

**Campbell County Health
Finance Committee
September 26, 2016**

Dr. Alan Mitchell called the Finance Committee meeting to order at 12:00 p.m. on Monday, September 26, 2016. The meeting was held in the Hospital Board Room.

Present:

Dr. Alan Mitchell, Chair
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
Mr. Doug Montgomery, Interim Controller
Ms. Karen Clarke, Director of Community Relations
Ms. Kim Johnson, Director of Health Information Management and Compliance
Ms. Wendy Kaufman, Recorder

Excused:

Dr. Lowell Amiotte, Chief of Staff

Guest:

Mr. Tom Linden

Approval of Agenda:

ACTION: Mr. Dunlap moved, seconded by Mr. Dugan, to approve the agenda. Motion carried.

Approval of Minutes:

ACTION: Mr. Dunlap moved, seconded by Mr. Dugan, to approve the minutes of the August 22, 2016 Finance Committee meeting. Motion carried.

OLD BUSINESS

- **Refinancing Bonds:** Mr. Huber reported that Piper Jaffray is in the process of preparing a list of prospective banks to provide refinancing for the 2009 bonds to obtain a lower interest rate. The interest rate now is over 5%. With refinancing, the interest rate would be approximately 3%. The savings would be \$300,000 per year.

NEW BUSINESS

- **Compliance:** Compliance is working on the Office of Inspector General (OIG) work plan changes. On October 1, 2016 all of the Safe Harbor nonspecific codes will expire, which could affect payment considerably. Mr. Dugan questioned what education is provided to the coders internally. Certified coders are required to maintain 13-18 continuing education units (CEUs) per year. Coders are also given audio seminars and sent to Casper once a year for coding training. They also utilize a software program called 3M, which is updated quarterly to ensure the most up-to-date information is being used to code the accounts. Ms. Johnson is also preparing to do an audit on provider contracts regarding compliance.

- **Update on Controller Search** – Mr. Huber announced that an offer was made for the controller position to Ms. Heather Stucker who accepted. Ms. Stucker spent six years at Wyoming Medical Center as a Budget Director and will be joining CCH on October 31, 2016.

CAPITAL REQUESTS

ECG Management System – Cardiac Clinic. This request will purchase hardware, software and training for a comprehensive system to track and follow up with patients in our Cardiology Clinic. Extracting data and trending critical patient information is difficult in MT. This is a dedicated Philips system used in cardiac practices which can be customized to meet the needs of our caregivers and patients.

Budget: \$143,578

Actual: \$113,377

Replacement Monitors – Anesthesia. This purchase will replace the cardiorespiratory monitors on 2 anesthesia machines. The current monitors are past end of life which means the manufacturer no longer actively supports the model and parts are not available. One device recently failed and cannot be repaired. The new monitors will be standardized to Philips for better long-term management of the hardware.

Budget: \$40,000

Actual: \$36,494

Powered Stretcher Loading System – Emergency Medical Services. This purchase will retrofit a stretcher boom loader and securement system for 3 primary rigs in the fleet. The load capacity is 600 pounds which is enough to load and secure all but the largest of bariatric patients. The installation will help to prevent employee injuries and reduce the reliance on back up crews from PD, FD and SO to help load bariatric patients for transport.

Budget: \$122,454

Actual: \$100,077

Breast Biopsy Machine - Radiology. This will replace an outdated biopsy device with new technology and software. The replacement biopsy machine will have increased accuracy augmenting our Siemens stereotactic imaging functionality. The new biopsy machine uses gentle suction to assist in retrieving samples reducing patient discomfort associated with invasive procedures. An upgrade interface for use with stereotactic imaging tables will take us slightly over budget.

Budget: \$34,734

Actual: \$38,786

*** Difference will be taken from Administrative Contingency***

Replacement MOSAIQ Server3 – Radiation Oncology. This request will replace 3 modeling and therapy servers attached to the linear accelerator in Radiation Oncology. The servers are used to map therapy and doses for patients. Software upgrades and better modeling tools necessitate this upgrade to maintain current advanced therapies benefitting our patients.

Budget: \$63,123

Actual: \$45,807

ACTION: Dr. Alan Mitchell declared a conflict and did not vote on the capital requests. Mr. Dugan moved, seconded by Mr. Dunlap, to approve the capital requests as presented. Motion carried.

AUGUST 2016 FINANCIAL PRESENTATION

Mr. Huber presented the August 2016 financial data.

- Under budget on both revenue and expense for August.
- Inpatient admits under budget at 236 compared to a budget of 253.
- Pioneer Manor admits 19 compared to a budget of 16.
- Total average daily census in hospital is 24 versus a budget of 26.
- Average daily census for Pioneer Manor 119 versus a budget of 127.
- Outpatient visits 207 under budget. Compared to prior year, down 741 visits.
- Clinic visits 705 under budget and 765 lower than last year.
- Emergency Room visits 49 under budget and 63 below a year ago.
- Walk-In Clinic visits 318 under budget and 225 below the level of a year ago.
- Total surgeries 77 over budget and 110 higher than August 2015.
- Net patient revenue \$192,000 short of budget.
- Bad debt and charity care under budget \$673,000.
- Operating expenses under budget \$694,000.
- EBIDA over budget \$447,000. EBIDA increased \$388,000 compared to a year ago.
- Operating loss \$528,000 versus a budget loss of \$1,069,000.
- Net gain \$663,000 versus budgeted gain of \$150,000.
- Current assets increased by \$4,272,000 due to increases in cash.
- Accounts receivable days decreased by 4 for a total of 80.
- Days cash on hand increased by 4 to 183. Cash increased by \$1,838,000.

DISCHARGE OF UNCOLLECTIBLE DEBT

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

INPATIENT UNCOLLECTIBLE	\$ 305,307.49
ER UNCOLLECTIBLE	\$ 290,584.41
OUTPATIENT UNCOLLECTIBLE	<u>\$ 218,892.05</u>
COMBINED TOTAL FOR AUGUST 2016	\$ 814,783.95

ACTION: Mr. Dunlap moved, seconded by Mr. Dugan, to discharge the August 2016 uncollectible debt in the amount of \$814,783.95. Motion carried.

INVESTMENTS

There was \$2,500,000 transferred from Fund Depreciation to operating account for capital expenditures.

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

ACTION: Mr. Dunlap moved, seconded by Mr. Dugan to adjourn the meeting at 12:46 p.m. Motion carried.

The next regularly scheduled Finance Committee meeting will be held on October 24, 2016 at 12:00 p.m.