TITLE: **Board of Trustees Regular Meeting**
DATE/TIME: **July 28, 2026 at 7:00 AM**
LOCATION: **Valor Health Fernlee Conference Room and Zoom**

I. CALL TO ORDER

The Valor Health Board of Trustees meeting was called to order at 7:00 a.m. by Hoss White. The meeting was held in person and via Zoom.

Board Member Attendance: Hoss White (Chair), David Little (Vice Chair), Shane Roe (Past Chair), Dave Shaw, Judy Barbera, Earl DeFur, Ron Oberleitner, Angie Phillips, Kelsey Masaitis, Jason McIntosh, Jim England, Brad Turpen (CEO), Dr. Zachary Bastian (Med Staff President).

Staff and Guest Attendance: Michael Sokolowski (CFO), Matt Godfrey (Exec. Dir. of Physician Services), Kathy Prindle (Exec. Dir. of Clinical Services), Tahja Jensen (County Attorney), Victoria Mendoza (Executive Assistant/Med Staff Coordinator), Mike Cummings (HR Manager).

Absent:

II. AGENDA AMENDMENTS – ACTION ITEM

III. STANDING AGENDA

A. Consent Agenda – ACTION ITEM

1. Approval of minutes
   - PICC 4/14/2026
   - Planning 5/8/2026*
   - Finance 6/23/2026*
   - Board Minutes 6/30/2026*

MOTION: Judy Barbera moved to approve the consent agenda with the minutes as presented. David Little seconded the motion. No objections, the motion passed.

B. Public Comments

1. No public comments.

C. Commissioner Update – *Earl DeFur*

1. General Update
   - The Gem County Budget for FY27 will be published next week and a public hearing will be set thereafter.
   - Road and Bridge continues to make road improvements throughout the county, including chip sealing.
   - An upcoming meeting will be held with Emergency Medical Services and Southwest District Health to discuss opioid-related issues within Gem County.

D. Finance Committee – *Judy Barbera*

1. Committee Report
   - Judy reported the Finance Committee met last week. The June Financial Statements were reviewed and approved.
   - The Physical Therapy Proforma was reviewed in depth with the Finance Committee and the motion to recommend for Board approval to add this new service line was made with no objections.
2. CFO Report
   - Updates given within the FY27 Operating Budget
3. FY27 Operating Budget* - **ACTION ITEM**
   - Michael presented an Executive Summary of the FY27 Operating Budget. Key highlights include:
     - With the projected service line growth, 6% price increase that will be in effect on 10/1/2026, and operational improvements, FY27 would end at $60.2M for Gross Patient Service Revenue.

- The FY27 contractual adjustment is projected to average 48.5%, consistent with the current FY26 average.
    - Salary expense increased by $1.82 million to reflect merit increases, market adjustments, and strategic FTE investments supporting employee retention and anticipated service line growth.
    - Contract Labor is budgeted at $1.1M as the focus will be an emphasis on recruitment of employees and less utilization of travelers.
    - Patient Chargeable Supplies increased 16.2%, consistent with growth in outpatient and clinical activity.
    - Marketing increased by 46.2% incorporating our new marketing partner, Kane Marketing, to support the strategic campaign proposal approved in FY26.
    - FY27 incorporates interest and depreciation associated with the financing of Valor Health Center.
    - Other Operating Revenue decreased due to the 340B regulation changes that have already been introduced in FY26 and will continue to limit revenue in FY27.

4. Financial Statements (June)
    - Contractual Adjustment was increased for June to 50%. It is likely that will be the average for the rest of FY26.
    - There was a positive cash flow of $800K for June, increasing the days cash on hand.
    - AR days are decreasing as Revenue Cycle continues to improve workflows and decrease claim denials.
    - Katie Beevers, Revenue Cycle manager, and her team were recognized for significant effort in cash collections and workflow improvements. We are now in the third month of highest cash collections we have seen at $2.5M and higher.
5. Financial Dashboard (June)
    - This item was not discussed.

