

Campbell County Health
Finance Committee
January 22, 2018

Dr. Swift called the Finance Committee meeting to order at 11:59am on Monday, January 22, 2018. The meeting was held in the Hospital Board Room.

Present:

Dr. Ian Swift, Chairman
Dr. Sara Hartsaw, Trustee
Mr. Randy Hite, Trustee
Mr. Andy Fitzgerald, Chief Executive Officer
Mr. Dalton Huber, Chief Financial Officer
Mr. Steve Crichton, Vice President of Facilities
Mr. Bill Stangl, Vice President of Physician Services
Ms. Deb Tonn, Vice President of Patient Services
Ms. Noamie Niemitalo, Vice President of Human Resources
Ms. Heather Stucker, Controller
Ms. Jonni Belden, Vice President of Continuing Health Services
Ms. Kim Johnson, Director of Health Information Management and Compliance
Ms. Shawn Reznicek, Patient Accounting Manager
Ms. Yvonne Robinett-Hoiland, Revenue Cycle Director
Ms. Ellen Rehard, Recorder

Also Present:

Dr. Attila Barabas
Ms. Karen Clarke, Community Relations Director

Excused:

Dr. Jennifer Thomas, Chief of Staff

Approval of Agenda

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

Approval of Minutes

*Motion: Dr. Hartsaw moved, seconded by Dr. Swift, to approve the minutes as presented.
Motion carried.*

Old Business

- Revenue Cycle Update
Mr. Huber introduced Yvonne Robinett-Hoiland, new Revenue Cycle Director who started on January 2, 2018.
 - PRSC – Caught up through December into January. Ms. Robinett-Hoiland added her department will be providing coding support.

- Collection Agency – Will hold monthly meetings with the Collection Agency. There have been many regulation changes. One change is the collection agency must wait 240 days before taking extraordinary collection efforts.
- Pricing Study
 - CliftonLarsonAllen provided a pricing analysis which includes comparative pricing information on market comparable hospitals including comparison by service line.

New Business

- Capital Requests

POWDER RIVER SURGERY CENTER

Arthroscopy Equipment. This request will purchase (2) replacement Arthroscopes, a System 8 drill set and various instrument trays for PRSC. The equipment and instrumentation now in use are between 5-9 years old, well past the useful life rating for such products. This request includes a Nasoseptal Repair Tray, Minor Bone Tray, Shoulder Repair Tray, Graft Preparation Tray as well as an Ankle Distractor set. Acquisition of the items in this request will provide the materials needed to maintain the high volume of diverse procedures currently performed at PRSC. The purchase of these requests will come from contingency funds.

Available

Funds: \$200,000

Total request: \$77,279

Mini C-Arm. This request will replace the 19 year old Mini C-Arm at Power River Surgery Center. The images produced by the old system are beginning to fade and will limit the procedures offered at PRSC if it is not replaced. The new Mini C-Arm is ergonomically configured for extremity surgeons so as to streamline work flow and comfort during procedures. New technology available in the requested device optimizes image quality and dose in the presence of metal object used in all procedures. The new Mini C-Arm will support higher volumes expected as our business model for the surgery center evolves.

Budget: \$80,000

Actual: \$65,065

LABORATORY

Microbiology Analyzer. We are requesting to purchase a refurbished Walkaway Plus Microbiology Analyzer replacing a micro instrument that is more than 8 years old. Computational variances due to the age of the current analyzer require extensive direct oversight by a Lab Technologists to ensure accurate results. Frequent repairs on the current analyzer have hampered through put and delayed results from the lab. The new technology in the replacement device enables simultaneous processing of conventional, rapid and specialty panels on a single, automated platform. The customizable software included in this request will automate the detection of atypical results, gage emerging

resistance and provides susceptibility testing. The Walkaway Plus system pairs well with Bruker MALDI Biotyper System now in place which will support the high volumes frequently encountered in our Lab.

Budget: \$86,500

Actual: \$54,600

PLANT OPERATIONS

Utility Pick-Up Truck. We ask to replace the primary utility truck for the Stock Trail Building used by maintenance personnel. Several vehicles will be rotated to different departments and modified as necessary to maintain service needs as the requested vehicle comes into service. A 2006 passenger van and a 2004 passenger car, each with more than 150,000 miles, will be offered as trade-in as part of the purchase of a 2018, ¾ ton, full length bed, 4x4 truck. The new truck will be used daily at Stock Trail and other areas on and off campus. The addition of the new utility truck is critical to diligent fleet management allowing Plant Operations to maximize vehicle fleet assets. The original budget was established before the actual needs for our fleet could be established. The cost difference will be taken from contingency funds.

Budget: \$12,000

Actual: \$30,425

Not to Exceed

SURGERY

Sterilization Robot. This request will purchase a high intensity ultraviolet light source to be used in sterilization of confined spaces such as operating rooms and patient rooms. The intensity of the UV radiation is sufficient to kill all types of the pathogens. The device is stationary and remotely operated to eliminate pathogens in both direct and shadowed areas. Emitted and reflected radiation are measured to assure consistent thorough disinfection during terminal cleaning tasks in sterile environments. Documentation is automatically uploaded into a data base for reporting and review.

