

Campbell County Health
Finance Committee
December 10, 2014

Mr. Dugan called the Finance Committee meeting to order at 4:09 p.m. on Wednesday, December 10, 2014. The meeting was held in the Hospital Board Room.

Present:

Mr. Mike Dugan, Chairman
Dr. Sara Hartsaw, Trustee
Mr. Randy Hite, Trustee
Mr. Andy Fitzgerald, CEO
Mr. Dalton Huber, CFO
Ms. Deb Tonn, Vice President of Patient Services
Mr. Carl Sorensen, Vice President of Facilities
Ms. Kim Johnson, Manager of Health Information and Records
Ms. Karen Clarke, Manager of Community Relations
Mr. Paul Christiansen, News Record
Ms. Marilyn Grant, Recorder

Excused:

Dr. Billie Wilkerson, Chief of Staff

Approval of Agenda:

Mr. Huber requested that an additional capital request for additional funds for the Behavioral Health Services Department remodel be added to the agenda.

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

Approval of Minutes:

ACTION: Mr. Hite moved, seconded by Mr. Dugan, to approve the minutes of the October 22, 2014 Finance Committee meeting. Motion carried.

OLD BUSINESS

No Old Business was presented.

NEW BUSINESS

• **Compliance Report**

Ms. Johnson reported that no calls were received on the compliance hotline. Employees are able to report, either anonymously or not, any compliance concerns. Follow up is completed for every call. There was a problem with the compliance phone line earlier this year; it has been resolved. Compliance information posters are being made and will be placed throughout the hospital. Compliance education is presented to employees at new employee orientation and an annually. This year the compliance policy has been updated; employees will be required to read and acknowledge the policy. Evaluation and management coding education for the staff is scheduled to begin in January.

- **CAPITAL REQUESTS**

- **Cabinet and Flooring Upgrade – Radiation Oncology.** This request will fund minor demolition and the installation of new casework, and wall and floor coverings. The existing cabinets and flooring are over 12 years old and should be replaced due to wear. New wall paper, retexturing walls, countertops and cabinets will be added to the vault and exam rooms. Carpet will be replaced with seamless vinyl to meet infection control standards.

Budget: \$70,186

Actual: \$50,537

- **Snowplow Truck – Plant Operations.** This purchase will replace the primary snowplow vehicle in our fleet. The existing vehicle is 19 years old with more than 200,000 miles. The plow is cracked and the dump box has significant rust. The new truck will have a one ton chase with plow installation and dump body included. RFPs were sent to dealerships regionally and the lowest bid was from Greiner Motors in Douglas.

Budget: \$50,740

Actual: \$41,710

Discussion: Mr. Sorensen stated that a new motor will be purchased for the old truck and it will be used for backup purposes.

- **Smoke Evacuation System – Additional Funds – Plant Operations.** Additional funds are needed to meet the expanded scope of the smoke evacuation project for infection control and phasing the work to keep the front entrance open during the construction. The Laundry remodel will not be done in this fiscal year and the budget for that project will be used to fund the additional cost for the smoke evacuation system.

Available Funds: \$500,000

Request: \$325,000

Discussion: Mr. Sorensen stated that the scope of the project has been expanding the project from the main lobby through the cafeteria, nutrition and to the loading dock double sheet rocking these areas. It is not practical to close the front entry to our patients during the construction. Additional funds will be required to allow us to maintain the access. The State has also required additional cold ductwork. We are working with the State to assist us with upfront determinations and requesting faster project review. There has been approximately a 30% increase in the cost of construction and materials.

- **RFP and Design Fees for Landscaping – Plant Operations.** This will provide funding for the design fees, engineering consultation, drawings and the RFP for landscaping work on campus. The project will create a natural esthetically appropriate landscape between the various buildings on campus. Hardy grasses, native shrubs, river rock, retaining walls and pathways will be established.

