

Campbell County Health
Finance Committee
September 25, 2017

Dr. Swift called the Finance Committee meeting to order at 12:24pm on Monday, September 25, 2017. The meeting was held in the Hospital Board Room.

Present:

Dr. Ian Swift, Chairman
Mr. Mike Dugan, Trustee
Dr. Sara Hartsaw, Trustee
Ms. Rhonda Boller, Trustee
Mr. Randy Hite, Trustee
Mr. Andy Fitzgerald, Chief Executive Officer
Mr. Dalton Huber, Chief Financial Officer
Mr. Steve Crichton, Vice President of Facilities
Mr. Bill Stangl, Vice President of Physician Services
Ms. Deb Tonn, Vice President of Patient Services
Ms. Noamie Niemitalo, Vice President of Human Resources
Ms. Heather Stucker, Controller
Ms. Jonni Belden, Vice President of Legacy Living & Rehabilitation
Ms. Karen Clarke, Director of Community Relations
Ms. Kim Johnson, Director of Health Information Management and Compliance
Ms. Shawn Reznicek, Patient Accounting Manager
Ms. Perrin Stein, News Record
Ms. Amanda Teppo, Recorder

Absent:

Dr. Jennifer Thomas, Chief of Staff

Approval of Agenda

Mr. Crichton added Legacy Transport Vans under New Business.

Motion: Mr. Dugan moved, seconded by Dr. Hartsaw, to approve the agenda as amended.

Motion carried.

Noted that Mr. Hite and Ms. Boller are attending as non-voting members.

Approval of Minutes

Motion: Mr. Dugan moved, seconded by Dr. Hartsaw, to approve the minutes as presented.

Motion carried.

Old Business

- No old business during the September 2017 meeting.

New Business

- **Capital Requests**

Pyxis Supply Stations – Materials Management

This request will replace 23 Pyxis Stations and add remote open shelf inventory control in all applicable departments. 5 existing machines will not be replaced to save \$120,000 on cost. The new stations will use Windows 10 as a secure operating system and add 6 to 7 years of longevity to the system. The current fleet was purchased in 2010 which saved more than \$523,000 in operational cost over the past 2 years when compared to lease for the same time frame. Now the systems are well past end of life and the hardware is failing with increasing frequency. The current XP Operating System will not be supported after April 1, 2018.

Budget: \$358,279

Actual: 358,279

Fracture Table – Surgery

This request will purchase a Hana fracture table specially designed for trauma procedures. Currently we use a Jackson surgical table for trauma procedures designed for spine cases that must be converted to a standard fracture table as needed. The reconfiguration of the Jackson table is difficult, time consuming and requires more than one staff to complete. Componentry for the conversion is heavy and cumbersome. The Hana table will decrease turnaround time between procedures and eliminate the possibility of misconfiguration leading to patient or staff injury. The addition of numerous accessories and Biomed training will take us over budget.

Budget: \$80,000

Actual: \$101,761

Hemodialysis Machines – Dialysis

This request will add 2 new dialysis machines to the current fleet of 8. Our Dialysis Center has experienced a steady increase in volumes since it opened with a larger increase projected in the 2 years. 2 new machines, 10 dialysis stations are needed to keep pace with the need for hemodialysis in our community. The new equipment will have BiCarb delivery and standard Crit-Line clips integrated into the machines to streamline dialysis sessions. The increased functionality will supplement our care and save on cost. Fresenius implemented a cost increase in this fiscal year which will take us slightly over budget.

Budget: \$34,000

Actual: \$35,000

Boiler #2 Rebuild – Plant Operations

This request will fund the time and materials to rebuild the rear door hatch for Boiler #2. The boiler was installed in 1981 as part of the original construction of the hospital. The fire bricks protecting the access hatch are cracking and flaking ceramic debris. If not

repaired the boiler will become inoperative. The hospital functions with a balanced redundant system of boilers to create steam and heat the entire facility. Rebuilding the fire brick lining of the door will help maintain optimal boiler output. The repairs need to bring the boiler to 100% operational integrity are more extensive than anticipated and will take the project over budget.

Budget: \$20,000 Actual: \$34,541

Kronos Upgrade – Administration

This request will fund an extensive upgrade to the Kronos time keeping system. The Kronos system has had only minor software updates and minor hardware additions since it was implemented 14 years ago. New software will include a Healthcare Data Analytics Module to help manage labor costs by tracking staff productivity. 31 new touch terminals will replace the present time clocks which have worn buttons and are difficult to read on our oldest hardware.

