

Campbell County Health  
Finance Committee  
April 20, 2020

Mr. Dustin Martinson, Trustee, called the Finance Committee meeting to order at 12:02 pm on Monday, April 20, 2020. The meeting was held in the Hospital Board Room and over a WebEx call. Due to the COVID-19, the building has restricted access.

**Members via WebEx:**

Mr. Adrian Gerrits, Treasurer  
Mr. Dustin Martinson, Trustee

**Staff Members Present:**

Dr. Attila Barabas, Chief Medical Officer  
Ms. Jonni Belden, Administrative Director of LTC  
Ms. Karen Clarke, Community Relations Manager  
Mr. Steve Crichton, VP Facilities and Plant Ops  
Mr. Andy Fitzgerald, Chief Executive Officer  
Ms. Colleen Heeter, Chief Operating Officer  
Ms. Yvonne Robinett, Revenue Cycle Director  
Mr. Matt Sabus, Director Information Technology  
Dr. Nicholas Stamato, Chief of Medical Staff  
Mr. Bill Stangl, VP Physician Services  
Ms. Heather Stucker, Controller  
Ms. Mary Lou Tate, Chief Financial Officer  
Ms. Carol Herrmann, Recorder

**Approval of Agenda**

*Mr. Martinson moved, seconded Mr. Gerrits, to approve the agenda as presented. Motion carried.*

**Approval of Minutes**

*Mr. Martinson moved, seconded by Mr. Gerrits to approve the minutes. Motion carried.*

**Bad Debt and Charity**

• Approved Charity Care for March 2020	
100% Written Off	\$255,938.80
75% Written Off	\$23,674.90
50% Written Off	\$42,034.57
<b>TOTAL</b>	<b>\$321,648.27</b>
Collections and Discharges by Agency March 2020	
Bankruptcy Discharge	\$1,584.92
Collections sent to Chapman	\$2,421,084.29
Collections sent to CPI	\$2,158,617.73
<b>TOTAL</b>	<b>\$4,581,286.94</b>
<b>Grand Total</b>	<b>\$4,902,935.21</b>

*The amount is slightly higher. The reason being the file for February did not post until March. The totals are covering two months. Mr. Martinson moved, seconded by Mr. Gerrits, to approve the Resolution of Collections and Discharges for March 2020. Motion carried.*

### **Capital Requests from Materials Management and Facilities**

No requests. All requests that have been approved but not purchased or started, will be re-evaluated for importance. Some items that have been approved may not go through.

### **Statistical Report, Ms. Tate**

- Ms. Tate will not be going over the Statistical Overview since she went over it last week at the open session. At last week's meeting, we showed the projected volumes of half the normal amount. For this week's meeting, we were able to go to the projected expense line.

Based on Current Operations, with no course corrections:

	April 2020	May 2020	June 2020	July –Dec 2020
Proj Operating Income (loss)	(7,900,454)	(5,864,792)	(5,018,987)	(9,641,525)
Legacy Medicaid Additional Funding	300,000	300,000		
CARES Payment	2,445,111			
Cyber Event Settlement		1,000,000		
<b>Modified Operating Loss</b>	<b>(5,155,343)</b>	<b>(5,564,792)</b>	<b>(5,018,987)</b>	<b>(9,641,525)</b>
Non-Operating Income	1,080,467	1,080,467	1,080,467	6,482,802
<b>Revenue in Excess of Expense</b>	<b>(4,074,876)</b>	<b>(3,938,520)</b>	<b>(3,938,520)</b>	<b>(3,158,723)</b>

Cash Use*	(4,024,744)	(4,904,194)	(1,709,520)	(9,160,723)
Days Cash*	113	102	100	81

\*assumes tax levy payments are not delayed or reduced from current run rates, if we do not receive these funds it could be as low as 68 days cash on hand. Our bond Covenant is 65 days cash on hand.