Available budget: \$356,000

Request: \$45,000

- **Resident Transport Van – Pioneer Manor.** This request will purchase an additional transport vehicle for Pioneer Manor to meet the scheduling needs of our residents for appointments outside our facilities. Scheduling conflicts will be reduced and cancellations eliminated with an additional transport option. This request will convert a Grand Caravan into a completely ADA compliant transport van. RFPs were sent to dealerships regionally and the requested purchase came in as the lowest cost.

Budget: \$34,497

Actual: \$34,404

- **Microwave Plasma Defroster - Laboratory.** This request will purchase a blood plasma defroster for use in emergency as well as standard operations. The current method is heated water immersion which takes about 18 minutes. Microwave defrosting will take less than 6 minutes and it will heat only to the point of best useful temperature.

Budget: \$15,400

Actual: \$14,825

- **I-Stat Spot Analyzer - Laboratory.** This request will purchase a portable creatinine lab analyzer to determine spot levels for patients waiting for CT. At this time patients have to wait 35-60 minutes for levels to be determined from testing on main line analyzers in lab. The test only requires a finger prick to gain blood for the sample. Decreased wait time for CT and less painful sampling will be accomplished with the I-Stat. A price increase in one of the components will take us slightly over budget.

Budget: \$11,114

Actual: \$11,179

- **Replacement Beds – Intensive Care Unit.** This request will purchase 4 new ICU beds to replace models more than 12 years old. The older beds have had a series of repairs indicating that they should be replaced. They lack the complete accessories we need for delivering intensive care to any seriously sick patient. Various modules come with the beds including a drive system, percussion/vibration, rotation management, microclimate control and most sophisticated configuration available.

Budget: \$170,588

Actual: \$164,180

- **BiPap Machine – Cardiopulmonary Services.** This request will add a BiPap machine to our fleet which will help meet the increasing demand for early intervention in acute respiratory distress. We are treating more complicated scenarios in our patients as our system specializes and grows. The new machine will increase our capacity and provide immediate support to more patients.

Budget: \$14,880

Actual: \$14,157

- **Patient Room Guest Chairs – Emergency Care Department.** This request will purchase 15 new replacement guest chairs for patient families and guests in the ECD. Several of the current chairs are stained and worn. They are heavy and scrape the floor requiring additional floor care in the patient cubicles. The chairs will be lighter and are upholstered with cleanable vinyl to meet our high standard of infection prevention with healthcare grade components.

Budget: \$10,944

Actual: \$10,944

Discussion: Mr. Hite requested that we include some higher/taller chairs that will provide easier access for our post-op patients. We will include some of the taller chairs in this purchase.

- **Meditech Module for Wave Form Interface to Electronic Medical Record – Information Systems.** This request will purchase software and implementation services from Meditech for an interface to place CCU hemodynamic monitor data and EKG waveforms in the patient's medical record. The interface is a new application in Meditech that will keep all the essential information about the patient's condition in one easy to retrieve file. Enhanced caregiver satisfaction and meeting AARA goals will be facilitated with the interface and enhanced medical record. Funds will be diverted from carryover projects put on hold from last year until the interface was available from Meditech.

Budget: \$167,240
Combined Carryover

Actual: \$130,752

Discussion: Mr. Huber stated that we had budgeted for a separate Epiphany software system. It was not purchased and we will use the funds from that software to purchase the Meditech module instead. It will be an improvement to have this included within the Meditech system.

- **Additional Funds for the Behavioral Health Services Remodel.** Additional funds are needed to meet the expanded scope of the project for phasing, design and FF&E. The Laundry remodel will not be done in this fiscal year and the budget for that project will be used to fund the additional cost for the Behavioral Health Services project.

Total Budget		\$456,000.00
Balance 6/30/14		\$51,822.00
	CTA	\$10,076.04
	CTA	\$297.41
	CTA CA	\$5,000.00
Norton Bid		\$422,150.00
	CO 1	\$11,196.00
Remaining		\$44,541.45
Fixtures, Furnishings & Equipment		\$29,000.00
Contingency		<u>\$21,107.50</u>
Remainder		\$94,648.95

Discussion: Mr. Sorensen stated that the scale of the project has actually decreased. The project was delayed approximately eight months pending approval from the State. The State recommended changes to our design. The approved design will increase the functionality

of the department. While we were waiting for the approval, there has been an increase in construction and materials cost due to the economy in Gillette.

