaid for rural communities and interest for more site neutral reform, new payment models on commercial plans, increased competition/demand to retain staff and continued high focus on compensation strategy, and the growing demand for increased collaboration to access better payer contracts.
- Reviewed trends in facility and capital planning including the continuing escalation of project costs, rising interest rates, shift of facilities toward grants to access capital, and the fact that the quality-of-care matters to continue to get patients to come to a facility.

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| | <p>Mr. Rogols congratulated the Audit Team and Mr. Raymond for having a clean audit with no material adjustments.</p> <p>The board thanked the audit team from WIPFLI for their observations and the completion of the audit process.</p> <p><u>Motion was made and duly supported to approve the Fiscal Year 2023 Financial Audit as presented. A roll call vote was taken as follows: George "Bud" Banker, yes; Nelson "Jerry" Cannon, yes; Michael Cox, yes; Gregory Bradley, yes; Paul Erickson, yes; Eric Hendricks, yes; Dr. R. Troy Stobert, yes; Karl Klimek, yes; Tracy Nichol, yes; Stuart McKinnon, yes; Diana Needham, yes; Melanie Pauch, yes; Kim Stephens, yes; Bruce Zenner, yes. 14 "AYES." 0 NAYS. Motion carried.</u></p> | |
| <p>Medical Staff Report</p> | <p>Dr. Holmes reported on the following:</p> <ul style="list-style-type: none"> The recent downtime of the system at Otsego Memorial Hospital (OMH) in Gaylord. Most of the issues have been resolved and OMH is 99% back online at this time. <p>Mr. Rogols added to the update that Otsego Memorial Hospital is currently on a different platform than the rest of the Munson system. The downtime issue that occurred at OMH did not impact KMHC or any of the other Munson facilities. Otsego Memorial Hospital has plans to convert to the same platform, CERNER, in the next six months that is current being utilized throughout the rest of the Munson system.</p> | |
| <p>Committee Reports Strategic Planning Committee Meeting 10-02-23 Act 47 Versus Not-for-Profit -Act 47 Decision Matrix</p> | <p>Mr. Zenner reported that the topic of discussion at the recent Strategic Planning Committee meeting was Act 47 versus Not-for-Profit, and the Act 47 Decision Matrix survey was completed at the meeting.</p> <p>The committee's survey results were shared with the Board at the Special meeting on October 17, 2023.</p> | |
| <p>Audit and Compliance Committee Meeting 10-10-23 FY 2023 Audit Results</p> | <p>Mr. Zenner reported that the Audit and Compliance committee met on the 10th of October and the topic of the meeting was the FY 2023 Audit results.</p> | |
| <p>Board Chair Report Munson Healthcare Update</p> | <p>Mr. Zenner reported on the following:</p> | |

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| | <ul style="list-style-type: none"> • Munson will have a meeting of the Board tomorrow, October 25, 2023. • A major topic of discussion at Munson Healthcare is currently the Regional Care Transformation Plan that was announced a few weeks ago. • The concept of the plan includes services being expanded/regionalized in Traverse City, Gaylord, and Cadillac. Services will thus be reduced in Frankfort, Manistee, Charlevoix, and Grayling. <p>Discussion ensued among the Board regarding the topic and how it could potentially impact KMHC in the future.</p> <p>It was again reinforced by KMHC Leadership at this meeting, as it has been at prior meetings, the reminder that "KMHC is not for sale."</p> <p>Discussion continued among the board.</p> <p>A board member commented that all of the Board Members need to make sure they are stating the truth when communicating with the public. The Board Member stated that Board Members should be honest and give only the facts and not their opinions regarding topics.</p> | |
| <p>Calendar Year 2024 Board Committee Interest & Assignments</p> | <p>Mr. Zenner reminded the Board that the 2024 KMHC Board Committee assignments would be voted on in January of 2024.</p> <p>Mr. Zenner then requested for Board members to send an email to him if they had interest in joining a Board Committee. They were also asked to send an email if no longer desired to be on a committee or would like to change committees.</p> <p>A request was made for a list of the current Board Committees and Committee Assignments to be sent to Board Members.</p> <p>A request was made by a Board Member if it would be possible to re-open the KMHC cafeteria to the public. The response to the request was that the KMHC cafeteria has not reopened to the public due to issues with supply chain as well as staffing challenges. The KMHC Leadership Team will revisit this and see if it is possible to reopen the cafeteria to the public as it is a great benefit to the community.</p> | <p>Board Members were requested to send email communication to Mr. Zenner before the December 05, 2023, Board meeting with their interest and requests pertaining to Board Committee assignments.</p> <p>Ms. Whiting will send out the list of current Board Committee assignments to the Board Members.</p> <p>The KMHC Leadership team will revisit if it is possible to reopen the KMHC cafeteria to the public at the Board's request.</p> |

