

Campbell County Memorial Hospital
Finance Committee
January 21, 2014

Mr. Dugan called the monthly Finance Committee meeting to order at 12:03 p.m. on Tuesday, January 21, 2014. The meeting was held in the Campbell County Memorial Hospital Board Room.

Present:

Mr. Mike Dugan, Chairman
Dr. Sara Hartsaw, Trustee
Mr. Randy Hite, Trustee
Dr. Billie Wilkerson, Chief of Staff
Mr. Andy Fitzgerald, CEO
Ms. Deb Tonn, Vice President of Patient Services
Mr. Carl Sorensen, Vice President of Facilities and Plant
Ms. Nancy Long, Accounting Manager
Ms. Karen Clarke, Community Relations
Ms. Sarah Elms, News Record
Ms. Marilyn Grant, Recorder

Absent:

Mr. Andy Rybolt, Interim CFO

Approval of Agenda:

ACTION: Dr. Hartsaw moved, seconded by Mr. Hite, to approve the agenda. Motion carried.

Approval of Minutes:

ACTION: Dr. Hartsaw moved, seconded by Mr. Hite, to approve the minutes of the December 10, 2013 Finance Committee meeting. Motion carried.

OLD BUSINESS

No old business was presented.

NEW BUSINESS

CAPITAL REQUESTS

- **ADA Compliant Door Access Upgrades – Plant Operations** This request will fund the installation of 10 ADA compliant automatic door openers for the public restrooms in the lobby areas of the main facility that are currently non-compliant. The hardware will be standardized to match other ADA access points for easier maintenance.

Budget: \$28,750

Actual: \$28,590

- **Bispectral Index Modules (Level of Consciousness Monitor) – Anesthesia** This request will purchase a Bispectral Index Module for two anesthesia machines in Surgery. They will allow us to monitor brain activity to evaluate the level of consciousness and ensure the optimal degree of anesthesia. This upgrade will standardize anesthesia monitoring.

Budget: \$22,602

Actual: \$ 22,602

Discussion: Ms. Tonn stated that with this purchase, all of our anesthesia machines have the software to measure the patient's level of consciousness.

- **4-Wheel Drive Ambulance – Emergency Medical Services** This request will purchase a new 4-wheel drive ambulance to replace the oldest unit in our fleet. The old ambulance was purchased in 1995 and requires intensive service to keep it operational. The replacement ambulance will be completely modular which will allow for remounting of integrated components rather than complete replacement. All bids came in higher than expected which will take us slightly over budget. Additional funding will be derived from the Lander's Trust.

Budget: \$167,276

Actual: \$173,200

Available Budget: 167,276

Lander's Trust: 5,924

Discussion: Mr. Fitzgerald stated that we received a donation from the Lander's Trust approximately five years ago to be used to purchase unspecified equipment. To date, we have not used any of these funds. We will use a portion of the donation to cover the deficit in the budget. In previous years, we have purchased replacement boxes but not the chassis. This request is for complete new ambulance.

- **Point Of Care Documentation Hardware – PROS Orthopedic Clinic** This request will purchase the hardware necessary to extend point of care documentation to 14 workstations in the PROS clinic. Twelve treatment rooms and two nursing stations will be set up with computer access to the EMR. Switches, routers, PC hardware and installation are included in the request.

Budget: \$46,025

Actual: \$42,924

- **Electrosurgical Generator - Surgery** This request will purchase an electrosurgical generator to be used primarily for gynecological procedures. The requested ESU is similar to and configured the same as an existing device which is moved from room to room during periods of heavy utilization. The introduction of this ESU will decrease wait times and enhance teamwork among our physicians who often assist each other during laparoscopic procedures.

Budget: \$37,171

Actual: \$27,225

- **Cystoscopes – Surgery** This request will purchase a set of duplicate Cystoscopes and accessories for use in urological procedures. The volume of urological procedures has increased dramatically creating a need for more instrumentation. Wait times for patients and staff will decrease as a sterile set will always be available.

Budget: \$11,014

Actual: \$11,014

- **Smoke Evacuation System – Plant Operations** This request will fund the design and construction of a smoke evacuation system for the main entry lobby area in the new facility. The current layout with a large opening for the grand stair case has created a potential flue for smoke during a fire on the ground floor. The State of Wyoming has required the hospital to undertake this project.

Actual: \$641,100

Discussion: Mr. Fitzgerald stated that the smoke evacuation system is not a current capital request; it will be included in the fiscal year 2015 capital requests. The requirement for the smoke evacuation system was presented at the January 14 Facilities Committee meeting. This is a new requirement from the State. The system is for the new addition including the front atrium. It was not a requirement when Sampson submitted our design plan; and it was not identified when we received our certificate of occupancy from the State. The State will accept a letter of intent to purchase and install the system in the next fiscal year. They will not allow us to go forward with any construction projects if we do not meet this requirement. Mr. Sorensen stated that the system will consist of 3 to 5 smoke handlers to exhaust the smoke and restore clean air. It will only function during a fire. Mr. Sorensen has submitted a draft letter to the State and it has been accepted. Mr. Fitzgerald stated that the original cost for the construction of the new addition came in approximately \$2 million dollars under budget. We would have included the system at that time if it had been required. The project will be put out for bid.

ACTION: Dr. Hartsaw moved, seconded by Mr. Hite, to approve the capital requests as presented. Motion carried.

DECEMBER 2013 FINANCIAL PRESENTATION

Ms. Long presented the December financial data.