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

OCTOBER 2014 FINANCIAL PRESENTATION

Ms. Long presented the October financial data: It was a good month with higher volumes and revenues.

- Inpatient admits were 271 for the month which is 3 over budget. This is an increase of 33 over the prior year.
- Pioneer Manor's admits were 5 above budget for October.
- The hospital's daily census was 25 which is 3 below budget.
- Pioneer Manor's average daily census was 114. This is higher than it has been in the previous 4 months.
- Outpatient visits were 2,094 over budget. This was an increase of 1,486 over the prior year.
- Clinic visits were 1,900 under budget; however, this is an increase of 715 over the prior year. The family practice and pediatric clinics are included in the budget; however, they are not open yet.
- Emergency Room visits were 10.6% over budget and 15.4% over the prior year. Dr. Hartsaw asked if there is statistical information on the acuity of the patients in the emergency room. Ms. Tonn will get the data for next month's meeting. The emergency room is open 24 hours per day.
- Walk-In clinic visits were 4.4% under budget and 5.9% above the prior year.
- Total surgeries were 56 over budget in October. This is an increase of 54 over the prior year.
- Net patient revenue was \$271,000 (2.1%) under budget. Gross revenue was favorable by \$1,425,000 (6.4%) with inpatient revenues \$632,000 (10.2%) over budget while outpatient revenues were \$793,000 (5%) over budget.
- Total bad debt and charity care were over budget \$69,000 (8% of gross revenue vs. a budget of 8.2%).
- Operating expenses were under budget \$190,000 (1.4%) in October. Salaries and benefits in total were over budget \$32,000. The merit and market increases were effective in October. Employees at the maximum of their range received lump sum payments. Supplies were over budget due to increased volumes in Surgery, Nursery II, and CPS. Other expenses were under budget due to a general decrease in expenditures in this category. Mr. Fitzgerald stated that year to date salaries and benefits are 1.7 million dollars under budget.
- EBIDA was under budget \$197,000 in October. And increased \$857,000 over the prior year.
- The operating loss was \$839,000 vs. a budgeted loss of \$748,000.
- Net gain was \$622,000 in October vs. a budgeted gain of \$644,000.
- Accounts receivable days were 72. This is the same as last month. Mr. Huber stated we expect to see a decrease of 2 or 3 days in November. Ideally our days in accounts receivable should be under 60. We are waiting for a proposal from Clifton Larson Allen to assist us in identifying the delays and establishing processes for improvement.
- Days cash on hand decreased by \$7,252,000. Days cash on hand decreased by 26 days to 251 in October. Cash decreased due to 3 payrolls and 5 AP cycles, the QRA payment to the State, and construction in progress payments for the new long term care facility. We made a QRA payment of approximately \$1.3 million dollars and the State will reimburse us \$2.6 million dollars. We expect the payment in December.

DISCHARGE OF UNCOLLECTIBLE DEBT

The uncollectible debt for the month of October 2014 by category is as follows:

<u>CATEGORY</u>	<u>AMOUNT</u>	<u>NUMBER OF PATIENTS</u>
INPATIENT	\$ 64,680.96	16
ER	62,632.86	54
OUTPATIENT	<u>24,791.96</u>	<u>30</u>
TOTAL	\$152,105.78	100**

** 4 patients had an ER and inpatient account
 15 patients had an ER and outpatient account
 2 patients had an outpatient and inpatient account
 2 patients had accounts in all three categories

ACTION: Dr. Hartsaw moved, seconded by Mr. Hite, to discharge the October, 2014 uncollectible debt in the amount of \$152,105.78. Motion carried.

Public Comment

There were no public comments.

Adjournment

The meeting adjourned at 4:45 p.m.

Marilyn Grant, Recorder