

Campbell County Health
Finance Committee
April 21, 2015

Dr. Mitchell called the Finance Committee meeting to order at 12:04p.m. on Tuesday April 21, 2015. The meeting was held in the Hospital Boardroom.

Present:

Dr. Alan Mitchell, Chairman
Dr. Randy Hite, Trustee
Dr. Mike Dugan, Trustee
Dr. Lowell Amiotte, Chief of Staff
Mr. Andy Fitzgerald, CEO
Mr. Dalton Huber, CFO
Mr. Carl Sorensen, Vice President of Facilities
Ms. Nancy Long, Controller
Ms. Karen Clarke, Director Community Relations
Ms. Nachele McGrath, CCHCH Director
Ms. Jessica Fenner, Recorder

Excused:

Ms. Deb Tonn, VP Patient Care Services
Ms. Kim Johnson, Director Health Information Management and Compliance

Approval of Agenda:

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

Approval of Minutes:

ACTION: Mr. Dugan moved, seconded by Mr. Hite, to approve the minutes of the March 24, 2015, Finance Committee meeting. Motion carried.

OLD BUSINESS:

- **PET/CT Scanner:** Dr. Mitchell said at the last CCH Board of Trustees meeting, Mr. Jackson brought forward a proposal from the Healthcare Foundation to development a committee to research fundraising ideas. Dr. Mitchell would like to make a motion, subject to Board approval, that a letter be sent to the Healthcare Foundation in full support of the development of a committee composed of unbiased, open-minded persons.

ACTION: Dr. Mitchell moved, seconded by Mr. Dugan to send a letter to the Healthcare Foundation in full support of the development of a committee composed of unbiased, open-minded persons to research and recommend fundraising projects that will benefit the whole community. This will be taken to the full Board for approval. Motion carried.

Discussion: Mr. Hite asked Ms. McGrath if there has been any discussion regarding the committee on the Healthcare Foundation side. Ms. McGrath initially thought there had not been a discussion since the original conversation but Mr. Fitzgerald stated there had been a general discussion at the last Healthcare Foundation meeting but not related directly to the PET/CT Scanner. Ms. McGrath stated the Healthcare

Foundation was not looking for any approval, they just wanted to make sure the Healthcare Foundation and the CCH Board of Trustees were aligned in their 3-5 year Strategic Plans.

- After further discussion regarding the purchase of a new PET/CT Scanner, Dr. Mitchell made a motion to table the decision until the subcommittee has met and provided recommendations.

ACTION: Dr. Mitchell made a motion seconded by Mr. Hite to table the purchase of a PET/CT Scanner until after the subcommittee provides recommendations. Motion carried.

Discussion: Ms. McGrath stated that the Healthcare Foundation has already collected \$40,000 in donations. She is wondering what she should tell her donors. Mr. Hite told Ms. McGrath to tell her donors that CCH is trying to make an informed decision.

NEW BUSINESS:

- **Compliance Report:** Ms. Johnson is not in attendance today. Mr. Huber stated he does not have anything to report.
- **Preliminary Fiscal Year 2016 Capital Budget:** Mr. Huber presented the FY 2016 Proposed Capital Budget. There are items that are still pending; the total amount of \$80,181,452 is worst case scenario. Mr. Huber explained what some of the items requested are for.
 - The Operating Room will be updating some video equipment in the amount of \$435,464.20.
 - Medical Oncology is updating their interface allowing their instruments to be linked to Meditech. This is in the amount of \$289,680.
 - Replacement items for departments are budgeted.
 - Radiology is requesting \$132,000 for a portable X-RAY system.
 - Information Systems will be updating 500 computers with new hardware and license for the virtual desktop. This is in the amount of \$500,000.
 - Pioneer Manor is replacing their beds in the amount of \$151,873.00 and looking to purchase a new truck and snow plow for \$34,947.63. These items will be for Legacy.
 - Failed items totaling \$4519, 269.48 were listed. Mr. Huber said if there is anything on the failed list that needs to be re-examined the Board can definitely do that.
 - Mr. Huber stated they are waiting on more information on the pending Capital Requests for the amount of \$1,534,000. When that information is received, recommendations will be made.
- **Facility Plan FY 2016:** Mr. Sorensen presented the Facility Plan FY 2016 budget. Mr. Sorensen said that if the item does not carry over into the last column of the report, it is failed. Items on the report include constructing a new parking garage for \$8,700,000, remodeling the Environmental Services Laundry for \$665,430 and building a new laundry service at Legacy in the amount of \$542,000.
 - Mr. Sorensen said the amount for the parking garage structure is high; Each parking stall costs approximately \$24,000. to \$26,000 to construct.
 - Mr. Sorensen explained that Patient Satisfaction scores have increased regarding the Pioneer Manor laundry service. They currently have two washers, two dryers and one full time employee doing all of the laundry. Resident's clothes are not getting lost, if a label falls off of an article of clothing, the employee can identify which resident the clothing belongs to. Mr. Huber stated this may require additional discussion; he is

concerned with remodeling CCH's laundry service and building a new laundry for Legacy. Mr. Sorensen explained that personnel laundry would be done at Legacy while bedding, towels, ect would still come back to CCH's laundry.