Discussion:
Shane asked about the Net Operating Margin and if there is any contingency plan in case we land under the projected Net Operating Margin. Brad stated that leadership will continue evaluating options to reduce operating costs needed to meet Net Operating Margin goals .
Dave Shaw asked if there is a line for expenses with our Electronic Health Record (EHR) transition. Michael reported it will fall under Professional Services, but it was not accounted in this FY27 Budget because we are not sure where expenses will hit and what grant opportunities will be for the transition. Dave expressed concern that the budget may not adequately account for expenses associated with the EHR transition.
Earl asked if the EHR would be a capital expense. Brad reported we would discuss this with our DZA advisors on the need to capitalize portions of the EHR cost.
David asked if we have an idea of what the 5–10-year contra-revenue projections look like. Brad reported it depends greatly on operational assumptions for future years, fee schedule updates, and reimbursement changes. .
David asked about the contingency plan if there are service lines that are less profitable. Brad reported that we continue to monitor individual service lines, but it’s important to understand the interdependency of each service line and how one less profitable service line could be the source of referrals for a more profitable service line. Most importantly, we want our capacity to be as fully utilized as possible.
Jason asked if every employee has a job description. Michael reported that each position does have a job description that is regularly evaluated to ensure we are operating efficiently.
David asked if there are national benchmarks or other Critical Access Hospitals that we are comparing our turnover rates. Brad reported our average tenure is just under 4.8 years and wasn’t sure about turnover rates. The last time we looked, we were better than benchmarks, but nationally we have a shortage of clinical staff and providers.
Shane commented he appreciates the dialogue and summary on the budget, but it seemed overly optimistic with no contingency plan should there be a negative outcome.
Hoss asked Tahja, Prosecuting Attorney, for legal counsel on modifying the budget after it’s approved for the County. Tahja reported there is opportunity to open the budget after it has been approved but would need to go to the Board of County Commissioners for approval and a public hearing would need to be done through the County there after.

MOTION: Dave Shaw moved to approve the FY27 Operating Budget with the understanding that it will be reopened and modified to include the Electronic Health Record costs. Hoss White seconded the motion. All in favor with no objections. The motion carried.

E. PICC Committee

1. **Committee Report**
   - Sara Otto, Quality Manager, joined the meeting to report on the 2026 DNV Survey.
   - With CMS approving the CAPs related to the two EMTALA violations in the last months, Briana Steele, Quality Improvement Specialist, has created a dashboard of the CAPs to ensure we are maintaining compliance. Reports on the dashboard will be discussed in PICC and included in the Board packets.
2. DNV Accreditation Review
   - There are 3 levels of non-conformities. Conditional level NC means serious harm or disruption of services. NC-1- is a major deviation to a process or standard, NC-2- there is a minor deviation in process.
     - 6 NCs were closed from the 2025 survey, leaving 2 open which were related to Restraints and Contract Evaluation.
     - NC1-1 Review of Contracts – ensure our contracts are reviewed regularly based on the risk rating in our Contract Management Policy.
     - NC1-1 – Listing of Contracted Services – maintain a comprehensive list of all contracted services as a flyer and on our website including location and hours of operation.
     - NC1-2 – Restraints – this is mainly related to physician orders on chemical restraints and ensuring documentation of face-to-face orders per our policy.
     - NC1-3 – Fire Sprinkler Head Maintenance – We are required to replace any fire sprinkler heads older than 20 years.
     - NC2-1 – Medical Staff Performance Data – Incorporate specialty-specific metrics and available national benchmarks into the Peer Review process. Rolling 12-month scorecards will be developed for each specialty and presented quarterly to the Medical Executive Committee.
     - NC2-1 – Medical Staff Performance Data – Review the Peer Review and Procedure Policy to ensure we are specifying non-physician frequency and participation in Peer Review processes.
     - NC2-2 – Patient Grievance Acknowledgement Letters – patient acknowledgment letters need to be sent within 7 days of receiving the patient grievance. Previously only verbal acknowledgement was provided for the patients who called or met with us in person.
     - NC2-3 – Negative/Positive Air Pressure – Development and Implementation of a plan to correct air flow for clean utility in the Medical-Surgical suite and Laboratory.