Budget: \$100,000

Actual: \$95,295

UROLOGY

Endoscopic Video System. This request will replace the Urology Cysto equipment (video system, light source 4 flexible scopes and HD monitor) in the CCMG Urology Clinic. The current equipment is 7 years old and needs frequent maintenance to operate at optimum potential. 4 new Flex CystoNephro scopes will be purchased. New software and an enhanced light source creates a Narrow Band Imaging System designed to enhance the visibility of abnormal vascular structures. The new system can incorporate rotational movements which will enable fine manipulations. Noise reduction software algorithms in the replacement system will improve visualization in urological procedures.

Budget: \$108,688

Actual: \$95,780

From September 20, 2017 – Approved by Finance Committee

POWDER RIVER ORTHOPEDIC AND SPINE

Ultrasound Console. This request will purchase an Ultrasound to help guide needle placement for injection therapy at PROS. It is a new device, an addition to the equipment in the clinic. Recent changes to reimbursement formulas require an ultrasound image for acceptance and payment. Several thousand injections are completed annually for pain control and definitive therapies. The new Ultrasound will come with a wide band linear probe to be used primarily for superficial injections and a wide band convex probe to be used for precise deep hip, knee and shoulder injections.

Budget: \$40,000

Actual: \$37,924

*Motion: Dr. Hartsaw moved to approve the Capital Requests, seconded by Mr. Hite.
Motion carried.*

PLANT OPERATIONS

ZDEC Master Control HMI Panel. This request will furnish and replace the existing ZDEC Master Control HMI Panel with the upgraded version. Installation includes the wiring and communication interface changes. Initiates operations of the new HMI Panel with the existing switchgear system including operational testing. Add additional functionality of the new HMI panel to include a History soft-button to access the previous five-hundred (500) events and/or alarm records regardless of the acknowledged status of the event and/or alarm.

To be taken from Contingency

Actual: \$39,200

Motion: Dr. Swift moved to include the purchase of equipment with GE, seconded by Dr. Hartsaw. Motion carried.

- 2017 Audited Financial Statements
Board of Trustee members of the Finance Committee are scheduled to meet with CliftonLarsonAllen to review the 2017 audit.

Monthly Financial Report

Ms. Stucker presented the December 2017 financial data.

- Financial Narrative
 - Excess revenue over expenses YTD is -\$163,000 compared to a budget of just over \$300,000.
 - Operating revenues are \$800,000 over budget.
 - Expenses were below budget.
 - Experienced a Mill Levy increase bringing earnings before depreciation over \$3M.

- Received a QRA (qualified rate adjustment) in December which resulted in a net \$1.7M positive from deduction in revenue.
 - Inpatient admits including Behavioral Health were 11 (14.6%) under budget and 22 (-8.7%) lower than last year.
 - LLRC admits were 7 (35.0%) over budget and 6 (28.6%) higher than last year.
 - CCMH’s average daily census was 22 versus a budget of 25.
 - LLRC’s average daily census was 146 versus a budget of 151.
 - Outpatient visits were 1,998 (-13.1%) below budget and 1,244 (-8.5%) lower than last year.
 - Clinic visits were 691 (8.3%) below budget and 67 higher than last year.
 - ER visits were 104 (-5.4%) under budget and 65 (-3.5%) lower than last year.
 - Walk-In Clinic visits were 117 (5.7%) over budget but 3 (-4.2%) lower than last year.
 - Inpatient surgeries were 1 (-1.2%) under budget and 17 (-17.3%) less than last year.
 - Outpatient surgeries were 66 (17.3%) higher than budget and 36 (8.7%) higher than last year.
 - PRSC surgeries were 86 (36.1%) above budget and 21 (6.9%) more than last year.
 - December's net patient revenue was \$745k (%.2%) over budget.
 - December's bad debt and charity care were under budget \$27k (8.0% of gross revenue vs. a budget of 7.9%).
 - Operating expenses were under budget \$161k (1.0%) in December.
 - EBIDA was over budget \$1,256k in December and \$174k lower compared to a year ago.
 - December's operating loss was \$173k vs. a budgeted loss of \$962k. The operating loss is less than prior year by \$739k.
 - December had a net gain of \$1,454k vs. a budgeted gain of \$87k. Compared to prior year, the net gain is favorable by \$75k.
 - Current assets increased by \$1,486k in December, due to an increase in cash and decrease in other accounts receivable which included the tax levy receivable. Current liabilities decreased by \$59k as a result of a decrease in account payable.
 - December's accounts receivable days decreased to 64 days.
 - Days cash on hand increased to 192 in December. Cash decreased \$7M during the month.
- Discharge of Uncollectible Debt

Uncollectible Debt	
The uncollectible debt for December 2017 by category is as follows:	
Inpatient Uncollectible	\$377,046.85
ER Uncollectible	\$509,649.86
Outpatient Uncollectible	\$322,268.79
Combined Total for December 2017	\$1,208,965.50

Motion: Dr. Swift moved, seconded by Dr. Hartsaw, to approve the Uncollectible Debt for December. Motion carried.

Uncollectible Debt	
The uncollectible debt for November 2017 by category is as follows:	
Inpatient Uncollectible	\$241,566.41
ER Uncollectible	\$383,651.70
Outpatient Uncollectible	\$202,682.61
Combined Total for November 2017	\$827,900.72

Motion: Dr. Swift moved, seconded by Dr. Hartsaw, to include November Uncollectable Debt on the Board of Trustees Consent agenda. Motion carried.

Adjournment

The meeting adjourned at 12:48pm.

The next regularly scheduled Finance Committee meeting will be held on Monday, February 19, 2018 at 12:00pm in the Board Room.

Ellen Rehard, Recorder