

Campbell County Health
 Finance Committee
 July 13, 2020

Mr. Gerrits, Trustee, called the Finance Committee meeting to order at 12:04 pm on Monday, July 13, 2020. The meeting was held in the Hospital Board Room and over a WebEx call.

Members Present:

Ms. Rhonda Boller, Trustee
 Mr. Adrian Gerrits, Treasurer
 Mr. Dustin Martinson, Trustee

Staff Members Present:

Ms. Karen Clarke, Community Relations Manager
 Mr. Steve Crichton, VP, Facilities and Plant Ops
 Ms. Colleen Heeter, Chief Operating Officer
 Ms. Shannon King, Interim Revenue Cycle Director
 Ms. Heather Stucker, Controller
 Ms. Carol Herrmann, Recorder
 Ms. Misty Robertson, Chief Nursing Officer
 Dr. Nicholas Stamato, Chief of Medical Staff

No Public or Media present.

Approval of Agenda

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

Approval of Minutes

Ms. Boller, seconded by Mr. Martinson, to approve the minutes. Motion carried.

Bad Debt and Charity

Approved Charity Care

Jun-20

100% Written Off	\$358,114.45
75% Written Off	\$47,208.25
50% Written Off	\$12,687.95
Catastrophic	<u>(\$12,017.85) *</u>
TOTAL	\$405,992.80

* Reversal made reflects ability to submit to insurance.

Collections and Discharges

June 2020 by agency are as follows:

American Collection System	\$0.00
Bankruptcy Discharge	\$15,456.66
Collections sent to Chapman	\$2,001,882.95
Collections sent to CCB	\$9,996.27
Collections sent to CPI	\$1,867,694.97
Receivable Solutions	\$295.00
TOTAL	\$3,895,325.85

GRAND TOTAL**\$4,301,318.65**

- Mr. Gerrits asked if we are still looking for A/P vendors. Ms. King replies yes. That we are trying to understand the operational need before we start looking at vendors. We are not ready to commit to certain vendors as we do not really know the operational need. Mr. Martinson asked if these amounts are fluctuating. Ms. Stucker replies it does go up and down without a specific trend. Ms. King replies that this helps us on the front end for patient propensity to pay. Ms. Boller asked about Shannon's statement about patient propensity to pay. Shannon explains about key indicators and using that to expedite charity care approval.

Mr. Martinson moved, seconded by Ms. Boller, to approve the Resolution of Collections and Discharges for June 2020. Motion carried.

Capital Requests from Materials Management and Facilities**1. 1405 4th STREET BUILDING REMODEL**

In carrying out ways to cut costs, the Wellness and Audiology Departments will be moving to a building that we already own. The approval for the remodel of \$200,000 was before we knew that we wanted to consolidate Audiology into the building along with Wellness. Audiology will fit rather nicely alongside Wellness but the booth is Extremely Heavy (2 ¼ tons). This will require some simple but expensive structural supports be added, we also need to install a separate dedicated exhaust duct, plus we need to pay the manufacturer's rep to come in, disassemble the booth, move it, reassemble it, and test and certify it. Given that Audiology Clinic is now in the black and producing a profit, not to mention it still has capacity to grow and we can get out of a second lease in the Energy Building, this work still seems to make a great deal of financial sense. The cost of this remodel would come from the FY2021 contingency.

Requested Amount: \$60,000 Modified to: \$20,000

2. IT PC AND ENDPOINT REPLACEMENT FUND

This fund is to be used for PCs and other Endpoint systems. The IT department requests purchases as needed. General approval of this fund is being requested. Any individual purchases above \$30,000 will come back to the board for additional approval. (two are listed below)

Budget Amount: \$300,000

IMPRIVATA PROXIMITY CARD READERS, QTY 500

IT is requesting to purchase 500 readers to allow badge logins for computers. This greatly simplifies and speeds up logging into computers. This is a high request item from our physicians to speed them up as they use their in-room computers. This technology also helps to increase our security as it introduced two factor authentication with very low user impact. We had to stop deploying Imprivata Single Sign On to our clinics over the last month because we ran out of inventory of the badge readers. 500 will allow us to outfit all of the clinical areas with this technology. This will be charged to the PC Replacement line item.

Actual: \$46,000

IP SPEAKERS, QTY 80

IT is requesting to purchase 80 IP ceiling speakers to replace old analog speakers still in-use within the hospital. The old analog system controllers are failing and many of the analog speakers are working intermittently or not at all. We have over 300 overhead speakers currently in-use in the main hospital building with the majority of them being IP ceiling speakers which means they act like a digital phone and run on our computer network instead of an analog voice system. Replacing the analog speakers will allow us to restore overhead paging to several areas as well as much greater control of things like sound volumes. IP speakers can also be centrally managed without going to each speaker location to make changes. This will be charged to the PC Replacement line item.