Budget: \$179,850 Actual: \$166,382

*Motion: Dr. Hartsaw moved, seconded by Mr. Dugan, to approve the Capital Requests.
Motion carried.*

Transport Vans – Legacy

This request will purchase two (2) 2017 For Transit 250 HR vans for Legacy. One transport van was recently totaled in an accident and will be replaced by one of these vans. The new vans will be equipped with options to carry as many as 4 wheel chairs to accommodate wheelchair-bound residents in addition to two (2) seated passengers and a driver. An additional van is being requested to meet the growing number of transports related directly to rehab and physician appointments. Insurance has paid us \$20,234 for the van that was totaled in the accident. A generous grant from the Kate Weiss Foundation is to offset the additional cost for one van in addition to the \$38,354 that they have already paid to us. Jonni has proposed to approach the Pioneer Foundation for the balance but there are also sufficient funds in Administration (\$130,197) contingency to cover the additional need if the Pioneer Fountain does not approve the additional requested amount.

Total low bid cost (2) Wheelchair Transport Vans	\$82,700
Kate Weiss Foundation Grant	-\$41,350 (\$38,354 rec'd)
Less Insurance Claim Settlement	\$20,234
Net to Pioneer Foundation/ Contingency	\$21,116

*Motion: Dr. Hartsaw moved, seconded by Mr. Dugan, to approve the Transport Vans for Legacy
Motion carried.*

- **Payer Mix**

	2013	2014	2015	2016	2017
Medicare	23.4%	22.5%	24.4%	25.3%	29.3%
Medicaid	11.1%	12.4%	12.0%	12.1%	13.2%
Blue Cross	28.7%	30.9%	31.8%	33.6%	31.2%
Commercial	19.9%	17.2%	16.3%	15.2%	12.9%
Workers Comp	3.4%	3.9%	3.1%	3.3%	3.6%
Self Pay	11.3%	10.4%	9.5%	7.8%	7.1%
Other Govt	2.1%	2.8%	2.8%	2.8%	2.7%

	2013	2014	2015	2016	2017
Govt	37.4%	38.4%	39.3%	40.2%	45.2%
Non Govt	52.9%	52.8%	51.1%	52.0%	47.7%
Self	11.3%	10.4%	9.5%	7.8%	7.1%

Discussion: Providing payer mix information side by side comparison once a year.

- **Compensation Policy**

Discussion: Revised the compensation policy tried to simplify it and make it more straight forward. This policy matches what CCH does with market, merit, and pay ranges for staff.

Motion: Mr. Dugan moved, seconded by Dr. Hartsaw, to approve the Compensation Policy. Motion carried.

Monthly Financial Report

Ms. Stucker presented the August 2017 financial data.

- Financial Narrative
 - Inpatient admits were 3 (-1.2%) under budget. Admits are up from last August by 3 (1.3%).
 - LLRC admits were 5 (25%) over budget. Admits were up by 6 (31.6%) from last year.
 - CCMH's average daily census was 21 versus a budget of 25
 - LLRC's average daily census was 133 versus a budget of 151.
 - Outpatient visits were 1,242 (-8.1%) below budget. There was a decrease of 1,978 visits (-12.2%) from prior year.
 - Clinic visits were 569 (-6.8%) below budget. Visits increased from last year by 315 (4.2%).
 - ER visits were 97 (-5.0%) under budget and were down 122 (-6.2%) compared to a year ago.
 - Walk-In Clinic visits were 75 (-3.6%) under budget. Visits were down 36 (1.8%) from last year.
 - August's net patient revenue was \$743k (5.2%) under budget

- August's bad debt and charity care were over budget \$33k (8.2% of gross revenue vs. a budget of 7.9%).
- Operating expenses were under budget \$557k (3.6%) in August.
- EBIDA was over budget \$255k in August and decreased \$138k compared to a year ago.
- August's operating loss was \$1,084k vs. a budgeted loss of \$963k. The operating loss is more than prior year by \$344k.
- Net gain was \$80k in August vs. a budgeted gain of \$86k. Compared to prior year, the net gain is unfavorable by \$583k.
- Current assets increased by \$1,778k in August, due to an increase in cash and accounts receivable. Current liabilities increased by \$1,511k as a result of an increase in accounts payable and accrued expenses.
- August's accounts receivable days stayed flat at 69 days.
- Day's cash on hand held at 184 in August. Cash increased \$200k

Discussion: Adding the EBIDA percentages to the financial report.

- Discharge of Uncollectible Debt

Uncollectable Debt	
The uncollectible debt for August 2017 by category is as follows:	
Inpatient Uncollectible	\$32,989.22
ER Uncollectible	\$39,787.51
Outpatient Uncollectible	\$27,055.59
Combined Total for August 2017	\$99,832.32

*Motion: Dr. Hartsaw moved, seconded by Mr. Dugan, to approve the Uncollectable Debt.
Motion carried.*

- **Investments**
 - No purchase and/or sale of investments during the month of August 2017.

Public Comment

- No public comments during the September 2017 meeting.

Adjournment

The meeting adjourned at 12:49pm.

The next regularly scheduled Finance Committee meeting will be held on Monday, October 23rd at 12:00pm in the Board Room.

Amanda Teppo, Recorder