F. Planning Committee – *Shane Roe*

1. **Committee Report**
   - The Planning Committee met on July 17, 2026, and reviewed the Kane Marketing Strategic Plan. Staci Carr, Marketing and Community Engagement Manager, will join an upcoming Board meeting to present the proposal.
   - Initiatives included service line priority marketing with Orthopedics, Pediatrics, and Outpatient Therapy. Other initiatives were on brand consistency and presentation and website overhaul.
   - Planning Committee reviewed the Physical Therapy Proforma and were in support of implementing this service line.
   - EHR transition challenges were discussed as we face issues with the invalid Epic proposal we received from Pointcore. Brad has requested a 6- to 9-month extension from Billings Clinic to delay termination of the current EHR agreement while we pursue other options to evaluate Epic options.
   - Brad has a meeting with Juliet Charron, Director for the State of Idaho Department

of Health and Welfare to discuss a potential statewide collaborative effort for rural health hospitals in Idaho and the State of Idaho hosting Epic.

2. **Planning Committee Dashboard FY26***
    - This item was included in the Board packet for reference but not discussed in the meeting.
3. **Board Goals Dashboard FY26***
    - This item was included in the Board packet for reference but not discussed in the meeting.
4. **FY26 Strategic Plan Updates***
    - This item was included in the Board packet for reference but not discussed in the meeting.

G. Medical Staff – *Dr. Zachary Bastian*

1. Committee Reports
    - MEC met last week and reviewed and recommended the June providers applying for privileges.
2. Medical Staff Performance Data and Peer Review Policy* - **ACTION ITEM**
    - The policy was updated to clarify non-physician participation and evaluation frequency within the Peer Review process. Practitioners with clinical privileges will participate in quarterly peer review assignments consistent with physician requirements.
3. Pain Medicine Privilege Form and Core* - **ACTION ITEM**
    - Dr. Chancen Hall has requested additions to his delineation of privileges. The privilege form has been updated to include Kyphoplasty and SI Fusion.
4. July Medical Staff Highlights* *(reference only)*

MOTION: Judy Barbera moved to approve the Peer Review and Performance Data Process and Procedure policy with no changes. Shane Roe seconded the motion. All in favor, no objections, the motion carried.

MOTION: Shane Roe moved to approve the Pain Medicine Privilege Form and Core to include the additions of Kyphoplasty and SI Fusion. Dave Shaw seconded the motion. All in favor, no objections, the motion carried.

H. Patient Care Services – Matt Godfrey

1. General Update
    - Matt
        - CareHarmony implementation continues. Tyler Jue now has his Diabetes certification and will oversee the nutrition counseling portion.
        - Orthopedic service volumes continue to increase. Matt is discussing the potential of extending the contract with Capital Surgical Associates.
        - Dr. David Gardner has accepted the full-time Emergency Physician position, replacing Dr. Cory Ondler following his departure last year.
        - The annual free sports physical event was once again successful, serving more than 100 local student-athletes.
    - Kathy
        - Med-Surg and Emergency Departments continue to face staffing challenges for day and night CNAs and Nurses.
        - Renee McDaniel, ED Manager, was recognized for starting the program allowing EMTs to work as ED Techs in the Emergency Department which has significantly improved staffing stability within the Emergency Department.
        - There is an IQC focused on patient callbacks for ED discharged patients as there is about 40% of patients that are not receiving callbacks post discharge due to not having a Valor primary care provider. Reports are being consistently worked on to ensure we are making phone calls to that 40% as we improve consistency with ongoing coordination of care.
        - Sleep Lab continues to grow volumes and enhance referrals. Elijah Paul, Sleep

Lab Supervisor, was recognized for his accomplishments on the growth of this service line.
    - There will be a Zoll Trauma education on the new equipment we purchased tomorrow for clinical staff in the ED.