Actual: \$31,829.60

3. SLEEP LAB PSG/EEG SYTEM UPGRADE

The current Sleep and EEG computer equipment is antiquated and very soon will not be supported by the vendor. If we do not upgrade this equipment and one of the 4 sleep systems was to go down, we would be forced to replace the entire system due to the vendor not being able to support older units on an individual basis. This would be very costly for us to implement and our loss of revenue, patient satisfaction and provider support would be substantial and severely decrease our earning potential for the Sleep Center department. The system upgrade allows us to operate with the most current sleep and EEG systems to support all of the functions required to complete the testing to meet the accreditation standards of the American Academy of Sleep Medicine. The sleep system upgrade will allow us to market our services with the latest state of the art equipment to provide best practices and standards of care to increase volumes and generate revenue. We will be able to improve provider and patient satisfaction by providing the most reliable testing information possible to diagnose and treat their patients.

Budget Amount: \$70,891

Actual Amount: \$70,891

Mr. Crichton states that we received the bid this morning. Instead of the \$60,000 requested, the bid came in at \$20,000. That will get us, in addition to wellness moved, audiology will be moved, the floor will be reinforced and out of the lease for the Energy Building.

Colleen talks about the safety issue with the speaker. Adrian asks if there will have to be new power run to all speakers. No, matt

The sleep lab is profitable and this piece of equipment is well past end of life. This upgrade will bring high improvement to provider and patient care. Ms. Heeter notes the use decreased during Covid and now that need is increasing. Ms. Robertson states it is the software that needs to be upgraded. Mr. Sabus states adds that the software we are currently locked in on is only compatible with Windows 7.

Mr. Gerrits asks if the speakers will need all new power feeds. Mr. Sabus states that the speakers are powered off the network.

Mr. Martinson motions to accept capital requests. Ms. Boller seconds. Motion carried.

Budget FY2021 Final Review

- Reviewed Slides and provided insight.

Mr. Gerrits asks in regards to the Medicare prepayments, if that is a current liability and then will it be recognized as current revenue. Ms. Stucker explains that it is on balance sheet as a liability. As

we pay it back, the liability will decrease. From a revenue prospective, it will be recognized when the revenue is generated.

Mr. Gerrits asks if we are going to be put in a bind with future storage in regards to IT. Matt does not think so. All of the efficiencies, cleaning up old Legacy files, are being cleaned and recovering storage. Moving to the cloud in October. Mr. Gerrits asks if that a service contract when we move to the cloud? Yes. Will become an operation expense each month.

Statistical Overview

- Reviewed slides and gave feedback.

Mr. Martinson asks if the Behavioral Health that we are currently using compares apples to apples. Does the inpatient admits include the telehealth? Ms. Robertson explains the inpatient admits are compared the same. Ms. Stucker and Ms. Robertson explains the process of tracking the number of admits. There is a two day hold for testing or less, those patients went to MedSurg or ICU. Are tracking to make sure credit is given to the correct department.

Mr. Gerrits asks if we count the telehealth visits. Ms. Heeter states that if it was a Nurse call, than no. If there is revenue attached, than yes. Mr. Martinson asks if telehealth will continue. Ms. Heeter replies that the telehealth will continue and that the phone visits will drop off.

Mr. Gerrits asks if the hospital surgeries were down because of our ability to service with Covid? Ms. Heeter feels that some people are still scared to do procedures. Although surgery will tell you they are busy. Statistically, surgery is not back yet.

Utilization Report

- Reviewed slides and provided feedback.
- Ms. Stucker explains that month close was 5 days less. The reports are stamped as preliminary as June has not been audited yet.
- The clean claim rate should be 88% for prior month and 90% for June.
- Implemented Denial Steering Committee.
- Implemented Internal Billing team.

Revenue Cycle Scorecard

- Reviewed Slides and provided feedback.

Point of Service Collections

- Reviewed Slides and provided feedback.
- Ms. King states we do not have an estimator tool. We want to get a best practice estimator tool in place. Currently looking at other vendors. Ms. Heeter states we have a goal to meet. We want to give the patient information beforehand. Mr. Gerrits asks if we are getting better at collecting more money up front. Ms. King explains that she likes to look at it as percentage of patient net revenue. We need to know what the actual is verses potential and until we get a better tool, we cannot see that.

Accounts Receivable

- Reviewed Slides and provided feedback.

Financial Narrative

- Reviewed slides and provided feedback

Financial Overview

- Reviewed slides and provided feedback

Financial Overview

- Reviewed slides and provided feedback

Preliminary Statement of Revenue & Expense

- Reviewed slides and provided feedback

Preliminary Balance Sheet

- Reviewed slides and provided feedback

Preliminary Cash Flow

- Reviewed slides and provided feedback

Fiscal Year 2020 Capital Budget to Date

- Reviewed slides and provided feedback

Public Comment

- None

Executive Session

- None

Adjournment

Mr. Martinson moved, seconded by Ms. Boller to adjourn, Motion passed. The meeting adjourned at 13:10.

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

Carol Herrmann, Recorder