- Mr. Martinson asked if the forecasted numbers include the discussed changes. Ms. Tate replied these do not include the changes and this is why we are moving forward with cost avoidance measures.
- One program thru Medicare is an advance on our payments. We have not done that yet, but are planning to do that. We will start to repay this in 120 days. This will decrease cash flows in the future. We can have cash on hand and put in a restricted account.
- Ms. Tate is watching the Payroll Protection Program to see they open a round two and if we qualify. Data is being gathered now. If we do qualify, this would allow us to bring back at least some, and hopefully all of the furloughed employees.
- Mr. Martinson asks if the Cares Act have contingencies that we have to do certain things. Do we treat COVID patients without cost? We have received \$2.4M to date. No surprise billing for COVID patients. Maybe radiologist out of network with Cigna. Did have to attest a couple things but mostly normal operations.

### **Revenue Cycle, Ms. Robinett**

- Carepricer and Enthrive eligibility implementation on track to be rolled out in May. Final tweaking of our data with Enthrive. That will replace some stand-alone products that registration staff is using in the clinics. Integrated in Meditech early this summer. All departments are working hard on charge capture. Communicating with departments on any

delays that would slow down payment. Coders are getting Charge Master caught up within a couple days. Trying to decrease time from 5 days to 4 days. Ultimately down to 3 days.

- Improvements are being made in the patient access arena. Lower volumes but cash collections are higher.
- Patient Financial Services continues to work with Rev Springs on improvements within Meditech. Currently working on improvements for Home Health Hospice to flow more electronically. Updating dictionaries with Meditech so claims do not need to be manually touched. Currently have intervention of 70 – 80 % claims by billers. Only problematic accounts will need to be touched.
- HIM arena, reduced patient flows coders are current. Coders are coding services from day prior. With the cleanup that has been done, when we are back up and running, the coders should be able to maintain with all of the cleanup done.
- Ms. Tate notes the billed A/R days are stable at 81. Unbilled days have fallen from 24 in February to 17 in March and has since fallen more. Overall, down 7 days on billed and unbilled.
- Ms. Tate announced that Yvonne has asked to step in director for HIM role. She will make significant progress. Ms. Susan Ahl, from Turning Point Solutions is the Revenue Cycle interim director position. Thank you Yvonne for all the hard work!

### **March Financial Report, Ms. Stucker**

- Net Patient Revenue was \$252K over budget
  - gross charges below \$1.7M due to Cath Lab, OR and Radiology
  - PRSC about 630k below budget. Contractuals were off set with pickup for Hospital QRA payment recognized in March net \$1.3M.
- Payor mix not a lot of changes YTD
  - Commercial is slightly higher than last year
- Bad Debt and Charity under budget \$ 638k
  - 6.6% gross revenue verses budget of 8.2%.
- Operating expenses were over budget 890k,
  - Under budget for salaries, contract labor over 500K,
  - Benefits were over budget, driven by bigger health insurance claims and timing of FICA limits
  - experienced higher than budget locums being used in BHS and the WIC
    - Mr. Gerrits asks if all BHS is remote telehealth.
      - Mr. Sabus updates: Yes on the Inpatient side. Dr. Walter and locum covering inpatient rounds. Going room to room with iPad using WebEx to conference with patients. Group utilizing full group therapy. The BHS model is working very well.
- Operating loss 1.5 loss compared to prior year was 1.1 million.
- Excess revenue over expenses was less than budget by \$767k
  - Add back in depreciation, amortization, and interest expense 770k under budget, 591k lower than last year.
- Increase cash on hand by 3 to 122
  - Cash balances increased by \$2.34M mainly due to the QRA payment received

**2021 Proposed Capital Budget by Ms. Tate**

- Currently going thru all approved capital that has not been purchased or started. Will be delaying or postponing items. Some items that have been approved may not go thru as we are experiencing our mitigation plans.

