

Campbell County Health
Finance Committee
February 22, 2016

Dr. Alan Mitchell called the Finance Committee meeting to order at 12:03 p.m. on Monday, February 22, 2016. The meeting was held in the Hospital Board Room.

Present:

Dr. Alan Mitchell, Chairman
Mr. Andy Fitzgerald, Chief Executive Officer
Mr. Dalton Huber, Chief Financial Officer
Mr. George Dunlap, Trustee
Mr. Mike Dugan, Trustee
Ms. Deb Tonn, Vice President of Patient Services
Ms. Karen Clarke, Director of Community Relations

Excused:

Mr. Randy Hite, Trustee
Dr. Lowell Amiotte, Chief of Staff
Ms. Kim Johnson, Director of Health Information and Management and Compliance

Approval of Agenda:

Mr. Dunlap added "Request for Information" to be presented as an item of New Business after Compliance. Mr. Huber added "Fire Sprinkler Upgrade" as an item of New Business in the Capital Request section, to be presented after the Request for Information.

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

Approval of Minutes:

ACTION: Mr. Dugan moved, seconded by Mr. Dunlap, to approve the minutes of the January 27, 2016 meeting. Motion carried.

OLD BUSINESS

No old business was presented.

NEW BUSINESS

- **Banking:** Banking Services Request for Proposal Policy will be presented to Board at-large to put forth in motion.
- **Sponsorship for Not-For-Profit:** Administration will obtain prior approval from the Board Chairman prior to making any monetary commitment. When such commitments are made in accordance with this policy, Administration will report the action at the next regularly scheduled Finance Committee meeting for informational purposes.

ACTION: Mr. Dugan moved, seconded by Mr. Dunlap, to accept changes to banking services and for Sponsorship for Not-For-Profit Programs, seconded by Mr. Dunlap. Motion carried.

- **Compliance:**
Kim Johnson was not present.

- **Request for information:**
- Cost of EICU is \$144,000 per year was discussed, which essentially provides a second set of eyes. E-Pharmacy costs are unknown but Ms. Tonn will obtain this. Several telemedicine sources are used such as Fast-Psych and Tele-Psych. Discussion ensued about access to specialists that are not on site. There is always a hospitalist on site, either locums or regularly employed. Mr. Dunlap asks about the laser and other equipment staying with hospital after Dr. Swift leaves. Pricing at fair market value will be done on same equipment and offer will be made accordingly. If Dr. Swift does not choose to purchase the equipment, the hospital will keep it. Dr. Swift will take over the lease of the space and pay the unamortized portion of remodeling, which will be added to the value of the lease or will be paid back to hospital.
- Discussed OB clinic and Dr. Biggs' departure.
- Dr. Mitchell requests information from Mr. Huber regarding the possibility of discontinuing service lines, restricting or curtailing service lines and concerns about budgets and future economy issues. Dr. Mitchell requests an itemized, clinic by clinic financial analysis of what true costs of service lines are, including clerical staff, nurses, supplies, charges, collections, etc. Mr. Huber will bring a clinic analysis to the Board Meeting on Thursday, February 25, 2016. Billing at Outpatient Surgery Center discussion ensued. There are still issues with billing through the clearinghouse and Meditech. IS is trying to get Meditech to resolve these issues. Meditech's response to these issues is near poor. CPOE usage looks much better with building order sets and documentation templates to help the physicians. Cornerstone representatives are on site for the physician side. Mr. Huber will talk to Meditech at a higher level regarding backlogged claims that were billed but not collected for January, 2016.

CAPITAL REQUESTS

- **Sprinkler System Update – Plant Operations:** Sheldon Murray requests update on sprinkler system due to a code issue of too much pressure in standpipes feeding the fire system to include installing pressure reduction valves and backflow preventers. This will be put out for bid by Plant Operations and is in the 2016 budget.

Budget: \$168,000

Actual: \$168,000

Not to exceed

- **Perinatal documentation System Upgrade – Information Systems.** This request will purchase a perpetual license and implementation services for an interface between Centricity and Meditech. The real time interface will show orders and other important documentation in Centricity while care givers are using the Meditech EMR. All server hardware, software OS and professional services are included in this request.

