

Campbell County Health
Finance Committee
May 21, 2018

Mr. Gerrits called the Finance Committee meeting to order at 12:00 p.m. on Monday, May 21, 2018. The meeting was held in the Hospital Board Room.

Members Present:

Mr. Adrian Gerrits, Trustee
Ms. Ronda Boller, Trustee
Mr. Randy Hite, Trustee

Member(s) Excused:

Dr. Ian Swift, Chairman
Dr. Sara Hartsaw, Trustee

Staff Members Present:

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. Heather Stucker, Controller
Ms. Jonni Belden, Vice President of Continuing Health Services
Ms. Kim Johnson, Director of Health Information Management and Compliance
Ms. Yvonne Robinett-Hoiland, Revenue Cycle Director
Ms. Colleen Heeter, Interim Executive Director PRSC
Ms. Karen Clarke, Community Relations Director
Ms. Ellen Rehard, Recorder

Also Present:

Ms. Perrin Stein, News Record

Approval of Agenda

Mr. Crichton requested PROS Front End Remodel be added to the agenda.

Ms. Boller moved, seconded by Mr. Hite, to approve the agenda as revised. Motion carried.

Approval of Minutes

Ms. Boller moved, seconded by Mr. Hite, to approve the minutes as presented. Motion carried.

Old Business

- **Debt Reduction**

The Finance Committee will revisit the debt reduction options at the July meeting to make recommendations for the July Board meeting for full Board approval.

- Revenue Cycle Update

Ms. Yvonne Robinett-Hoiland reported the following:

- In the process of changing to a different early out vendor.
- In the process of adding an additional vendor for collections.
- Combined CBO and Patient Accounting into Patient Financial Service May 2018.
- Anesthesia coding and billing moved to Meditech Acute March 2018.
- HIM absorbing clinic HIM functions as each clinic goes live with Meditech Ambulatory which will facilitate reducing coding turnaround time.
- Patient Access to create all accounts for provider non-clinic visits to ensure better visibility for charges and reimbursement.
- Combined Clinic and Hospital statements will roll out with the Meditech Ambulatory Go-Live of each clinic. Combined statements will be completed by June 30.

- Revenue year over year (update)

Review of the FY2018 April year to date revenue report was given. Revenue was broken out by division to provide a clearer picture.

- Complete Mockup Rooms

Mr. Crichton suggests going ahead with construction of the two mock up rooms as the first phase of the second floor project. This will allow CCH to get moving on the final bits of planning before starting the entire second floor construction. The risk of these rooms being a throw away is small and would help the team learn a lot. The mock up rooms are estimated to cost about \$115,000. There is currently funding for the design phase of the project that was initially approved and has a remaining balance of \$859,896. The mock up rooms are the last LDRP room and the first Post-Partum room which are the same size as the med/surg rooms. The mock up rooms will help in the event any necessary modifications need to be made in the project plans in advance of beginning full scale construction and can help to best inform the project planning team of any changes that need to be incorporated into the final design.

Ms. Boller moved, seconded by Mr. Hite, to approve construction of the mock up rooms to go to the full Board for approval.

New Business

- PROS front end remodeling

Mr. Crichton proposes to get started on the PROS waiting room/reception. This project is on the capital project list for 2019, but he suggests going forward with it now to be completed before the Meditech implementation. Dr. Kioschos and Ms. Michelle Mordecai are both comfortable with the check in/check out stations to be modeled after the main clinic set up. Mr. Fitzgerald will meet with Mr. Stangl and Mr. Crichton to determine if this model will require additional FTE's.

Mr. Hite moved, seconded by Ms. Boller, to approve the capital expenditure project PROS check in/check out remodel in an amount not to exceed \$97,700 to go to the full Board for approval.

- **Budget Assumptions**

Mr. Huber proposed the following budget assumptions:

- EBIDA – 12%
- Volume consistent with 2018
- Price increase 5% - Legacy price increase 3%
- Overall salary increase of 3%
- Health insurance premium increase to reflect actual cost
- General inflation of 2% - 3%
- Adding contract pharmacies

Monthly Financial Report

Ms. Stucker presented the April 2018 financial data.

- **Financial Narrative**

- Excess revenues over expenses YTD is -\$1.65M, \$1.5M off budget YTD.
- Operating revenues are \$500,000 under budget.
- Expenses were \$172,000 over budget.
- Excess revenues over expenses -\$582,000.
- EBIDA Margin YTD 9.76%, budget at 12%.
- Inpatient admits including Behavioral Health were 32 (-13.7%) under budget and decreased by 1 (-.05%) from last year.
- Legacy Living Rehabilitation Center admits were 1 (-5.0%) under budget and increased by 11 (137.5%) from last year.
- CCMH's average daily census was 22 versus a budget of 25.
- Legacy average daily census was 146 versus a budget of 151.
- Outpatient visits were 386 (-2.6%) under budget and increased by 251 (1.8%) from last year.
- Clinic visits were 179 (-2.2%) under budget and increased from last year by 1,005 (14.5%).
- ER visits were 121 (-6.5%) under budget and decreased by 108 (15.8%) compared to last year.
- Walk-In Clinic visits were 29 (1.5%) over budget and increased by 100 (5.2%) from last year.
- Inpatient surgeries were 9 (-11.4%) under budget and decreased by 8 (-10.3%) from last year.
- Outpatient surgeries were 97 (-26.2%) under budget and decreased by 75 (-21.6%) from last year.
- PRSC surgeries were 82 (-35.7%) under budget and decreased by 63 (-29.9%) from last year.
- April's net patient revenue was \$613k (-4.5) under budget.
- April's bad debt and charity care were under budget \$260k (7.3% of gross revenue vs a budget of 7.9%).
- April's operating expenses were \$174k (1.1%) over budget.

- April's EBIDA 2as \$702k under budget and decreased \$1,320k compared to a year ago.
 - April's operating loss was \$1,725k vs a budgeted loss of \$1,063k. The operating loss is more than prior year by \$1,048k.
 - April had a net loss of \$583k vs a budgeted loss of \$15k. The net loss is more than prior year by \$1,156k.
 - Current assets decreased by \$1k in April, due to a decrease in cash and increase in other receivables. Current liabilities increased by \$1451k as a result of an increase in accrued salaries and wages and accounts payable.
 - April's accounts receivable days increased to 70 days.
 - Days cash on hand decreased to 169 in April. Cash decreased \$2M.
- Discharge of Uncollectible Debt

Uncollectible Debt	
The uncollectible debt for April 2018 by category is as follows	
Inpatient Uncollectible	\$26,745.40
ER Uncollectible	\$120,162.21
Outpatient Uncollectible	\$82,035.65
Combined Total for April 2018	\$228,943.26

Motion: Mr. Hite moved, seconded by Ms. Boller, to approve the Uncollectable Debt for April 2018. Motion carried.

Adjournment

The meeting adjourned at 1:19 p.m.

The next regularly scheduled Finance Committee meeting will be held on Monday, June 25, 2018 at 12:00 pm in the Board Room.

Ellen Rehard, Recorder