

**Campbell County Health  
Finance Committee  
December 5, 2016**

Dr. Swift called the Finance Committee meeting to order at 12:00 p.m. on Monday, December 5, 2016. The meeting was held in the Hospital Board Room.

**Present:**

Dr. Ian Swift, Interim Treasurer  
Mr. Mike Dugan, Trustee  
Mr. George Dunlap, Trustee  
Mr. Dalton Huber, Chief Financial Officer  
Mr. Andy Fitzgerald, Chief Executive Officer  
Ms. Deb Tonn, Vice President of Patient Services  
Mr. Steve Crichton, Vice President of Facilities  
Ms. Karen Clarke, Director of Community Relations  
Ms. Kim Johnson, Director of Health Information Management and Compliance  
Ms. Kathy Brown, News Record  
Ms. Heather Stucker, Controller  
Ms. Missy Polonicic, Director of Patient Accounts  
Ms. Wendy Kaufman, Recorder

**Excused:**

Mr. Bill Stangl, Vice President of Physician Services

**Guest:**

Mr. Jerry Means

**Approval of Minutes:**

**ACTION:** Mr. Dunlap moved, seconded by Mr. Dugan, to approve the minutes of the October 24, 2016 meeting. Motion carried.

**OLD BUSINESS**

- **Refinancing Bonds:** Mr. John Henningsgard with Piper Jaffray called in to the meeting with an update on refinancing the Series 2009 Bonds. Mr. Henningsgard solicited many community banks and other investors for proposals. The balance on the bonds is approximately \$41,000,000. This is a very large amount for any one bank to refinance the full amount. Received a proposal from NBH Bank to finance \$15,000,000 of the full amount, and Texas Capital Bank has proposed to refinance the remaining amount. Plan is to allow Texas Capital Bank to go forward with preparation as the lead financier, monitor the market and interest rates into the New Year, and revisit this at the next Finance Meeting in January.

**NEW BUSINESS**

- **Point of Service Collections:** Ms. Polonicic presented the current process of point of service collections with a proposal for change. Current process is to collect copays in the ER at time

of discharge and to collect a flat rate deposit on high-dollar radiology testing. Collection average is \$15,000 per month. Recommendations for improvement include pre-registering patients by telephone, giving the option to pay then or at time of service, expanding the flat rate deposit to include scheduled procedures, and to implement price estimator software. This software will combine claims data for cost estimation, patient eligibility for remaining coinsurance and deductible amounts and specific payer contracts to calculate out-of-pocket responsibility.

- **Compliance:** Ms. Johnson reported that there have been no calls to the compliance hotline. Continues to work on OIG work plan with different departments.

### **CAPITAL REQUESTS**

- **Replacement Urinalysis Machine – Laboratory:** This request will replace the current UA instrument which is 4 years past useful life designation and will not be supported by the manufacturer after 1/1/17. Not originally planned for replacement in this FY, the current device is now a priority for replacement due to maintenance issues. The scheduled hematology analyzer purchase will be scaled back or cancelled to divert the funds to purchase the new UA instrument. The new instrument is the device of choice with auto verify functionality and additional testing capabilities to streamline the workflow in the lab. Turnaround time for UAs will decrease.

**Budget: \$184,918**

**Actual: \$125,700**

- **GI Endoscope Replacement – Surgery:** This purchase request will replace 9 GI endoscopes of various types for use in Surgery. Extensive trials have been conducted to choose the products in this request. The chosen scopes have a wider field of vision and can integrate with our ProVation OR documentation system.

**Budget: \$ 531,000**

**Actual: \$475,426**

- **Endoscope Washer – Surgery:** This request will replace the primary scope washer in CS which is under FDA alert and staged for recall from the market. The selected washer was chosen in part because it is compatible with the new fleet of GI scopes. Fewer repairs and reprocessing will result from the purchase of the new device.

**Budget: \$69,000**

**Actual: \$55,545**

- **System Back Up Hardware – Information Systems:** This purchase request will replace the existing backup tape library and routing server in our network with new hardware. A powerful routing server and redundant tape libraries will replace and mirror the current equipment. The existing hardware is more than 5 years old and is scheduled for an upgrade to prevent the loss of data if a catastrophic outage occurs on the network.

**Budget: \$59,917**

**Actual: \$ 53,112**

**ACTION:** Mr. Dugan moved, seconded by Mr. Dunlap to approve the capital requests, **excluding the GI Endoscope Replacement**, as presented. Motion carried. The GI Endoscope Replacement will be held until January.

### **OCTOBER 2016 FINANCIAL PRESENTATION**

Mr. Huber presented the October 2016 financial data.

- Inpatient admits 51 under budget.
- Legacy admits 3 below budget and decreased 10 compared to previous year.
- Total average daily census 22 versus a budget of 26.
- Legacy average daily census 116 versus a budget of 127.
- Outpatient visits 1,183 below budget.
- Clinic visits 1,051 under budget.
- ER visits 194 under budget and 153 below a year ago.
- Walk-In Clinic visits 228 under budget and 334 below the level of a year ago.
- Total surgeries 63 over budget and increased by 75 compared to a year ago.
- Net patient revenue \$1,560,000 under budget.
- Bad debt and charity care under budget \$114,000.
- Operating expenses over budget \$79,000.
- EBIDA under budget \$1,725,000.
- Operating loss \$2,720,000 versus a budgeted loss of \$1,069,000.
- Net loss \$1,459,000 versus a budgeted gain of \$127,000.
- Current assets decreased by \$368,000 due to decreases in cash and net patient receivables. Current liabilities showed a decrease of \$639,000 as a result of a decrease in accounts payable.
- Accounts receivable days decreased by 4 for a total of 77.
- Days cash on hand decreased by 7 to 167 in October. Cash decreased by \$3,080,000.

### **DISCHARGE OF UNCOLLECTIBLE DEBT**

The uncollectible debt for October 2016 by category is as follows:

<b>INPATIENT UNCOLLECTIBLE</b>	\$ 261,834.47
<b>ER UNCOLLECTIBLE</b>	\$ 302,047.11
<b>OUTPATIENT UNCOLLECTIBLE</b>	<u>\$ 177,226.40</u>
<b>COMBINED TOTAL FOR AUGUST 2016</b>	<b>\$ 741,107.98</b>

**ACTION:** Mr. Dugan moved, seconded by Mr. Dunlap, to discharge the October 2016 uncollectible debt in the amount of **\$741,107.98**. Motion carried.

### **INVESTMENTS**

There were no investments in the month of October.

**PUBLIC COMMENTS**

Mr. Means expressed his concerns regarding profitability versus money spent on upgrades/improvements within the organization, especially in the current economy.

**ADJOURNMENT**

The meeting adjourned at 1:19 p.m.

The next regularly scheduled Finance Committee meeting will be held on January 23, 2017 at 12:00 p.m.