

**Campbell County Health  
Finance Committee  
January 23, 2017**

Dr. Swift called the Finance Committee meeting to order at 12:00 p.m. on Monday, January 23, 2017. The meeting was held in the Hospital Board Room.

**Present:**

Dr. Ian Swift, Chair

Mr. Mike Dugan, Trustee

Mr. Andy Fitzgerald, Chief Executive Officer

Dr. Sara Hartsaw, Trustee

Mr. Dalton Huber, Chief Financial Officer

Ms. Deb Tonn, Vice President of Patient Services

Mr. Bill Stangl, Vice President of Physician Services

Dr. Jennifer Thomas, Chief of Staff

Ms. Karen Clarke, Director of Community Relations

Ms. Kim Johnson, Director of Health Information Management and Compliance

Ms. Heather Stucker, Controller

Ms. Wendy Kaufman, Recorder

**Approval of Minutes:**

**ACTION: Mr. Dugan moved, seconded by Dr. Swift, to approve the minutes of the December 5, 2016 meeting. Motion carried.**

**OLD BUSINESS**

- **Refinancing Bonds:** Mr. Huber and Mr. Fitzgerald held a telephone conference with Mr. Jim Sult, Vice President of Texas Capital Bank, the institution that will possibly refinance the Series 2009 Bonds. Mr. Sult had several questions regarding the economics in Gillette and will continue to work on a proposal. The only funds that have been spent on this to date have been for bond counsel. Mr. John Henningsgard with Piper Jaffray will provide updates on rates before a decision is made.

**NEW BUSINESS**

- **Audited Financial Statements:** CliftonLarsonAllen will present the audited financial statements at the Board meeting on January 26, 2017. Mr. Huber shared a letter CLA sent to the Board with recommended improvements. The issues of concern are mainly related to accounts receivables and billing. Mr. Huber also shared a response to the recommendations. Mr. Huber has a consultant investigating improvement of the revenue cycle and will be recommending changes. An assessment and plan will be submitted to the Board in 60 days.
- **Administrative Policy Review:** The Statement of Investment Policy is to best serve the interest of Campbell County Hospital District through the placement of funds where the District can reasonably optimize the highest return on investments while securing principal and meeting the cash flow demands of the District, and conforming to all federal, state, and

local laws and regulations governing the investments of political subdivisions. The objectives of the policy are safety, liquidity, and yield. Finance Committee sees no changes needed.

**ACTION:** Dr. Hartsaw moved, seconded by Mr. Dugan, to approve the Statement of Investment Policy. Motion carried.

- **Compliance:** Ms. Johnson stated that there are no compliance issues to report at this time.

### **CAPITAL REQUESTS**

- **20x20 Steam Sterilizer – PRSC.** This request will replace an existing sterilizer that is more than 7 years old. The old sterilizer has numerous maintenance issues related to the door latch which require extensive staff time and occasional re-sterilizations. The replacement device has high-capacity shelves which will accommodate up to 50 lb of instruments in 2 trays.

**Budget: \$52,097**

**Actual: \$40,518**

- **Cardiac and Vital Sign Monitors - PRSC.** This request will replace 7 monitors in the ORs and pre-op stations at PRSC. Two anesthesia monitors are beyond useful life and are not serviceable by GE. The five pre-op monitors exhibit sensing errors with SpO2 and B/P parameters which require extra equipment and time to ensure vital signs are documented correctly. The original request was scaled back during consideration in committee last FY. Since that time volumes have increased at PRSC by 14% which has underscored the need for a complete replacement of the monitors in this FY. Funding to cover the budget shortfall will come from capital projects which are under budget, cancelled or put on hold in this FY.

**Budget: \$24,660**

**Actual: \$40,424**

- **Treatment Planning Software Upgrade – Radiation Oncology.** This request will upgrade our modeling and treatment software to a new, more robust platform called Monico. The current XIO platform was sunset in 2016 and upgrades and software fixes are no longer available. The new software version is faster, more accurate, and fuses CT, PET, and MRI images which will help optimize treatments. The Vendor, Elekta, is now rolling capital software and hardware upgrades into service quotes. The difference between the budgeted amount and the actual amount will be added to the operational budget in Radiation Oncology to reflect the increase in service upgrades.

