

Campbell County Health
Finance Committee
October 19, 2015

Dr. Mitchell called the Finance Committee meeting to order at 1:00 p.m. on Monday, October 19, 2015. The meeting was held in the Hospital Board Room.

Present:

Dr. Alan Mitchell, Chairman
Mr. Mike Dugan, Trustee
Mr. Randy Hite, Trustee
Mr. Andy Fitzgerald, Chief Executive Officer
Mr. Dalton Huber, Chief Financial Officer
Mr. Steve Crichton, Vice President of Facilities
Mr. Bill Stangl, Director of Clinic Services
Ms. Nancy Long, Controller
Ms. Kim Johnson, Director of Health Information Management and Compliance
Ms. Marilyn Grant, Recorder

Excused:

Dr. Lowell Amiotte, Chief of Staff
Ms. Deb Tonn, Vice President of Patient Services
Ms. Karen Clarke, Director of Community Relations

Approval of Agenda:

Dr. Mitchell added General Billing Policies to the agenda under New Business.

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

Approval of Minutes:

ACTION: Mr. Dugan moved, seconded by Dr. Mitchell, to approve the minutes of the September 21, 2015 meeting. Motion carried.

OLD BUSINESS

No old business was presented.

NEW BUSINESS

• **Compliance**

Ms. Johnson stated no calls in to the compliance hotline. As part of a formal process, employee exit interviews are being monitored for any compliance concerns. Concerns have been investigated; but, no compliance issues were found. Human Resources may hire an outside company to conduct the exit interviews to assist us with this process. Ms. Johnson and Mr. Huber are reviewing physician contracts to ensure that the contracts are compliant with the Stark law.

- **Payer Contracts**

- **WINhealth** - Mr. Huber stated that WINhealth and CCH have been working on a payer contract. WINhealth announced they are withdrawing from the national Healthcare Exchange. This will leave only Blue Cross on the national exchange. WINhealth pays their claims as “in network” as they use another network to get a discount. It appears a contract now will be unnecessary.
- **Blue Cross** - A meeting is scheduled with Blue Cross next week to discuss our request for an additional 3% reduction in our outpatient contractual discount. The additional 3% could provide approximately \$1 million dollars in revenue.
- **Humana** has expressed interest in a payer contract with us. They have the Medicare Advantage plan, which is a limited exposure in our area.

- **ICD 10 Update**

Ms. Johnson stated that the implementation is going well. Some procedures will require more in depth documentation. We are working with the nursing staff to get the additional documentation. We did receive some denials from Medicare requesting ecodes for emergency room visits. The ecodes are no longer used with ICD10; and we are waiting for Medicare to update their system.

- **CAPITAL REQUESTS**

- **Cardiac Ultrasound Machine for Cardiology**. This request will purchase full spectrum cardiac ECHO ultrasound capable of imaging pediatric patients. The introduction of this device will provide back-up to existing cardiac imaging devices, increase throughput and extend the age range for treatment in our facilities. The new ECHO comes with several key upgrades and a pediatric transducer which will take us over budget. \$16,527 will be taken from Clinic Contingency funds to cover the budget shortfall.

Budget: \$98,358

Actual: \$114,885

- **Portable X-Ray Unit for Radiology**. This request will replace an aging portable analog x-ray machine with a portable digital device. The digital aspect of the new device will allow the technologist to complete the x-ray procedure without leaving the patient’s bedside and upload the images directly into our PACS. The requested x-ray machine is from Siemens to maintain standardization. It has a smaller detector which will take us slightly over budget. The smaller detector will reduce the radiation exposure for pediatric patients and exposure during specific orthopedic imaging. Funds to cover the \$15,827 budgetary short fall will be taken from Administrative Contingency.

