

**Campbell County Health
Finance Committee
April 24, 2017**

Dr. Swift called the Finance Committee meeting to order at 11:59 a.m. on Monday, April 24, 2017. The meeting was held in the Campbell County Health Board Room.

Present:

Dr. Ian Swift, Chair
Mr. Mike Dugan, Trustee
Mr. Andy Fitzgerald, Chief Executive Officer
Mr. Dalton Huber, Chief Financial Officer
Ms. Deb Tonn, Vice President of Patient Services
Mr. Bill Stangl, Vice President of Physician Services
Dr. Sara Hartsaw, Trustee
Ms. Kim Johnson, Director of Health Information Management and Compliance
Ms. Heather Stucker, Controller
Ms. Noamie Niemitalo, Interim Vice President of Human Resources
Ms. Jonni Belden, Vice President of Legacy Living & Rehabilitation
Mr. Steve Crichton, Vice President of Facilities
Ms. Shawn Reznicek, Patient Accounting Supervisor
Ms. Kathy Brown, News Record
Ms. Wendy Kaufman, Recorder

Absent:

Dr. Jennifer Thomas, Chief of Staff
Ms. Karen Clarke, Director of Community Relations

In Attendance as an Observer and Not Voting:

Mr. George Dunlap, Trustee

Approval of Agenda:

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

Approval of Minutes:

ACTION: Mr. Dugan moved, seconded by Dr. Swift, to approve the minutes of the March 20, 2017 meeting. Motion carried.

OLD BUSINESS

- **Refinancing Bonds:** Mr. Huber continues to work with Piper Jaffray on refinancing the Series 2009 Bonds. There are currently two institutions interested. A proposal from Piper Jaffray is anticipated in the next month.
- **Budget Assumption:** Mr. Huber presented a rough draft of the what to expect with the FY 2018 budget to include the following:
 - Operating margin consistent with 2017 budget.
 - Volume consistent with 2017.
 - Price increase of 3% - 4%.
 - Overall salary increase of 3%.

- Health insurance premium increase for low deductible plan to reflect actual cost.
- General inflation of 2% - 3%.
- Legacy volumes growing to an average daily census of 147.

NEW BUSINESS

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

CAPITAL REQUESTS

- **Identity and Access Management Software – Information Systems.** This request will purchase a new software suite specifically designed to integrate Microsoft databases such as Active Directory and Exchange with other external systems relative to access. Integration of the various databases will help to map workflows in IS for creating access on the network and managing user profiles. Employee profiles will be based upon work function categories or roles. The software is versatile and will be adapted to our operational idiosyncrasies. Security enforcement will be enhanced and changes in the system will be easier to track by using role-based access.

Budget: \$57,920

Actual: \$33,600

- **Job Router Software – Information Systems.** This will allow for everyone in the organization to utilize the system for things like employee injury reports, computer access forms, personnel requisitions and the provider onboarding process. As we do not have enough licenses to cover all of the users it imports from the Outlook Directory, it will not allow us to give people permission to any forms at the moment. The injury report form works, however, as it was setup some time back. It also allows us to access the system from outside the organization. There is some interest in allowing providers to use it to upload their documents in Job Router during the onboarding process. Finally, it upgrades us to the latest version of the software.

This is a substitute capital for an item on the budget to connect the energy building to high speed internet, as the city did the connection with the Legacy Project. CA 17-0118 for \$37,700.

Budget \$37,700

Actual \$24,576

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

MARCH 2017 FINANCIAL PRESENTATION

Ms. Stucker presented the March 2017 financial data.

- Inpatient admits were 21 under budget in March and decreased 31 from last year.
- Legacy admits 2 under budget and increased by 3 compared to March 2016.
- Total average daily census remains stable at 28 versus a budget of 26.
- Legacy average daily census was 134 versus a budget of 127 in March.
- Outpatient visits 368 under budget, compared to 1,410 a year ago.
- Clinic visits 56 over budget and decreased 2,498 compared to March 2016.
- ER visits 33 over budget and over by 1 compared to a year ago.
- Walk-In Clinic visits 41 over budget and 418 under the level of a year ago.
- Total surgeries: PRSC surgeries were 274 compared to a budget of 199. Inpatient surgeries were 86 versus a budget of 74. Outpatient cases 86 versus a budget of 74.
- March's net patient revenue was \$14,000 under budget.

- Bad debt and charity care under budget \$353,000.
- Operating expenses under budget \$112,000 in March.
- EBIDA over budget \$450,000 in March.
- Operating loss \$744,000 versus a budgeted loss of \$984,000.
- Net gain was \$464,000 versus a budgeted gain of \$212,000.
- Current assets decreased by \$2,618,000 in March due to a decrease in cash. Current liabilities decreased by \$3,600,000 as a result of a decrease in accounts payable and accrued expenses.
- Accounts receivable days stayed flat at 66.
- Days cash on hand decreased to 172 in March. Cash decreased by \$3,600,000.

DISCHARGE OF UNCOLLECTIBLE DEBT

The uncollectible debt for March 2017 by category is as follows:

INPATIENT UNCOLLECTIBLE	\$225,622.42
ER UNCOLLECTIBLE	\$386,854.69
OUTPATIENT UNCOLLECTIBLE	<u>\$298,853.98</u>
COMBINED TOTAL FOR MARCH 2017	\$911,331.09

Discussion: It was discovered that from October 2016 to March 2017 there were additional accounts in the amount of \$2,683,167.00 returned from the collection agency that were not reported properly to the Board by Patient Accounting. Mr. Huber stated that if the Finance Committee wanted further discussion regarding details, they would need to go into Executive Session, as this was a personnel issue.

*****CLARIFICATION:** The \$911,331.09 is included in the \$2,683,167.

ACTION: Dr. Hartsaw moved, seconded by Mr. Dugan, to recess into Executive Session to discuss a personnel issue. Motion carried.

ACTION: Mr. Dugan moved, seconded by Dr. Hartsaw, to discharge the March 2017 uncollectible debt in the amount of \$911,331.09 and \$2,683,167.00 in additional collections accounts. Motion carried.

INVESTMENTS

There were no changes to investments in the months of March.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

The meeting adjourned at 12:50 p.m.

The next regularly scheduled Finance Committee meeting will be held on May 22, 2017 at 12:00 p.m.

Wendy Kaufman, Recorder