**Budget: \$112,798**

**Actual: \$35,000**

- **GI Endoscope Replacement – Surgery.** This purchase request will replace 9 GI endoscopes of various types for use in Surgery. Extensive trials have been conducted to choose the products in this request. The chosen scopes have a wider field of vision and can integrate with our ProVation OR documentation system.

**Budget: \$531,000**

**Actual: \$475,426**

- **Surgical Power Instrument Upgrade - Surgery.** This request will replace the powered surgical instruments that we use now in orthopedic procedures. They are from 3 different generations of Stryker tools with mismatching parts and non-standardized batteries. We will purchase 2 complete systems with standardized accessories and batteries. The new instruments will help reduce OR time by eliminating the search for the correct matching components.

**Budget: \$110,734**

**Actual: \$74,141**

- **Neonatal Resuscitation Station – Labor & Delivery.** This request will replace an existing newborn resuscitation station which is past the rated useful life and requires frequent maintenance. The new Resusitaire warmer will have superior gas blending for optimal delivery of oxygen. The purchase will include a special monitor for neonates integrated into the warmer for better equipment placement. The addition of the monitor will take us slightly over budget.

**Budget: \$15,266**

**Actual: \$18,534**

- **Infant Warmer – Level II Nursery.** This request will replace the oldest infant bed warmer in our fleet. The requested bed will have several new features that will facilitate care to our newborn patient. An in-bed scale, exam light, consistent humidified warming and open ergonomic work space are part of the features.

**Budget: \$43,598**

**Actual: \$39,540**

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

### **DECEMBER 2016 FINANCIAL PRESENTATION**

#### **Ms. Stucker presented the December 2016 financial data.**

- Inpatient admits were at budget for December and increased 21 compared to last year.
- Legacy admits were 5 above budget and increased 5 compared to last year.
- Total average daily census 28 versus a budget of 26.
- Legacy average daily census was 127 versus a budget of 127.
- Outpatient visits 1,697 under budget.
- Clinic visits 568 under budget.
- ER visits 113 under budget and 7 below a year ago.
- Walk-In Clinic visits 69 under budget and 165 below the level of a year ago.
- Total surgeries 130 over budget in December and increased by 97 compared to December 2015.
- Net patient revenue \$703,000 over budget.
- Bad debt and charity care over budget \$351,000.
- Operating expenses over budget \$500,000.

- EBIDA over budget \$1,460,000, which increased \$1,547,000 from a year ago.
- Operating loss \$913,000 versus a budgeted loss of \$994,000.
- Net gain \$1,379,000 versus a budgeted gain of \$201,000.
- Current assets decreased by \$1,781,000 in December due to a decrease in other receivables. Current liabilities showed a decrease of \$4,598,000 due to a decrease in accounts payable and accrued expenses.
- Accounts receivable days decreased by 3 for a total of 73.
- Days cash on hand increased by 1 to 171 in December. Cash increased by \$816,000.

### **DISCHARGE OF UNCOLLECTIBLE DEBT**

The uncollectible debt for November and December 2016 by category is as follows:

#### **INPATIENT UNCOLLECTIBLE**

November	<b>\$ 134,688.75</b>
December	<b>\$ 261,834.47</b>

#### **ER UNCOLLECTIBLE**

November	<b>\$ 269,081.99</b>
December	<b>\$ 302,047.11</b>

#### **OUTPATIENT UNCOLLECTIBLE**

November	<b>\$ 882,487.76</b>
December	<b>\$ 177,226.40</b>

#### **Subtotals**

November	<b>\$ 1,286,258.50</b>
December	<b><u>741,107.98</u></b>

#### **COMBINED TOTAL FOR**

<b>NOVEMBER AND DECEMBER 2016</b>	<b>\$ 2,027,366.48</b>
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**ACTION:** Dr. Hartsaw moved, seconded by Mr. Dugan, to discharge the November and December 2016 uncollectible debt in the amount of \$2,027,366.48. Motion carried.

#### **INVESTMENTS**

There were no changes to investments in the months of November and December.

#### **PUBLIC COMMENTS**

There were no public comments.

#### **ADJOURNMENT**

The meeting adjourned at 12:55 p.m.

The next regularly scheduled Finance Committee meeting will be held on February 20, 2017 at

12:00 p.m.