CAPITAL REQUESTS:

- **PCA Infusion Pumps for Anesthesia.** This request will replace 12 GemStar PCA pumps purchased in 2008 and increase the total number of PCA devices. Hospira, the manufacturer of the GemStar pumps, will discontinue the GemStar line in April of 2015. Parts and support will no longer be available after that time. The fleet of PCA pumps will be expanded to 16 units for use by L&D, OSTS/PACU and Oncology. The pumps have several safety features which will provide optimal care and improve pain control for our patients.

Budget: \$59,520

Actual: \$59,520

- **Barcode Readers for Maternal Child.** This request will purchase 26 barcode readers to be placed at each bedside in OB, L&D and Nursery. Currently readers are carried room to room and stored in a central location. Several readers have been dropped and broken while transporting creating a shortage which delays documentation and requests for pain relief. The proposed barcode readers will be standardized to match the devices now in use by other departments. A price increase will take us slightly over budget.

Budget: \$21,124

Actual: \$21,424

- **Small Joint Arthroscopy Set for Surgery.** This request will purchase a full set of arthroscopy instruments specifically designed for surgical procedures in small joint spaces. This set will double the number of instruments used in procedures for hands, ankles, wrists and elbows. Scheduling delays and flash sterilization procedures will be reduced or eliminated.

Budget: \$14,142

Actual: \$14,142

ACTION: Dr. Mitchell moved, seconded by Mr. Dugan, to approve all capitol requests as presented. Motion carried.

MARCH 2015 FINANCIAL PRESENTATION

Ms. Long presented the March 2015 financial data:

- Inpatient admits increased to 280, this is 12 over budget and an increase of 52 from the previous year.
- Pioneer Manor admits increased to 16, while 10 were budgeted.
- Average daily census for the hospital was 30 while the budget was 28.
- Pioneer Manor's average daily census decreased to 112, it was below budget by 6.
- Outpatient visits were the highest they've ever been at 3,564 (over budget by 24.8%). Compared to the previous year, there was an increase of 4,753 visits (36.1%).
- Clinic visits were under budget by 33 (.3%) but increased 2,470 visits compared to March 2014.
- Emergency room visits were 3.2% under budget and 9.2% below the level of a year ago.
- Walk-in-Clinic visits were 13.8% over budget and 15.9% above the previous year.
- Surgeries continue to increase with 23 over budget for March 2015 and increased by 72 compared to March 2014.

- Net Revenue was \$19,000 (.2%) under budget while Gross Revenue was favorable by \$1,127,000. Inpatient revenue was over budget by \$96,000 (1.6%) and Outpatient revenues were over budget by \$1,031,000 (6.4%).
- Bad debt and charity care combined were over budget by \$495,000.
- Operating expenses were over budget by \$303,000 (2.2%).
 - Salaries and benefits were over budget by \$160,000.00 because of higher health insurance premiums. Ms. Long said claims have been declining for the month of April.
 - Physician salaries and compensation increased because of higher production bonuses and locum coverage.
 - Supplies decreased for Pharmacy drug expenses.
 - Contract services were over budget because of the increase in temporary staffing in Nursery, Emergency Room, Ultrasound and Speech Therapy.
- EBIDA was under budget by \$262,000 but, compared to a year ago, did increase by \$1,297,000.
- The March Operating Loss was \$837,000 versus a budget of \$652,000.
- The bottom line was a net gain of \$630,000 (4.2% margin) versus a budget of \$740,000 (5.0% margin).

Balance Sheet: Current assets increased by \$199,000 due to a slight increase in accounts receivable. Liabilities decreased by \$308,000 in the area of accounts payable.

Accounts Receivable Days: The number of days in accounts receivable increased to 72.

Days Cash on Hand: Cash on hand decreased 12 days, at 238. Overall cash decreased by \$4,037,000. \$1,344,717 was received from The Legacy Bond Fund. \$3,982,222 was paid out in construction fees. This, Miscellaneous expenses and annual retirement contributions total a net cash of \$4,036,553.

DISCHARGE OF UNCOLLECTED DEBT

The uncollected debt for the month of March, 2015 by category as follows:

<u>CATEGORY</u>	<u>AMOUNT</u>	<u>NUMBER OF PATIENTS</u>
INPATIENT	\$132,432.39	25
ER	\$206,432.91	95
OUTPATIENT	<u>\$81,800.43</u>	<u>59</u>
TOTAL	\$420,665.73	179**

- **
- 8 patients had an ER and inpatient account
 - 23 patients had an ER and outpatient account
 - 3 patients had an outpatient and inpatient account
 - 7 patients had accounts in all three categories

ACTION: Dr. Mitchell moved, seconded by Mr. Hite, to discharge the March 2015 uncollectable debt in the amount of \$420,665.73. Motion carried.

Public Comment:

There were no public comments.

Adjournment:

The meeting adjourned at 12:52p.m. **The next regularly scheduled Finance Committee meeting will be held on May 26, 2015 at 12:00p.m. in the Boardroom.**