

Campbell County Health
Finance Committee
February 19, 2018

Dr. Swift called the Finance Committee meeting to order at 11:59am on Monday, February 19, 2018. The meeting was held in the Hospital Board Room.

Present:

Dr. Ian Swift, Chairman
Dr. Sara Hartsaw, Trustee
Mr. George Dunlap, 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. Shawn Reznicek, Patient Accounting Manager
Mr. Matthew Sabus, Director, Information Systems
Ms. Karen Clarke, Director of Community Relations
Ms. Denise Yvonne

Also Present:

Ms. Perrin Stein, News Recorder

Excused:

Ms. Randy Hite, Trustee

Approval of Agenda

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

Approval of Minutes

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

Old Business

- Powder River Surgery Center Operations Overview
 - Mr. Huber presented information regarding profitability of the center through December 2017.
 - Part time coder has started.
 - Vision billing software training for primary and back up staff will be completed by end of February.

- Prospective director declined position, Recruitment continues.
- Committee requested information regarding Expenditures, Accounts Receivable and receipts by next committee meeting.

New Business

- Capital Requests

LINEN SERVICES

Large Capacity Washer Extractor.

Budget: \$33,261

Actual: \$30,339

RADIOLOGY

Mammography Software Upgrade.

Budget: \$143,310

Actual: \$49,425

PLANT OPERATIONS-BUILDING

Badge Access System.

**Pioneer Manor Remodel
Project Funds**

Total request: \$194,376.00

- Pre-Payment of Loan

2013 Debt Retirement

Analysis of proposal to pay 2013 debt

Balance of the loan as of 7/1/2018 is \$18,325,000. Interest rate on loan is 2.69%, Interest saved in the first year would be \$493,000. There are three proposed Scenarios,

- Continue with inpatient project and not retire the debt early
- Continue with inpatient project and retire the debt on 7/1/18
- Retire the debt on 7/1/18 and do nothing to the inpatient project.

Dr. Hartsaw moved to table the discussion until after the March 2018 retreat to allow administration time to prepare a proposal. Dr. Swift seconded, Mr. Dunlap opposed. Motion passed with one dissent.

Monthly Financial Report

Ms. Stucker presented the January 2018 financial data.

- Financial Narrative

- January had a net loss of \$249k vs a budgeted gain of \$85k. Compared to prior year, the net loss is unfavorable by \$1,432k Operating revenues are \$800,000 over budget.
- Expenses were below budget.
- Experienced a Mill Levy increase bringing earnings before depreciation over \$3M.
- Inpatient admits were 15 (-6.2%) under budget. Admits decreased by 11 (-4.6%) from last year.
- LLRC admits were right on budget. Admits increased by 5 (33.3%) from last year.
- CCMH's average daily census was 25.7 versus a budget of 25.4.
- LLRC's average daily census was 145 versus a budget of 151.
- Outpatient visits were 557 (-3.6%) below budget. Visits decreased by 203 (-1.4%) from last year.
- Clinic visits were 1,025 (12.3%) over budget. Visits increased from last year by 951 (11.3%).
- ER visits were 3 (-0.2%) under budget. Visits decreased by 203 (-9.5%) compared to last year.
- Walk-In Clinic visits were 581 (28.2%) over budget. Visits decreased by 64 (-2.4%) from last year.
- Inpatient surgeries were 8 (9.8%) over budget. Surgeries were the same as last year.
- Outpatient surgeries were 51 (-13.4%) under budget. Surgeries increased by 47 (16.5%) from last year.
- PRSC Surgeries were 84 (-35.3%) below budget. Surgeries increased by 1 (0.7%) from last year.
- January's net patient revenue was \$430k (3.0%) over budget.
- January's Bad Debt and Charity Care were under budget \$522k (5.9% of gross revenue vs a budget of 7.9%).
- Operating expenses were over budget \$760k (4.9%) in January.
- EBIDA was under budget \$437k in January and decreased \$1,632k compared to a year ago.
- January's operating loss was \$1,348k vs a budgeted loss of \$964k. The operating loss is more than prior year by \$1,357k
- January had a net loss of \$249k vs a budgeted gain of \$85k. Compared to prior year, the net loss is unfavorable by \$1,432k.

- Current assets increased by \$1,289k in January, due to an increase in cash and decrease in other accounts receivable. Current liabilities increased by \$1,500k as a result of a decrease in accounts payable and accrued salaries and wages.
- January's days of revenue in accounts receivable decreased to 62 days
- Days of cash on hand remained at 192 in January. Cash increased \$1M.
- Cash on Hand
 - Increased by 1M and EOM balance for January was 86M
- Point of Service Collections
 - Committee asked to see Receivable Solutions initial letter to patients
 - Staff will bring copy of letter to next meeting.
- Accounts Receivable
 - Turn around for billing processes of self-pay receivables needs to be shorter.
 - Home Medical Resources – Additional staff hours needed for billing staff to provide quicker turnaround of billing statements.
- Discharge of Uncollectible Debt
 - *Motion by Dr. Swift to change the misprinted date “August 2017” of combined total to January 2018. Dr. Hartsaw seconded, Motion passed*

Uncollectible Debt	
The uncollectible debt for January 2018 by category is as follows:	
Inpatient Uncollectible	\$522,920.92
ER Uncollectible	\$727,566.54
Outpatient Uncollectible	\$415,239.30
Combined Total for January 2018	\$1,,665,726.76

Motion: Dr. Hartsaw moved, seconded by George Dunlap to approve the Uncollectable Debt for January, Motion carried.

Streamlining Report

- *Motion by Dr. Swift to move Dashboard and Investments for a quarterly review only, Seconded by Dr. Hartsaw Motion passed unanimously.*

Adjournment

The meeting adjourned at 12:48pm.

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

Denise Yvonne, Recorder