

Campbell County Health
Finance Committee
March 23, 2020

Mr. Dustin Martinson, Trustee, called the Finance Committee meeting to order at 12:11 on Monday, February 24, 2020. The meeting was held in the Hospital Board Room and over a WebEx call. Due to the COVID-19, the building has restricted access.

Members via WebEx:

Dr. Sara Hartsaw, Trustee
Mr. Dustin Martinson, Trustee
Dr. Ian Swift, Chairman

Public via WebEx:

Jonathon Gallardo, NewsRecord Reporter

Staff Members Present:

Ms. Felicia Messimer, Marketing Specialist
Ms. Yvonne Robinett, Revenue Cycle Director
Ms. Heather Stucker, Controller
Ms. Mary Lou Tate, Chief Financial Officer
Ms. Carol Herrmann, Recorder

Approval of Agenda

Dr. Hartsaw moved, seconded by Dr. Swift, to approve the agenda as presented. Motion carried.

Approval of Minutes

Dr. Hartsaw, moved, seconded by Mr. Dustin Martinson, to approve the minutes. Motion carried.

Bad Debt and Charity

- Approved Charity Care for February 2020

100% Written Off	\$239,725.04
75% Written Off	\$3,721.51
50% Written Off	\$2,580.73
Catastrophic Write Off	\$59,188.25
TOTAL	\$305,215.53

Collections and Discharges by Agency February 2020

Bankruptcy Discharge	\$4,800.62
Collections sent to Chapman	\$293,685.79
Collections sent to CPI	\$216,577.57
Collections sent to CCB	\$0.00

Receivable Solutions	\$1,787.68
TOTAL	\$516,851.66
Grand Total	\$822,067.19

Dr. Hartsaw moved, seconded by Dr. Swift, to approve the Resolution of Collections and Discharges for February 2020. Motion carried.

Capital Requests from Materials Management and Facilities

ACCOUNTING

Kronos Time Keeper System Upgrade. In December of 2020 Google Chrome will no longer support Flash Player. Kronos will not continue to function, at the current version without Flash. The current platform of Kronos CCH is on was built 20 years ago. Kronos has rolled out a new version, Dimensions. Dimensions offers expanded capabilities built in to their core program. Dimensions is also available on any device, no app necessary. Our monthly service fees will not increase. The new system will have Advanced Scheduler, which is an add-on module within Kronos. Currently we have 13 different scheduling systems that total approximately \$39,000 in annual expense. Moving to one scheduling system would allow improved scheduling capabilities as well as an improved view for managers, employees, and house supervisors. The module is cross-functional and has a high-level of customization for how different units schedule. Annually we will save approximately \$16,000 in service fees. If we don't implement Advanced Scheduler with Dimensions, the capital outlay will be approximately three times higher. Funds will be taken from Admin Contingency.

Available Funds: \$195,001

This request: \$75,180

SURGERY

DeSouter Power Equipment (Orthopedic) Current power equipment is several generations old and we can no longer obtain batteries for the equipment. Since late November, we have been using 3-4 batteries during a single case, when only one should be used. In addition 2 of the 5 drills have broken down and cannot be fixed. We now are delaying surgeries if more than one orthopedic case is scheduled in order for us to recharge the batteries. This purchase was to be budgeted in FY2021 but we cannot wait until then to purchase. The Orthopedic Surgeons (Israelsen, Grunfeld and Morman) have all agreed on this unit.

Admin Contingency Funds: \$195,001

Surgery Contingency Funds: \$16,755

Radiology X-Ray Unit deferred to 2021: \$385,866

This request: \$247,923

Ms. Stucker discussed the need for the Kronos Time Keeper System Update.

Dr. Swift asked if the Power Equipment being requisitioned is the same as what the Powder River Surgery Center has. Ms. Tate answered that it was.

Dr. Swift moved, seconded by Dr. Hartsaw, to approve the Capital Requests from Materials Management and Facilities for February 2020. Motion carried.

Topic of the Month

- Payor Mix
 1. Ms. Tate presented the Payor Mix Presentation. In regards to the Cash Receipt Mix Graph, the data is from Meditech only. One example is the Medicare accounts is at 22% on the Cash Receipts Graph verses 33% on the Payor Mix; The Average reimbursement is 48.2% with Blue Cross at 68.8%. All insurances pay as per their contract.
 - a. Blue Cross has a new contract as of March 1, 2020.
 2. Mr. Martinson asked if there was identification of the commercial based portion. Ms. Tate replied that they have not been able to determine certain employers. Ms. Robinette followed up stating that there have been minor changes within the employers but not changing carriers.
 3. Dr. Swift asked how to improve the mix. Ms. Tate replied that Physician clinics are seeing more Medicare/Medicaid patients as Independent doctors do not see those patients. Dr. Swift replied that there is nothing to gain a foot holding? Ms. Tate and Ms. Robinette stated that we basically work for Blue Cross, Medicare and Medicaid. We want to encourage commercial insurance to promote and allow growth. Dr. Swift agreed.

Statistical Report

- Overview
 1. YTD, admissions are almost at budget and are almost on par for the year, although we had downtime in September
 2. Acute admissions remain strong MTD with BHS 9 over budget, OB admits were 2 over budget, Acute 3 over budget.
 3. MTD Observation payments were 6 over budget and increased 11 from last year.
 4. YTD LLRC admissions are a little below budget. Due to the bathroom finishing, it is keeping two out of service. Construction has been stopped during the COVID-19 pandemic.
 5. MTD Clinic visits were over 924 over budget and increased 1,151 from last year.
 6. MTD Walk-in Clinic visits were 487 over budget and increased 269 from last year.
 7. MTD Emergency Room visits were 21 over budget and increased 24 from last year.
 8. MTD Surgeries were 1 under budget and increased 8 from last year.
 9. MTD PRSC surgeries were 5 under budget and increased 1 from last year.