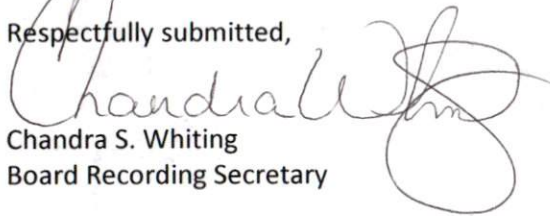
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| <p>CEO Report Revised Proposed Amendment to KMHC By-Laws Pertaining to Safety & Quality Committee</p> | <p>Mr. Rogols referenced the revised proposed amendment to the KMHC Board By-Laws that was included in the packet for review. The amendment would restructure the current Safety & Quality Committee.</p> <p>The original proposed amendment was presented two months ago, a few updates were made, and it was re-presented to the Board in September for review. This is the second month for the Board to review this amendment for adoption.</p> <p><u>Motion was made and duly supported to approve the revised amendment to the KMHC Board By-Laws as presented. A roll call vote was taken as follows: George “Bud” Banker, yes; Nelson “Jerry” Cannon, yes; Michael Cox, yes; Gregory Bradley, yes; Paul Erickson, yes; Eric Hendricks, yes; Dr. R. Troy Stobert, yes; Karl Klimek, yes; Tracy Nichol, yes; Stuart McKinnon, yes; Diana Needham, yes; Melanie Pauch, yes; Kim Stephens, yes; Bruce Zenner, yes. 14 “AYES”. 0 “NAYS”. Motion Carried.</u></p> <p>Mr. Rogols then requested for the Board to approve a housekeeping change to page 2 of the KMHC Board By-Laws. The second paragraph, the date would be corrected to May 25, 2021, from September 27, 2011, as the most recent date of the previously approved By-Laws.</p> <p><u>Motion was made and duly supported to approve the housekeeping change to page 2 of the KMHC Board By-Laws for the date to be corrected to May 25, 2021, from September 27, 2011, as the most recent date of the previously approved By-Laws as presented. A roll call vote was taken as follows: George “Bud” Banker, yes; Nelson “Jerry” Cannon, yes; Michael Cox, yes; Gregory Bradley, yes; Paul Erickson, yes; Eric Hendricks, yes; Dr. R. Troy Stobert, yes; Karl Klimek, yes; Tracy Nichol, yes; Stuart McKinnon, yes; Diana Needham, yes; Melanie Pauch, yes; Kim Stephens, yes; Bruce Zenner, yes. 14 “AYES”. 0 “NAYS”. Motion Carried.</u></p> | |
| <p>Mancelona Update</p> | <p>Mr. Rogols updated the Board on the acquisition of Mancelona Family Practice including:</p> <ul style="list-style-type: none"> • The recent signing of the acquisition documents. • Mancelona Family Practice will continue services through January 31, 2024. | |