Budget: \$32,910

Actual: \$29,012

- **Telemetry Access Points – Biomedical Engineering.** This request will add 18 access point antennas to increase coverage for telemetry patients coming from the Emergency Department going to surgery. The current foot print for coverage on telemetry patients ends at the old Radiology Department boundary. This creates a considerable time line during transport where physiological monitoring is not fed directly into the EMR. Adding the telemetry coverage will maintain a constant feed of vital sign and cardiac rhythm data to the EMR.

Budget: \$156,477

Actual: \$146,422

- **Central Monitoring System Upgrade - Nursing Administration** This project will replace, upgrade and centralize server hardware in (4) Philips iX central monitoring stations. Separate Emergency Care, ICU, OSTs and PACU stations will be upgraded and placed within the IS Data Center. New server hardware and Windows 7 operating systems will replace existing processors running on Windows XP. In 2015 Philips announced Windows XP will not be supported after 5/1/16.

Budget: \$139,687

Actual: \$103,015

- **Infant Warming System – Maternal Child Services**. This will purchase a replacement infant warmer for Level 2 Nursery. The current warmer is more than 10 years old and has required extensive maintenance to remain in service. The new warmer will standardize equipment and provide a superior environment for the care and healing of newborn patients. The original capital request has been scaled back to meet our immediate needs while maintaining a high standard of care for newborns.

Budget: \$101,295

Actual: \$43,598

ACTION: Mr. Dunlap moved, seconded by Mr. Dugan, to approve the capital requests as presented. Motion carried.

JANUARY 2016 FINANCIAL PRESENTATION

Mr. Huber presented the January financial report.

- Inpatient admissions were under budget at 234, which is 41 below last year.
- Pioneer Manor admissions were on track.
- The hospital's average daily census is at 23 and budget was 28.
- Pioneer Manor's average daily census has been busier than budget at 116 compared to a budget of 113.
- Outpatient visits are 9.5% below budget.
- Clinic visits are 13.7% under budget due to budgeting for midlevel positions that have not been filled.
- Emergency Room visits are 9.7% under budget.
- Walk-In Clinic is 11.7% under budget.
- Surgery is 1.4% under budget. Orthopedic surgeries are up 40%. Supply expense in Surgery has been up significantly, as has revenue.
- Inpatient revenue is 8.1% under budget. Powder River Surgical Center revenues are not included, as Ms. Long did not have good data to make an estimate.
- Bad debt and charity care were over budget 9.2% of gross revenue versus a budget of 7.8%.
- Operating expenses are 4.3% under budget.
- Health insurance and contract labor is over budget. Hiring nursing assistants will help this greatly with contract labor costs.
- Operating loss was \$1,488,000 vs. a budgeted loss of \$789,000. YTD operating loss is \$8,892,000 vs. a budget of \$4,478,000. Operating loss has increased \$6,055,000 compared to prior year.
- EBIDA was \$706,000 under budget.

Balance Sheet

Current assets increased by \$6,713,000 due to a transfer of operating cash and an increase in patient accounts receivable. Current liabilities showed a decrease of \$2,224,000 as a result.

Accounts Receivable Days

Days of revenue and receivables spiked from last month to this month. In the next couple of months this is going to start coming down. Insurance companies are being billed, but this was backlogged.

Days Cash On Hand

Days cash on hand is decreased by 13 to 200 in January.

Discussion: Mr. Huber states that there are some meaningful funds from Medicare and Medicaid, but have not been collected as of yet. It will be approximately 70% of \$1,000,000.

Discussion: Mr. Dunlap requests a weekly finance update, to which Mr. Huber agrees.

DISCHARGE OF UNCOLLECTIBLE DEBT

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

INPATIENT UNCOLLECTIBLE	\$ 223,115.26
ER UNCOLLECTIBLE	\$ 232,842.32
OUTPATIENT UNCOLLECTIBLE	<u>\$ 106,994.54</u>
COMBINED TOTAL FOR JANUARY 2016	\$ 562,952.12

ACTION: Mr. Dugan moved, seconded by Mr. Dunlap, to discharge the January 2016 uncollectible debt in the amount of \$562,952.12. Motion carried.

INVESTMENTS

The investments were unchanged in January 2016.

Public Comment

There were no public comments.

Adjournment

The meeting adjourned at 12:51 p.m. The next regularly scheduled Finance Committee meeting will be held on Monday, March 21, 2016 at 12:00 p.m. in the Board Room.

Wendy Kaufman,
Recorder