

BENEWAH COMMUNITY HOSPITAL
Thursday, February 26, 2026, 7:00 a.m.
Francie Walters Board Room, Benewah Community Hospital, St. Maries, Idaho

MINUTES

Attendees: Kris Brock Dan Hammes Mike LaPlante
Doug McKelvey Wendy Stansbury

Staff: Burt Keltner, *CEO* Lori Minier, *CFO* Amy Edwards, *DNS*
Chris Spence, *HIM Manager* Julia Kaminski, *Admin. Assistant*

Other: Mark Reynolds, County Commissioner
Samuel Barnes, PayR Advisors, *via conference call*
Community Members: Amy Boe, Jen Izzarelli, Mike Moore, Casey Whelan

1. **Call to Order** – Past Chairman LaPlante opened the meeting 7:00 a.m.
2. **Regular Session**
3. **Positive Update/Celebrate Wins** – Edwards reported that our Trauma Level IV application was received and accepted. Our onsite designation survey will be on April 14, 2026. ED leadership staff and certain managers will be involved. Edwards discussed benefits of trauma designation. Keltner added Wendy Morris, who is also involved at the Veterans Outreach, is working in the clinic with VA patients as well as patient assistance; discussion followed.
4. **Approve Minutes** – A **motion** made by Hammes, seconded by McKelvey, to approve the meeting minutes from January 22, 2026. The motion passed.
5. **Board Committee Reports**
 - 5.1. **Finance Committee**
 - 5.1.1. **January Financial Presentation, Lori Minier** – Minier reported that the 2025 audit is underway. The goal is to have the audit done and ready for presentation by the end of May/ first of June. Minier to verify that the audit will happen in person. Minier went over the financial scorecard. Volumes were down in January. We have an increase in hospital stays. Discussion regarding hospital patient statuses and how we are reimbursed. We have an increase in surgery and imaging. In January, revenue was down almost \$17,000 a day due to expenses. *January Financials to be continued following conversations with meeting guests. Samuel Barnes from PayR Advisors entered via telephone at 7:11 a.m.*

Samuel Barnes, PayR Advisors – Kelter stated that we have been trying to negotiate contracts with BCI, Cigna, United Healthcare, and Aetna. Our reimbursement rate from these payors is way less than other facilities both state and nation-wide; discussion followed. Discussion regarding being out of network with payors. Barnes stated that hospital reimbursement is reasonable, but the physician group agreements are where most of the revenue falls (ED, SMFM, PT). Barnes stated that on average, a hospital system for ER codes get paid about 600-700% of Medicare rates on an in-network basis, and a couple of our payors are paying us 100-150% of Medicare rates. Discussion regarding negotiations with Cigna. Discussion regarding Independent Insurance Review (IDR) to help us reach an agreement with payors. LaPlante asked if we had any communication back from BCI. Barnes replied that we

have not had any communication back since last fall; discussion followed. Discussion regarding payors not working with providers in good faith. Discussion regarding what qualifies for arbitration. Discussion regarding keeping up with contracts/renegeing on a regular basis and contract “hard-stops,” to force more frequent review. Discussion regarding strategy with Payors. Kelter stated that the next step he would like to take is to send a termination letter to BCI. We would have the power to rescind, and we have a 12/31/2026 contract end date, so there is ample time to negotiate. Discussion regarding patients also being frustrated with insurance companies due to their profit margins.

Barnes exited at 7:39 a.m.

McKelvey stated that although this process is uncomfortable, we must get our reimbursements where they need to be. Discussion regarding the importance of community communication and support through this process. Local employers have been receptive/supportive. Keltner added that our lack of cash is concerning, stating that missing a month or two of bond allocation may happen. COVID and ERC funds are no longer available. Discussion regarding the reserve fund that the county pays the bond out of. The Feb. 2026 interest payment was made, the Sept. 2026 and Feb. 2027 are also funded, and we have about \$445,000 funded into the Sept. 2027 payment.

Discussion regarding a couple issues with Medicare, resulting in a delay of \$400,000 that is owed to us. AR is typically at \$3.9 million, and we are currently at \$4.6 million. LaPlante stated that there has never been a missed bond payment to the bond holders, we have delayed payments to the reserve account. LaPlante added that we have never gotten any money from taxpayers for the bond. *C. Spence entered at 7:50 a.m.*

Finance Report Continued

Kelter explained how R1 (*third-party billing company*) became our vendor, adding that they are very difficult to work with. Last fall, we contracted with a staff member through Inland RCM out of Spokane to fill a full-time position that arose. Kelter would like to send a termination letter to R1 and sign an agreement with Inland RCM for billing services. There will be a difference in fees charged, with R1 at 2.7% and Inland RCM at 3%. With Inland RCM, we believe we would have less denials and quicker appeals. *C. Spence* stated that R1 is very difficult to work with. The Biller from Inland RCM is already working in the system for us and is very easy to get ahold of. *C. Spence* stated that discussing this a year ago made her hesitant, but she believes this transition should be much smoother as they already have someone on their team who understands the issues within our software. Discussion regarding the benefits of working with Inland RCM. *C. Spence exited at 7:58 a.m.* Keltner stated that we must give 120 days’ notice to R1, and with the board’s approval, he would like to submit a letter this afternoon with an end date of July 1, 2026. The Board was in support of this decision.