- December was a very good month. We had an operating gain of \$261,000 versus a budgeted loss of \$478,000. Net gain was \$1,556,000.
- Inpatient admits were 282 which is significantly higher than the prior 5 month average of 227.
- Pioneer Manor admits were 2 under budget for the month.
- The average daily census was 28 which is 4 less than budget; this is attributed to a shorter length of stay.
- Pioneer Manor daily census was slightly ahead of the prior year; however, 7 under budget.
- Outpatient visits were 799 which is 3.7% under budget.
- Clinic visits increased 3.5% over prior year; and 3.5% under budget for the month.
- ER visits were 3.1% under budget for the month; and 8.7% below a year ago. This is a reflection of business shifting to the Walk-In Clinic.
- Walk-In Clinic visits were 12.5% over budget and slightly ahead of last year. Mr. Dugan asked if the staffing is adequate to meet the increased patient volume. Mr. Fitzgerald stated that he rounded on the Walk-In Clinic yesterday. The providers and staff are able to keep up with the volume. The clinic provides a less expensive alternative for the patient. And by shifting the non-emergent patients to the Walk-In Clinic the ER is able to focus on the truly emergent patients. Dr. Wilkerson asked if we keep track of the length of time a patient is in the Walk-In Clinic from the time they register until they leave. Mr. Fitzgerald responded that they do track this information and he will follow-up with them to get the data for Dr. Wilkerson.
- Surgeries were 85 cases over budget, which is 27.3% over budget for the month and 13.5% greater than the previous year. This increase in the number of surgeries is the primary reason the hospital achieved budget in December.
- Net revenue was \$966,000 over budget and Gross revenue was \$787,000 favorable to budget. Inpatient revenue was \$871,000 or 3.8% over budget, and outpatient revenue was \$84,000 or .6% below budget. Surgery was primarily responsible for the increase in revenue. Additionally, the combined bad debt and charity care were below budget.
- Operating expenses were over budget \$227,000 in December. This is primarily due to an increase in supplies and contract services. The increase in supplies reflects the increase in the number of surgeries. Contract services were also over budget.

- Current assets decreased by \$2,323.
- Days cash increased by 13 days to 296. This is due to the \$7,294,000 County mill levy payment. Each month we receive a smaller monthly mill levy payment and twice a year, (December and June), we get a larger payment. The proceeds were invested in Wells Fargo Securities.
- AR days increased by one in December due to an increase in net accounts receivable of \$1,534,000. All of the increase is in the 0-60 days category.
- Cash increased by \$5,949,000 in December.
- Days cash on hand increased by 13 days due to the \$7,294,000 mill levy payment.

Quarterly Update – Campbell County Clinics

Mr. Fitzgerald reported that over the prior three months collectively the clinics had a profit in October and reported a loss of approximately \$29,000 in November and December. This is a substantial improvement from losing several hundred thousand dollars per month to close to break-even. There are still opportunities for improvement with coding, staffing efficiency, and volume improvement. Mr. Rybolt will present a full report on all of the Campbell County Clinics at the Board Retreat in February.

DISCHARGE OF UNCOLLECTIBLE DEBT

The combined November & December Total Uncollectible Debt was \$287,336.44

The uncollectible debt for the month of November 2013 by category is as follows:

<u>CATEGORY</u>	<u>AMOUNT</u>	<u>NUMBER OF PATIENTS</u>
INPATIENT	16,229.44	4
ER	12,083.28	9
OUTPATIENT	<u>3,891.95</u>	<u>3</u>
NOVEMBER TOTAL	\$32,204.67	16**

- ** 1 patient had an ER and Inpatient account
 1 patient had an Inpatient and Outpatient account

The uncollectible debt for the month of December 2013 by category is as follows:

<u>CATEGORY</u>	<u>AMOUNT</u>	<u>NUMBER OF PATIENTS</u>
INPATIENT	53,646.89	11
ER	91,788.26	36
OUTPATIENT	<u>109,696.62</u>	<u>33</u>
DECEMBER TOTAL	\$255,131.77	80**

- ** 4 patients had account in all three categories
14 patients had an ER and Outpatient account
1 patient had an ER and Inpatient account
4 patients had an Inpatient and Outpatient account

ACTION: Dr. Hartsaw moved, seconded by Mr. Hite, to discharge the November and December, 2013 uncollectible debt in the amount of \$287,336.44. Motion carried.

INVESTMENTS

For the month of December, 2013 the following amounts were reinvested:

- \$8,000,000 was reinvested with WYOStar the interest rate fluctuates monthly.
- A \$1,000,000 investment with Wells Fargo Securities with an interest rate of 1.221% to mature on December 19, 2017.
- A \$2,000,000 investment with Wells Fargo Securities with an interest rate of 1.650% to mature on November 20, 2018.
- A \$2,000,000 investment with Wells Fargo Securities with an interest rate of .5% to mature on June 27, 2016.

WYO star is very low interest. She reinvested \$5 in securities to improve our interest return. We have 100m in WYOStar If the rates come up we can invest in some longer term securities.

ACTION: Mr. Hite moved, seconded by Dr. Hartsaw, to approve the December, 2013 reinvestments. Motion carried.

Discussion: Mr. Fitzgerald stated on January 8, 2014 he and several of the Board members met with the City, County, and Campbell County School District Vision planning meeting – County lobbying the legislature to free up the portfolio options for governmental agencies. Not purchasing equity/stocks; but not being held to governmental investments. There is a downside capital risk with the other investment opportunities. They were primarily looking at corporate bonds higher yield and risk. We can make a decision on our investment policy if the legislature approves.

Public Comment

None

Adjournment

The meeting adjourned at 12:33 p.m.

The next regularly scheduled Finance Committee meeting will be held on Tuesday, February 25, 2014 at 12:00 p.m. in the Board Room.

Marilyn Grant, Recorder