

**Campbell County Health
Finance Committee
June 20, 2016**

Mr. Dugan called the Finance Committee meeting to order at 12:02 p.m. on Monday, June 20, 2016. The meeting was held in the Hospital Board Room.

Present:

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. Dane Joslyn, Community Relations
Ms. Kathy Brown, News Record
Ms. Kim Johnson, Director of Health Information Management and Compliance
Mr. Steve Crichton, Vice President of Facilities
Mr. Doug Montgomery, Interim Controller
Mr. Bill Stangl, Director of Clinic Services
Dr. Sara Hartsaw, Trustee
Ms. Wendy Kaufman, Recorder

Excused:

Dr. Lowell Amiotte, Chief of Staff
Dr. Alan Mitchell, Chairman
Ms. Karen Clarke, Director of Community Relations

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 May 23, 2016 meeting. Motion carried.

OLD BUSINESS

- **Budget Follow Up:** Mr. Huber stated that there will be some small changes to the budget before final approval in July.
- **Refinancing Bonds:** Mr. Huber requested that Piper Jaffray be invited in July to discuss refinancing bonds. Mr. Dunlap and Mr. Dugan agreed.

NEW BUSINESS

- **Restricted Funds:** The Landers Marital Trust is for purchasing and updating equipment. There was no particular designation for these funds. Mr. Fitzgerald recommended that suggestions be put together and brought to the July Finance Meeting for decision on what this will be used for specifically. Mr. Huber would like to incorporate this into the 2017 budget. Mr. Dunlap and Mr. Dugan agreed.
- **Compliance:**
Ms. Johnson stated that there are no compliance issues to report at this time.

CAPITAL REQUESTS

- **Beds for New Nursing Home – Legacy Living and Rehabilitation Center:** This amount was budgeted in the equipment budget for 2016. The remaining beds will be included in next year's capital budget.

Budget: \$151,874

Actual: \$151,522

- **Support/Subscription for VMware AirWatch Blue Management Suite – Information Systems.** System for managing mobile devices on the network. Allows for secure texting of Protected Health Information that is required by HIPAA.

Discussion: There is some risk with unsecured texts with patient information going between providers. There is a need for a system to secure those texts so they are not in the public domain posing a potential threat for a breach of HIPAA. Mr. Dunlap asked if texting patient information is legal. Mr. Fitzgerald stated that it is legal from a HIPAA standpoint but is risky.

Budget: \$48,000

Actual: \$41,650

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

MAY 2016 FINANCIAL PRESENTATION

Mr. Huber presented the May 2016 financial data.

- Operating loss was 766 compared to a budget of 789.
- Mill levy is on track. Received a check in June for 7.8 million.
- Admissions were 256 compared to a budget of 274. This is 3.5% lower than last year. Down about 7% on admissions that are not Behavioral Health.
- Pioneer Manor had a budget of 13 with 11 admits.
- Average daily census was 29 versus a budget of 28.
- Outpatient visits were 460 under budget.
- Clinic visits have decreased with Dr. Swift exiting organization.
- Walk-In Clinic visits were 964 under budget.
- Emergency Room visits were 197 under budget.
- Walk-In Clinic were 964 under budget and 444 below the level of a year ago.
- Total surgeries were 31 over budget in May and increased by 30 compared to May 2015.
- Net patient revenue was over budget by 2.5%. YTD standpoint still lower than budget.
- Bad debt is up and charity care down for the month but close to budget.
- Operating expenses are under budget by 1%.
- EBIDA was over budget by \$166,000 in May. This is an increase of \$1,320,000 compared to a year ago.
- Accounts receivable days are down by 1 for a total of 77.
- Days of cash on hand increased by 7 to 175.

Discussion: For the year we are approximately \$5,000,000 above budget and \$2,500,000 of this is due to health insurance costs. Mr. Huber stated that the employee health insurance premiums will be increased next year. Approximately \$1,500,000 variance is due to an increase in surgeries. This increase contributes to revenues but also to expenses. Mr. Fitzgerald stated that we will save at least \$200,000

next year on Stop Loss. Drug costs will be increased next year, as drug companies will be raising costs; this is something that we have no control over.

DISCHARGE OF UNCOLLECTIBLE DEBT

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

INPATIENT UNCOLLECTIBLE	\$ 348,223.48
ER UNCOLLECTIBLE	\$ 159,972.27
OUTPATIENT UNCOLLECTIBLE	<u>\$ 40,006.59</u>
COMBINED TOTAL FOR JANUARY 2016	\$ 548,202.34

ACTION: Dr. Sara Hartsaw moved, seconded by Mr. Dunlap, to discharge the May 2016 uncollectible debt in the amount of \$548,202.34. Motion carried.

INVESTMENTS

The investments were unchanged in May 2016.

PUBLIC COMMENTS:

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, July 18, 2016 at 12:00 p.m. in the Board Room.

Wendy Kaufman, Recorder