

Campbell County Health
Finance Committee
January 13, 2020

Mr. Adrian Gerrits called the Finance Committee meeting to order at 12:00p.m., Monday, January 13, 2020. The meeting was held in the Hospital Board Room.

Members Present:

Mr. Adrian Gerrits, Chairman
Dustin Martinson, Trustee
Lisa Harry, Trustee

Staff Members Present:

Mr. Andrew Fitzgerald, Chief Executive Officer
Ms. Colleen Heeter, Chief Operating Officer
Ms. Misty Robertson, Chief Nursing Officer
Mr. Steve Crichton, Vice President of Facilities
Mr. Bill Stangl, Vice President of Physician Services
Ms. Noamie Niemitalo, Vice President of Human Resources
Mr. Matt Sabus, Vice President of Information Technologies
Ms. Heather Stucker, Controller
Ms. Karen Clarke, Director of Community Relations
Ms. Marie Edwards, Director Emergency Care Department
Ms. Denise Yvonne, Recorder

Approval of Agenda

Mr. Martinson moved, seconded by Ms. Harry, to approve the agenda as presented. Motion carried.

Approval of Minutes

Mr. Martinson, moved, seconded by Ms. Harry, to approve the minutes as presented. Motion carried.

Bad Debt & Charity Resolution

Approved Charity Care

100% Written Off November and December	\$ 545,256.99
75% Written Off November and December	\$ 5,973.38
50% Written Off November and December	\$ 5,649.93
Catastrophic Write Off November and December	\$ 318,469.09
GRAND TOTAL NOVEMBER & DECEMBER	\$ 875,349.39

Collections and Discharges

Bankruptcy & Attorney Discharge	\$ 31,298.77
Collections sent to Chapman	\$ 1,369,138.51
Collections sent to CPI	\$ 1,675,652.19
Collections sent to CCB	\$ 18,278.18
Receivable Solutions	\$ 2,731.22
GRAND TOTAL FOR NOVEMBER & DECEMBER	\$ 3,097,098.87

Mr. Martinson moved, seconded by Ms. Harry, to approve the Resolution of Bad Debt and Charity Discharges for November and December 2019, Motion carried.

Capital Requests**INFORMATION TECHNOLOGY**

- **F5 load Balancing Licenses.**
This request will purchase licenses needed to complete and optimize the load balancing architecture of our network. Mobile devices such as iPhones and Laptops will have increased performance with negligible latency and other issues related to increased monitoring and security now in place. Optimizing the burden from intense use of data is critical to establishing stable and secure remote access. Capital monies allocated to other projects will be diverted to this project.

Total available Budget: \$858,300

This Request: \$59,511

- **VDI Licensing.**
This request will provide servers and licensing for 500 concurrent VDI sessions as an upgrade to the current system. The upgrade will enhanced monitoring, security and performance in numerous applications used by staff and vendors on a daily basis. Rollout and building desktops via thin client functions will be faster and more uniform allowing restrictions relative to non-native downloads to PC's. Calendar access, Meditech Web Ambulatory, Staffnet and Exchange Email are among the heavily used applications that will enable secure access through any device using the enhanced VDI licenses and hardware. Capital monies allocated to other projects will be diverted to this project.

Total Available Budget: \$858,300

This Request: \$597,524

Facilities Capital Requests

- There is a request from the Facilities Committee to the Finance Committee to review and consider passing forward for the full board. The item was budgeted in the Facilities project budget for the current fiscal year as ED Renovations Phase I. Request is to approve the proposed cost for the project design as follows.

1. **The Facilities Committee** selected the firm of Perkins & Will to provide architectural and engineering (A/E) services for this project. We had included the amount of \$550,000 in the facilities budget for this design work as well as for the construction of new imaging rooms for the ER. The proposed costs from Perkins & Will is being presented as a not to exceed amount for the design process and as a percentage of construction costs for the project construction documents (CD) and construction administration (CA) as requested in the RFP. The design fees breakdown as follows:

a.	\$173,121	Design services through DD
b.	\$ 26,000	Lean process development and data validation
c.	<u>\$ 58,240</u>	Reimbursable expenses
	<u>\$257,361</u>	Total Perkins & Will (not to exceed)
	\$ 40,000	Estimate for Preconstruction cost estimating from contractor TBD
	 \$297,361	 Total approval requested today (6.75% for CD and CA will be included in the contract)
2. **Emergency Department Remodel Construction Costs** – Construction costs will be developed and submitted with the FY 20/21 facilities capital budget based on the outcome of the design process. There is currently a line item as a placeholder in the 3 year capital plan that will be updated through this design process.

Ms. Harry moved, seconded by Mr. Martinson, to approve the Capital Requests for Information Technologies as presented. Motion carried. Mr. Martinson moved to approve Facilities capital request, and send to the board as an Action Item. Seconded by Ms. Harry, motion carried.

Statistical Report

- Overview
 1. Inpatient admits were 15.1% under budget and down 19 from last year.
 2. BHS admits were 10% over budget
 3. OB admits were 38.7% under budget.
 4. Acute admits were 9.5% under budget
 5. Observation patients were 6.8% under budget and decreased 3.5% from last year.
 6. LLRC average daily census was 2% under budget and increased 1.4% from last year.
 7. Outpatient visits were 1.8% over budget and increased 25 from last year.
 8. Clinic visits (including Pros) were .7% over budget and decreased 98 from last year.
 9. WIC visits were 1% over budget and decreased 9.5% from last year.
 10. Emergency Room Visits were 5.5% under budget and decreased 1.9% from last year.
 11. Surgeries were 13.2% under budget and decreased 5.9% from last year.
 12. PRSC surgeries were 38.9% over budget and increased 3.5% from last year.

- Utilization report
Pediatric visits were up due to higher rates of RSV.
Kids clinic slows down in the summer for BHS part of the clinic. Numbers are skewed due to difference in capturing the data.

Revenue Cycle

- Overview
 1. CarePricer implementation is on track for February.
- Revenue Cycle Score Card
 1. Ms. Stucker will work with Ms. Robinett to discuss true bad debt and provide better insight at next Finance Meeting.
- Point of Service Cash Collections
Showed improvement.
- Accounts Receivable
 2. AR is at 88 days, goal is 60

Financial Report

- Financial Narrative
 1. Revenues for the month of November are \$398K lower than budget. Compared to last year, more than \$1.1M charges were posted.
 2. Expenses are higher than budget by \$334K and higher than last year by \$1.4M, primarily due to contract services, repairs and locums.
 3. Interest income is less than budget due to the decrease in cash reserves. YTD is below budget by \$202K and lower than last year to date by \$153K.
- Financial Overview
 1. Net patient revenue was 5.8% under budget.
 2. Payor mix-Medicare includes the HMO section of the graph. Medicare has risen while Blue Cross/Blue Shield and Commercial have dropped.
 3. YTD bad debt and charity were under budget by 5.31% of gross revenue vs a budget of 8.08%.
 4. Operating revenue was 3.2% under budget.
 5. Operating expenses were 2% over budget.
 6. Operating loss was more than budget by \$811K.
 7. Excess revenue over expenses was less than budget by \$885K.
 8. EBIDA was \$881K under budget and decreased \$1,315K compared to last year.
 9. Days cash on hand decreased to 112. Cash balances dropped by \$2M.
- Quarterly Investments
No activity for 2nd quarter.

Adjournment

The meeting adjourned at 1:10 p.m.

The next regularly scheduled Finance Committee meeting will be held on Monday, February 24, 2020 at 12:00pm in the Board Room.

Denise Yvonne, Recorder