**Budget Statistics for 2021 by Ms. Stucker**

- Budget based on historical trends by revenue producing areas
- Projection: Look at February year to date and then annualize. We then look at a 12 rolling month. March 2019 – February 2020, many areas are very close to their projection.
- Reach out to different departments and what is going to drive those stats for next year?
  - First pass with volumes and adjust
  - Worked considerably with the Sleep Lab, lost volumes in September factored in
  - Acute days for inpatient side. Looks like Med-Surg going up and ICU going down because the new unit will be opening
  - Maternal child assuming flat volumes
  - BHS is projecting a decline for visits due to the reduction in staff , working on projections
  - Medical group clinics - fairly flat overall
  - Projecting to say flat around Imaging, Lab, Pathology and Ancillary areas, surgeries and the Surgery Center.
  - Are budgeting increase to PET-CT Procedures
  - Sleep study and respiratory currently working with directors to project accurately
  - Legacy projecting a flat average daily census
- A lot of these projections numbers are conservative due to the COVID and subsequent economy collapse.
- Mr. Gerrits asks in regards to Dialysis – It looks like decreasing in numbers but adding two chairs, are we falling off from the past? We do anticipate a slight decline. The reason for additional chairs is that we are currently running 3 cycles of patients that we are seeing later in the evenings and coming in on weekends. This will reduce some staffing costs and we will not have to run as late into the evenings. Dialysis has been higher than historical volumes for the last couple months. Projection for next year shows steady but has seen a slight increase over the last couple months. Seems to be overrun with Dialysis patients but looks as if there is a steady decline since 2017. Need to evaluate the need for chair replacement.
- Mr. Gerrits asks in regards to therapy and work screens: Did we lose somebody who was doing that? Ms. Heeter replied that we lost two providers and have wellness working on it right now. We need to go back to the table to decide how we are going to handle. Ms. Belden, previous screens and return to work screens went with those providers and have not been able to get those back.
- Mr. Gerrits states looking at PT and OT visits at the Legacy seems to have fallen. Ms. Belden replies they have not. It was how the stats were weighted. OT is stable. Did decrease a bit in PT due to the change in revenue reimbursement.
- Mr. Martinson comments that it looks like a perfect storm brewing in our community. Ms. Tate states that is why we did not want to increase volumes. She would like to analyze a few years back to see if our forecast should be modified due to the economic uncertainties.

**Kids Clinic Update, Mr. Fitzgerald and Mr. Crichton**

- Discussion from the Facilities Committee about the Kid Clinic and School District partnership. The current building is probably going to last one more summer. The school district is hoping that the roof and HVAC will last thru this year. Proposed a new building and looked at many options. The favored option is on property adjacent to the Twin Spruce campus. Cost 1.4 to 1.5 million and being split with the school district 50/50. Our portion would be to pay rent for a 20 year period. We would have a prepaid account on the balance sheet. Amortize that over the years. The school district would own building. We would be tenants. The school district would maintain and pay future costs for building repairs. The relationship would stay the same as the current arrangement. We maintain the staff and billing. School district would fund building repairs and upkeep. We would contribute later once the new budget and fiscal year starts. Facilities felt it was appropriate to move to the Finance Committee. What we would be approving today is the partnership with the School District. Mr. Gerrits ask if the stated that the same questions were asked in Facilities as in Finance. There was some hesitance due to the current economic difficulties. Mr. Fitzgerald said they have looked extensively. We are not going to spend any capital next year. Mr. Martinson agrees to do now. He asks if there is a guaranteed amount of years we can be in there? Mr. Fitzgerald discusses the unamortized amount comes back to us. Mr. Crichton said he had a conversation with Mr. Dennis Holmes and he is expecting approval with the school board next week. Mr. Martinson moves to send to board. Mr. Gerrits seconds the motion. Motion Carried. Reminder that this will show in the proposed budget. It will not be in capital but have its own category.

Mr. Martinson asks if there will be a meeting with the board to discuss the budget for 2021. Ms. Tate states that she does plan on two working sessions with entirety of the board. The sessions will be scheduled in May and June.

**Public Comment**

- None

**Executive Session**

- None

**Adjournment**

Mr. Martinson moved, seconded by Mr. Gerrits to adjourn, Motion passed. The meeting adjourned at 12:47 p.m.

The next regularly scheduled Finance Committee meeting will be held on Friday May 22, 2020 at 12:00 pm in the Board Room.

Carol Herrmann, Recorder