Budget: \$132,000

Actual: \$147,827

Discussion: Dr. Mitchell stated that the x-ray unit requested only has the small detector. It is available with both the small and large detectors. The small detector has limited capability. It will function well for pediatric patients and on some adult extremities; but, it will not work for adult chest, abdominal, or long-bone imaging. This is a replacement x-ray machine and there is a critical need. The decision to request the unit with only the small detector was based on price. It would be far more beneficial to have both the large and small detector. Mr. Fitzgerald suggested that we negotiate with Siemens to give us a reduced price with the guarantee that we will purchase it with a in the next fiscal year. If the ultrasound is a

Siemens purchase that may give us additional negotiating leverage. Mr. Huber will follow-up on the addition of the large detector with Terri Kinney and Siemens.

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

- **General Billing Policies**

Dr. Mitchell stated that two issues related to the clinics were reported to him. The first is regarding one clinic that uses an outside company to assist with their billing. The patient's initial bill from the CBO can take up to 69 days before the patient receives it. The bill indicates the patient has 30 days to pay. Within that 30 day period, the patient receives a bill from the outside billing service stating that their account is overdue and could be sent to collection. Mr. Huber will follow-up with the clinic and the outside billing company. The second issue pertains to the clinics writing-off bills for friends of employees. Mr. Fitzgerald stated that this is against hospital policy. Mr. Hite stated that it would be a Medicare violation to provide this benefit unless we offered it to Medicare patients too. Dr. Mitchell will get the patient's name for Mr. Huber. Mr. Huber will follow-up with the CBO.

SEPTEMBER 2015 FINANCIAL PRESENTATION

Ms. Long presented a recap of the September financial data.

Hospital Inpatient Days and Revenue

Total patient days were 129 below budget for the month and 38 less than the prior year. YTD inpatient days were 244 below budget for the month; but, 87 days higher than the prior YTD. The inpatient revenue was under budget for the month. Compared to the prior year, the inpatient revenue is higher YTD. Although we had fewer patients; the increase in revenue is due to better documentation and the fact that the patients were more seriously ill. Part of the decrease in patient volume is due to the remodeling in Behavior Health. We budgeted for eight beds; but, only four are available until the remodel is complete. Mr. Crichton stated that he anticipates being able to open the unit on Wednesday. Another reason for the decline in patient volume is that Behavioral Health has four open counselor positions. Mr. Huber stated that if we are not able to accommodate a patient, we divert them to another facility.

Clinic Visits and Revenue

Clinic visits were under budget for the month and YTD. However, they increased by over 300 visits since August. We expect this trend to continue. One reason visits and revenue are below budget is that we have open mid-level positions that are included in the budget.

Accounts Receivable Days

Mr. Huber stated that the number of days in accounts receivable increased a few days in September. The hospital stayed the same; the increase was in other areas. Home Medical Resources had an increase, and they are working on an improvement plan. A complete revenue analysis will be done in early 2016. The process will include options for us to make improvements in many areas.

DISCHARGE OF UNCOLLECTIBLE DEBT

The uncollectible debt for the month of September 2015 by category is as follows:

<u>CATEGORY</u>	<u>AMOUNT</u>	<u>NUMBER OF PATIENTS</u>
INPATIENT	\$236,490.99	19
ER	268,623.08	107
OUTPATIENT	<u>141,571.53</u>	<u>71</u>
TOTAL	\$646,685.60	197

ACTION: Mr. Hite moved, seconded by Mr. Dugan, to discharge the September 2015 uncollectible debt in the amount of \$646,685.60. Motion carried.

- **INVESTMENTS**

For the month of September 2015 the following amount was reinvested:

A \$3,000,000.00 investment with WYOStar, the interest fluctuates monthly.

ACTION: Mr. Dugan moved, seconded by Mr. Hite, to approve the September 2015 reinvestment. Motion carried.

Discussion: Mr. Fitzgerald stated that by law, our investments have to be in government backed securities or CDs that are backed by government securities. The County has requested that the State allow them to invest in equities. If that is approved, we may consider that option for our investments. We could also consider investing in bonds. Ms. Long stated that our investment advisor at Wells Fargo did not recommend investing in bonds two weeks ago. She will contact them again on this option.

Public Comment

There were no public comments.

Adjournment

The meeting adjourned at 12:36 p.m.

The next regularly scheduled Finance Committee meeting will be held on Monday, December 7 at 12:00p.m. in the Board Room.

Marilyn Grant, Recorder