2. Physical Therapy Proforma* – **ACTION ITEM**
   - Matt and Kathy provided an Executive Summary and Proforma to implement the Physical Therapy service line.
     - Net Revenue is expected to be $168K in year one with only outpatient services with internal referrals from our orthopedic and family medicine providers. Inpatient revenue is not included.
     - Based on conservative projections, the service line is expected to have a positive return on investment by FY30.
     - The proforma accounts for additional staffing support in case the current provider is on PTO or the service line grows rapidly.
     - We will continue to invest in our relationship with Mountain Land and keep them on board in an as-needed basis.

Disussion: Kelsey expressed gratitude and kudos to Matt and Kathy for their thorough and well explained proforma.

MOTION: Angie Phillips moved to approve the Physical Therapy Proforma and Implementation of this service line. Jason McIntosh seconded the motion. All in favor, no objections, the motion carried.

I. Provider Privileging Approvals – ACTION ITEM

1. July Privileging Providers

MOTION: Hoss White recommended approval for the listed providers. Dave Shaw moved to approve the provider privileging for:

- Lyndon Box, MD – Affiliate, West Valley Cardiology
- Jignesh Patel, MD – Telemed, Diagnostic Neurology
- Lukas Clark, MD – Telemed, Diagnostic Neurology
- Eldon Snyder, DO – Telemed, Diagnostic Radiology
- Jordan Soutas, MD – Telemed, Diagnostic Radiology

Hoss White seconded the motion. No objections, all in favor. The motion carried.

J. Board of Trustees – *Hoss White*

1. General Update
   - The Annual meeting will be held next week on Thursday, August 6 at 6:30pm in the Business Conference Room at PR2TA.
   - The Board is encouraged to complete the Strategic Plan survey that was sent last week to help guide the discussions as Executive Leadership plans the next set of objectives for FY27.
2. Other Upcoming Meetings
   - Medical Staff – Tuesday, August 4, 2026 (Judy Barbera)
   - PFAC CY26 Q3 – Thursday, November 20, 2026 (Shane Roe)
3. Agenda Items – Submit by August 10.

K. Foundation Update – *Brad Turpen*

1. Foundation Update
   - Valor Health and the Valor Foundation is participating in the Heros and Ice Cream event on August 25.
   - There will be an annual update given at the August Board of Trustees meeting.
   - The Festival of Trees week of events and Gala will be held at the Gem County Fairgrounds this year.

- Duane Thompsen will step down as the Foundation President at the end of this calendar year.

L. Administration

1. General Update
    - Valor Health has moved to a new property and casualty insurance broker, Chivaroli and Associates. Brad, Michael, Mike Cummings (HR Manager), Victoria (EA/MSC), and Corina Roe (Enrollment Specialist) were a part of the Request for Proposal Process. Improving support of our malpractice insurance needs drove the change.
    - Senator C. Scott Grow visited Valor Health in early July and was able to tour and engage in discussion with our Clinical and Executive Leadership. Executives were able to discuss the challenges of rural health, including the legislative changes for mental health holds. Senator Grow connected Valor Health with Senator Julie Van Orden to continue discussions regarding legislative challenges associated with rural healthcare and mental health holds.
    - The Valor Health Family Picnic is on Saturday, August 8 at 11am in the ED Lawn area. The Board is encouraged to attend.

M. Valor Culture and Board Education

1. This item was not discussed.

IV. **NEW BUSINESS**

A. Executive Session – None.

V. **ADJOURNMENT**

Being no further business, the meeting was adjourned at 8:51 a.m.