

Campbell County Health  
Finance Committee  
June 25, 2018

Dr. Swift called the Finance Committee meeting to order at 12:01 PM on Monday, June 25, 2018. The meeting was held in the Hospital Board Room.

**Members Present:**

Dr. Ian Swift, Chairman  
Dr. Sara Hartsaw, Trustee  
Mr. Adrian Geritts, Trustee

**Staff Members Present:**

Mr. Andy Fitzgerald, Chief Executive Officer  
Mr. Dalton Huber, Chief Financial Officer  
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. Denise Yvonne, Recorder

**Also Present:**

Ms. Perrin Stein-News Record

**Approval of Agenda**

Mr. Huber requested to remove the Revenue Summary from the agenda as this information is presented annually.

*Mr. Geritts moved, seconded by Dr. Swift, to approve the agenda as revised. Motion carried.*

**Approval of Minutes**

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

**Old Business**

None

**New Business**

- Budget Update
  - Staff developed three (3) scenarios at 5%, 6% and, 7% for a charge increase. This means about .5% of EBIDA increase per percentage about \$1M. 1% generated equals \$1M/1% of net revenue. The projections include each scenario (5%, 6% and 7%) for the entire establishment including the Legacy. Budget assumptions are conservative and do not include any possible tax revenue increase or settlements.

- There was a question about the Legacy's average daily census being lower than capacity and if it was due to staff shortages. Ms. Belden explained that the census does not include incoming or outgoing residents that are in the process of admittance or discharge. The Legacy has a waiting list to fill any vacancies.
- Accounting for Bad Debt
  - The current process will not change. The timing of when the finance committee will be asked to move bad debt to the collection agency will change. Starting July 2018, the Committee will consider the request to transfer the bad debt obligation from CCH to the Collection Agency. This transfer will only occur after all normal collection means by CCH have been exhausted. Currently approval is obtained when the collection agency returns the remaining uncollected debt. This process does not remove the patients' obligation to pay but is only a change in timing. of releasing the debt to the collection agency. July may have two requests for the committee, one that asks to release the transfer of debt to the collection agency and one request for discharge of the debt upon return from the collection agency.
  - Committee members asked for information regarding the July requests.
- No Capitol Requests

### **Monthly Financial Report**

Ms. Stucker presented the May 2018 financial data.

- Financial Narrative
  - Excess revenues over expenses YTD is -\$1.1M, \$345K YTD.
  - Operating revenues are \$488K over budget.
  - Expenses were \$169K over budget.
  - Excess revenues over expenses \$431K.
  - EBIDA Margin YTD just over 10%, budget at 13.6% for the month.
  - Inpatient admits including Behavioral Health were 5 (-2.1%) under budget and increased 23 (10.8%) from last year.
  - Legacy Living Rehabilitation Center admits were 4 (20%) over budget and increased by 11 (84.6%) from last year.
  - CCMH's average daily census was 27 versus a budget of 25.
  - Legacy average daily census was 149 versus a budget of 151.
  - Outpatient visits were 1,265 (-8.3%) under budget and decreased by 939 (-6.3%) from last year.
  - Clinic visits were 1,160 (-13.9%) under budget and decreased from last year by 643 (-8.2%).
  - ER visits were 26 (-1.3%) under budget and decreased by 56 (-2.9%) compared to last year.
  - Walk-In Clinic visits were 10 (-0.5%) under budget and increased by 78 (4.0%) from last year.
  - Inpatient surgeries were 8 (-9.8%) under budget and increased by 7 (10.4%) from last year.
  - Outpatient surgeries were 82 (-21.5%) under budget and decreased by 66 (-18.0%) from last year.

- PRSC surgeries were 117 (-49.2%) under budget and decreased by 80 (-39.8%) from last year.
  - May’s net patient revenue was \$420K (3.0%) over budget.
  - May’s bad debt and charity care were under budget \$1.07K (-4.3% of gross revenue vs a budget of 7.9%).
  - May’s operating expenses were \$168K (1.1%) over budget.
  - May’s EBIDA was \$279K above budget and increased \$233K compared to a year ago.
  - May’s Operating loss was \$643K vs a budgeted loss of \$962K. The operating loss is less than prior year by \$511K.
  - May had a net gain of \$518K vs a budgeted gain of \$87K. The net gain is more than prior year by \$547K.
  - May’s accounts receivable days increased to 73 days.
  - Days cash on hand remain at 169 in May. Cash increased \$1M.
- Discharge of Uncollectible Debt

| <b>Uncollectible Debt</b>                                     |                     |
|---------------------------------------------------------------|---------------------|
| The uncollectible debt for May 2018 by category is as follows |                     |
| Inpatient Uncollectible                                       | \$25,701.71         |
| ER Uncollectible                                              | \$ 95,018.15        |
| Outpatient Uncollectible                                      | \$69,013.57         |
| <b>Combined Total for May 2018</b>                            | <b>\$189,733.43</b> |

*Dr. Hartsaw moved, seconded by Mr. Geritts, to approve the Uncollectable Debt for May 2018, Motion carried.*

**Adjournment**

*Dr. Swift moved to adjourn, seconded by Dr. Hartsaw, motion carried. The meeting adjourned at 12:38 p.m.*

The next regularly scheduled Finance Committee meeting will be held on Monday, July 16, 2018 at 12:00pm in the Board Room.

Denise Yvonne, Recorder