Mr. Martinson asked if Ms. Tate had a projection or forecast due to COVID-19. Ms. Tate replied that there will be a significant decrease due to elective procedures being cancelled. The Telehealth visits will be set up in another week in the clinics. The inpatient volume should double to triple if the COVID 19 virus takes hold in the community.

Utilization Report

- Ms. Robinett stated

1. CarePricer implementation has been pushed to go-live in May. Issues surrounding charge master formatting have created delays in loading CCH data into the product. This has now been resolved. NThrive team is in process of loading our claims and payer contract data. Once this is completed, will set up a demo with live data to CCH team. The NThrive product works great with the eligibility product also from NThrive.
2. In process of looking at vendors to change clearinghouses.
3. ED and Outpatient time of service cash collections continue to improve. Angie and her team are doing a great job.
4. Rev Spring team here working on dictionaries.
 - a. Found areas that were not built correctly and being rebuilt.
 - b. Accounts flowing to self-pay before all the insurance was billed or processed.
 - c. Look over the last year to see if accounts were erroneously in self-pay and then bring them back to secondary insurance.
5. Outsource vendor are inconsistently sending accounts to bad debt.
 - a. The lack of accounts being sent to bad debt is artificially inflating the A/R balances.
6. The decrease in work load has made it possible to bring all coding in HIM current. Anesthesia backlogs should be caught up this week.

Dr. Swift asks if there are specific regulations relating the posting of shoppable services. Ms. Robinett replies that Carepricer provides a better list of details than the CDM does. Carepricer will allow CCH to be deemed compliant with the CMS shoppable services regulation.

Dr. Swift also asks about changing the clearing house, will it cause a delay in revenue for new agreements? Ms. Robinett states that there will not be much of an impact. There will be a three month process to make sure all info is transferred over before going live.

Dr. Swift asks how much better is the old clearing house at reporting. Ms. Robinett states they are still dragging their feet and that is the reason we are looking for other clearing houses. Dr. Swift states that clearing houses do this and do it well. If not, we just keep spinning our wheels. Ms. Tate states that vendors are doing demos to make sure reporting needs are met and can consolidate all three systems into one.

Financial Report

- Financial Narrative reported by Ms. Stucker.
 1. Patient revenue over budget driven by Radiology, Lab, EMS, Oncology, Pharmacy and Maternal Child in the hospital.
 - a. We are better than Prior year comparison is better due to clean up in AR that happened last year.
- Financial Overview
 1. Payer Mix not a lot of change month to month.
 2. Medicare and HMO growing, Commercial dropping
 3. Bad Debt below budget
 4. Operating expenses about \$550k over budget driven by contract labor, lab, Cath lab, maternal child, Lasting Legacy, employee benefits.
 5. Supplies over due to lab reagents.
 6. Pharmacy expense is right on budget.
 7. Contract services driven by PFS utilizing vendors.
 8. Operating Income was more than budget by \$96k.

9. Excess Revenue over expenses was less than budget by \$15k. YTD trailing behind budget and prior year.
10. EDIBA was \$22k under budget and increased \$2M compared to last year.
11. Days cash on hand decreased by 4 to 119. Cash balances decreased by \$2.15M. \$1.5M of this was payment to the state for the annual QRA payment. We received \$3M payment in March.

2021 Proposed Capital Budget

- Reported by Ms. Tate.
 1. Proposed Capital Budget lower to recover for outlay.
 - a. The ECD is not in the Facility Plan but is in Major project line.
 - b. Major Projects are the ECD for \$4.6M and the clinic expansion
 - c. IT component based on the cyber event findings and to replace equipment that is running out of useful life.

Ms. Tate would like to propose at the Board Meeting a \$10M line of credit with First Interstate Bank in case of extended COVID-19 response. There is 123 days of cash on hand. But, if we have an extended virus stay, \$10m would cover two months expenses. Dr. Hartsaw asked about the Wyostar Account and if the Wyostar account is part of the 123 days of cash on hand. Dr. Swift states that he is in favor of having a contingency line of credit. He suggests that be moved to the Board Meeting. Mr. Martinson asked if \$10M is enough. Ms. Tate states that would give us six months when combined with our current cash amounts. If the COVID-19 response lasts more than six months than we have a bigger problem than cash flows.

Dr. Swift moved, seconded by Dr. Hartsaw, to approve the Line of Credit from First Interstate Bank. Motion carried.

Kids Clinic Update

- Reported by Ms. Tate.
 1. Approved to be moved forward to the Facilities Committee, then to the Finance Committee, and then to the Board.
 2. Recorded as a prepaid rent on the balance sheet.
 3. Dustin shared that commercial payer state employer pool, state statute that defines any school district can participate. Maybe more school districts would be participating.

Public Comment

- None

Executive Session

- None

Adjournment

Dr. Swift moved, seconded by Dr. Hartsaw to adjourn, Motion passed. The meeting adjourned at 12:54 p.m.

The next regularly scheduled Finance Committee meeting will be held on Monday April 20, 2020 at 12:00pm in the Board Room.

Carol Herrmann, Recorder