

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 www.bartletthospital.org

Finance Committee Meeting Minutes April 19, 2018

Called to order at 5:15 p.m., by Finance Committee Chair, Lance Stevens.

Finance Committee and Board Members: Lance Stevens, Bob Storer, Bob Urata, MD, Brenda Knapp, Rosemary Hagevig.

Staff: Chuck Bill, CEO, (via telephone), Joe Wanner, CFO, Billy Gardner, CCO, Bradley Grigg, CBHO, Jane Mores, CLO, Dallas Hargrave, Director of HR and Anita Moffitt, Executive Assistant

Ms. Knapp made a MOTION to approve the minutes from the March 15, 2018 Finance Committee meeting. Mr. Storer seconded and they were approved. Ms. Knapp made a MOTION to approve the minutes from the March 22, 2018 Finance Committee meeting. Mr. Storer seconded and they were approved.

March 2018 Financial Statements Review - Mr. Wanner provided an overview of the March financials and highlighted the bad debt included in the contractuals. After meeting with the auditors, the model used to determine bad debt will be revised and we anticipate an additional credit posting before the end of the year. Inpatient and outpatient charges were 0.1% over budget. Salaries and wages continue to be over budget; this is driven by the FTE counts and patient volume. Materials and supplies levels have increased in anticipation of the cruise ship season. BRH realized a gain of \$352,867 as compared to a budgeted loss of \$53,995. Year to date Bartlett's net gain is \$2,392,000. Total cash on hand for restricted and non-restricted cash is 267 days. Accounts receivable days outstanding decreased from 47.6 to 41.9.

Dr. Urata initiated a discussion regarding medication shortages and preparations for alternative solutions.

Extraordinary Write-offs – An overview of extraordinary write-offs was presented. A discussion was held regarding revisiting our collections policy.

Capital Budget - \$4.3 Million of the FY18 Capital Budget has been approved to date. Mr. Wanner noted that flooring in Dr. Miller's office, located in the Juneau Medical Center needs to be replaced. This is an unbudgeted expense that will be included in the Capital Budget.

Spending Authority – A revised delegation of spending authority policy was presented. Revisions identified additional staff members not previously authorized to commit Hospital funds.

5 Year Operating Projections – Mr. Wanner noted that he has simplified the 5 year operating projections; assumptions are not as aggressive. He provided a brief overview and stated that the Moss Adams review will have an impact on this plan. He also noted that the 5 year plan will be included in the Finance Committee packets every 6 months. He anticipates that the plan presented in October will be significantly different than the one presented at this time.

FY18 Supplemental Budget – Mr. Wanner stated that BRH's expenses have exceeded its approved budget. At Bob Bartholomew's suggestion, Mr. Wanner requested approval from the Finance Committee and Board of Directors to appropriate additional funding of \$8 Million for the FY18 operating budget.

Mr. Storer made a motion to support staff's recommendation to request a supplemental \$8 Million for the FY18 budget. Dr. Urata seconded it. A discussion was held regarding staffing levels and travelers in

the budget. Further discussions regarding increase in revenue and expenses were also held. *The motion was unanimously approved.*

Draft FY19 Budget Presentation – The draft FY19 Budget to be presented to the CBJ Assembly on April 25th was reviewed and feedback was requested. Mr. Storer provided recommendations that would be respectful of the Assembly’s time by hitting the highlights of the budget while presenting a format the Assembly is familiar with. Supporting documents would be included but listed as appendices. Mr. Bill stated that this was a “Brilliant” recommendation. Mr. Stevens noted that the revised FY19 Budget Presentation will be presented for review at the April 24th Board of Director’s meeting.

Comments / Questions – Ms. Knapp commended Mr. Wanner for putting together a very clear, precise budget presentation.

Adjourned 5:51 p.m.