Minier reported that we are currently in negative cash status. \$300,000 that was in reserves after receiving our Medicare money had to be transferred into operations. As of this morning, that account has \$175,000, and our goal was to always have at least 2-payrolls in there. Minier reported that we did receive a \$360,000 payment from Jack’s Pharmacy for the 340b program. Jan. 2026 compared to prior year, gross revenue is up, but this is due to charge increases, not volumes. Minier stated that we had three pay periods in January, resulting in a higher expense in salaries and wages. Payroll is approx. \$420,000 every two weeks.

The Board inquired about the following checks on check register: #61687 Teleflex (*text messaging service*); #61732 Otis (*Annual fee for quarterly inspections*); #61826 Access (*Paper charts that are housed*). Discussion regarding how long patient records must be kept and how to look at digitizing.

5.1.2. **January Financials** – A **motion** made by Hammes, seconded by Stansbury, to approve the January financials. The motion passed.

5.2. **Performance Improvement Committee** – The PI Committee meets again in April.

5.3. **Board Nominations and Bylaws/Policy Committee** – McKelvey stated that the Bylaws were sent out to Board members to review, and no changes were requested.

5.3.1. **Annual Bylaws Review** – A **motion** made by McKelvey, seconded by Brock, to approve the Annual Bylaws Review with no changes. The motion passed.

5.4. **Medical Staff Committee** – Brock reported that at the February Medical Staff meeting, the trauma designation application was discussed as well as some protocols, policies, and SOPs. Informatics will be attending the Medical Staff meetings to provide Cerner tips and tricks.

6. Open Forum/Visitors

6.1. **Public Comment** – Community members in attendance asked questions to the Board. Conversations that arose from these questions included: The possibility of renegotiating the bond, insurance contracts, if selling the hospital to a bigger entity is a viable option (*Keltner explained the current debt, needed infrastructure repair, and how this investment would look for an investor*), if sharing nursing staff with other facilities was an option, not being able to compete with wages in CDA or Spokane, what would happen if BCH was unable to make the bond payments to the bond holders, governance responsibility and oversight, the 2024 audit and processes. Discussion regarding BCH having a lot more services than other hospitals our size. Discussion regarding health care in Idaho. Reynolds inquired about any previous conversations of keeping less in the bond reserve account. Keltner stated that the County Treasurer is concerned about the legalities of the bond parameters if we were to keep only six months in reserve vs eighteen months. Reynolds will follow up on this. Keltner notified Reynolds that we will have to hold our weekly payments to the bond fund in March.

7. Medical Staff

7.1. **Initial appointments** – Kelter reported that Dr. Blaty, Orthopedic Spine Surgeon, is no longer coming to BCH. Dr. Yakel will be coming to the Specialty Clinic to fill this void. The Medical Staff approved and is recommending the following provider for initial appointment:

7.1.1. **Stefan N. Yakel, DO** – A **motion** made by Hammes, seconded by McKelvey, to approve the initial appointment of Dr. Yakel. The motion passed.

8. Contracts

8.1. **Adoption Agreement & Trust Agreement for the Deferred Compensation Section 457 Plan**
Minier stated that this is the formal agreement for employees who reach age of 50 and want to put additional compensation into retirement, it would go into a Roth account. This would update the agreement as well as update current board members. A **motion** made by Stansbury, seconded by McKelvey, to approve the Adoption Agreement and Trust Agreement for the Deferred Compensation Section 457 Plan. The motion passed.

8.2. **Samuel Barnes, PayR Advisors** – Discussed earlier in the meeting.

8.2.1. **BCI Termination Letter** – A **motion** made by Stansbury, seconded by Brock, to approve Keltner sending a termination letter to BCI. The motion passed.

8.3. R1 Termination Notice – A **motion** made by McKelvey, seconded by Stansbury, to approve Keltner sending a termination letter to R1 for billing services. The motion passed.
The Inland RCM contract is currently under review. Brock asked about monies owed to R1.

9. Administrative Reports/Questions – The Board and Administration had discussions regarding the following items: February has been a very busy month for hospital admissions and ER; Measles in other communities and our protocol for these cases; wound care billing; 44% of staff at retirement age; Pharmacy hood has passed inspection with a few items being updated; Upcoming Pharmacy and Nurse training for chemo mixing; In Reach DX (*3rd party to increase lab revenue*); Open positions and budgeting for these; Total FTEs (*about 145*).

10. Follow-Up Items

10.1. Grant Discussion – The Board inquired about what grants we have applied for. Kelter and Edwards explained a few grants we have gotten as well as grants we are looking at currently. Grant Writer to attend the March Board meeting.

11. Communications

11.1. BetterCARE Update – No update.

12. Executive Session

At 9:13 a.m., a **motion** made by Brock, seconded by Stansbury, to adjourn into executive session per Idaho Code 74-206(1)(b) Personnel and Idaho Code 74-206(1)(j) Provider Contract & Other Contract Matters. Roll Call Vote: All ayes. The motion passed.

Present at this time: Brock, Hammes, LaPlante, McKelvey, Stansbury, Keltner, Edwards, Minier, Kaminski, Izzarelli, Boe, Moore, and Whelan.

Edwards, Kaminski, Izzarelli, Boe, Moore and Whelan exited at 9:13 a.m.

Minier exited at 9:38 a.m.

The Board came out of Executive Session at 9:45 a.m.

13. Adjourn – A **motion** made by McKelvey, seconded by Brock, to adjourn the February General Board Meeting. The motion passed.

Meeting adjourned at 9:40 a.m.

Approved by:

Respectfully submitted,

Rebecca Plante, Secretary

Suzy Epler, Board Chairman