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| | <ul style="list-style-type: none"> • KMHC plans to do some updating and remodeling to the building. • KMHC is currently in the process of reaching out to the Mancelona Family Practice Staff regarding the acquisition. | |
| <p>Level Acres Update</p> | <p>Ms. Zingg provided a Level Acres Update as follows:</p> <ul style="list-style-type: none"> • Senior HUD, section 8, housing complex located across from Kalkaska Memorial Health Center (KMHC) Assisted Living building, providing 36 units of income-based housing. • Managed by a third-party, Medallion Management that currently manages over 60 locations in the state of Michigan. There is a site manager on site daily from Medallion. • Monthly KMHC receives a financial report and statement of operations from Medallion. Typically, the site is run at or slightly below budget. • The complex has a high occupancy rate and currently only has one opening. • Market rent is currently \$633, and rent is based on 30% of annual gross income. Income limits annually are \$26,500 for one person and \$30,300 for two people. • Property Maintenance does sanitation of common areas, takes care of work orders, takes care of garbage twice weekly, small renovation projects, turnover and preparation of apartments for new tenants. • There are ongoing property updates including updates to apartments when they are vacated (appliances, painting, flooring) and roof replacements over the last few years. <p>Discussion ensued regarding the topic.</p> | |
| <p>Act 47 Versus Not-for-Profit</p> | <p>Mr. Rogols thanked the public for attending the Special meeting this week and also for attending again this week.</p> | <p>The Board has requested an update from KMHC Leadership regarding the progress of the KMHC Signage updates that were approved at the July Board meeting.</p> |

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| | <p>Mr. Rogols informed the Board that he and Mr. Raymond are digging deeper into potential not-for-profit hospital structures.</p> <p>He then pointed out that at the special meeting, discussion focused predominantly on governance. Mr. Rogols pointed out that while questions regarding governance are important, he encouraged the Board to look at all aspects of the decision, not just governance. Mr. Rogols then pointed out that leadership did not share their decision matrix results because leadership does not want to be accused of "leading" Board discussion and consideration. Mr. Rogols noted that Leadership's matrix results were <u>not</u> requested during the special meeting and leadership is ready to share their results when requested. No subsequent request was made.</p> <p>Mr. Rogols then recommended to the Board that the KMHC Leadership Team hold Open Forums in all the 13 townships and the Village of Kalkaska regarding Act 47 vs. Not-for-profit. Board members from each of the townships and the Village would be invited to attend their respective Open Forum. The Open Forums would provide background and education.</p> <p>Extensive discussion ensued among the Board.</p> | |
| <p>Open Dialogue from Members</p> | <p>A Board Member commented that it should not be an issue for the Board to ask for a second opinion from an attorney.</p> <p>A Board Member commented that will need to approach the topic of Act 47 versus not-for-profit in a logical matter. When thinking of the public, this will be an emotional decision.</p> <p>A Board Member proposed an additional Special Meeting of the Board to be able to ask more in-depth questions and get more education on the topic of Act 47 versus not-for-profit. The consensus of the Board was to schedule the additional meeting; however, after discussion, an agreed upon date could not be chosen.</p> <p>Discussion ensued regarding clarification of the motion from the Special Meeting on October 17, 2023, pertaining to the clear reason for the formation of the sub-committee.</p> <p>The Board Chair's understanding was that the new committee formed to drill down questions and potentially engage with a not-for-profit/municipal attorney to further understand what a transition to a not-for-profit could mean or look like.</p> | <p>Board Members were requested to send operational questions regarding Act 47 versus not-for-profit to Mr. Rogols and he would distribute the questions to the appropriate member of the KMHC Senior Leadership Team to get them answered for the Board Members.</p> <p>The KMHC Senior Leadership Team will put together a position paper over the next few weeks of the pros and the cons regarding each of the questions on the Act 47 Decision Matrix Survey.</p> |

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| | <p>The Board Member that made the motion stated that the intent was the subcommittee can meet, and the full board can meet with a new attorney to discuss issues and concerns related Act 47 versus not-for-profit.</p> <p>A request was made for a position paper from the KMHC Senior Leadership Team regarding the pros and the cons for each of the questions on the Act 47 Decision Matrix Survey.</p> | |
| Public Comment | <p>Comment: When you no longer have a say in the hospital as a taxpayer and your vote is gone; that is the definition of selling the hospital.</p> <p>Comment: The challenge is that the fear of selling KMHC runs rapid. The facts are what is important.</p> <p>Comment: His wife was the first chemo patient at KMHC. On a very personal level, it means a lot to the community. There should be other ways to keep the small-town feel.</p> | |
| Upcoming Events/Conferences | <p>Next Full Authority Board of Trustees Meeting on December 05, 2023.</p> | |
| Adjournment | <p>Upon proper motion the meeting was adjourned at 8:32 PM.</p> | |

Respectfully submitted,



Chandra S. Whiting
Board Recording Secretary