

Bartlett Regional Hospital

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

Finance Committee Meeting Minutes January 18, 2018

Called to order at 5:15 p.m., by Robert Storer.

Finance Committee and Board Members: Robert Storer, Cate Buley, MD, Marshal Kendziorek, and Lance Stevens

Staff: Chuck Bill, CEO, Joe Wanner, CFO, Jane Mores, CLO, Bradley Grigg, CBHO, Dallas Hargrave, Director of HR, and Anita Moffitt, Executive Assistant

Dr. Buley made a MOTION to approve the minutes from the December 19, 2017 Finance Committee. Mr. Storer seconded and they were approved.

December 2017 Financial Statement Review – Mr. Wanner provided an overview of the December financials. He stated that BRH realized a gain of \$147,612 as compared to a budgeted loss of \$54,029. Year to date Bartlett’s net gain is \$898,045.

- December patient days were 8% under budget
- RRC patient days were 42 days greater than the budgeted patient days
- “Observation” admissions were 23% under budget
- Total surgery cases were 8% over budget
- Physician visits were 63% over budget; hospitalist visits decreased 10% from November
- Total gross patient revenue was \$330,492 over budget
- Contractual allowances and bad debt were 43.2% in December
- Total operating expenses were 3.4% over budget. Contracted labor and physician contracts continue to run over budget. We anticipate physician contracts to continue to run high until additional psychiatrists can be recruited. Mr. Grigg is looking at hiring nurse practitioners to help fill some of the gaps.
- Salaries and wages were 5.8% over budget. There was a high use of overtime due to sick calls and holiday vacation coverage.
- Total cash on hand for restricted and non-restricted cash is 281 days.
- Accounts Receivable days outstanding increased from 39.2 to 40.1

As requested by Mr. Storer, Mr. Wanner provided a brief six month financial review. Mr. Wanner will provide a more detailed review at the Board of Director’s meeting on January 23. Mr. Bill noted that we are \$5.4 million up from last year on operating revenue after reductions. We are continuing to see volume growth due to the pent up demand of the Medicaid expansion program as well BRH’s Hospitalist program.

Extraordinary Write-offs – Mr. Wanner provided an overview of the December 2017 extraordinary write-offs. He noted that Blue Cross will not cover a patient’s re-admission for the same diagnosis if it occurs within 15 days of discharge. He reported that a registration clerk to obtain prior-authorization for infusion therapy drugs has been hired to help reduce authorization denials. A plan has also been put into place to address the timeliness of filing Rainforest Recovery Center claims.

Capital Budget – The following items have been removed from the FY18 capital budget:

- Infusion Pumps - The purchase of infusion pumps has been moved to the FY2019 budget. Due to the nationwide shortage of IV fluids, vendors are not currently accepting new clients. This leaves Hospira, our current supplier, as our only option to purchase new pumps from at this time.
- RRC Service Patrol 1 – The purchase of a new van for RRC service patrol has been postponed as we look at this program to determine if it is going to continue.
- Encrypted Text Messaging – BRH is currently working on a contract with Medisas, a tool that allows for secure communications between health care providers. If this agreement is finalized, encrypted text messaging would not be needed.

Capital Expenditures – The expenditure has been approved for two new Affinity Birth Beds for OB.

PERS Appeal – Mr. Wanner and Mrs. Mores met with Max Mertz, CPA and attorney Daniel Hettich of King & Spalding, to review the GASB 68. It does not appear at this time that the GASB 68 will be applicable to Bartlett’s PERS appeal with Noridian. Two more years have been added to the appeal bringing the total number of years up to five. A request has been made that the hearing date be scheduled in September.

CIP Supplemental Budget – Mr. Wanner reported that to get the RRC remodel project off the ground, BRH will have to request a supplemental budget from CBJ to ensure that we have funds available. Mr. Bartholomew has informed Mr. Wanner that CBJ has \$700,000 that can be appropriated at this time and an additional \$1.8 million to be appropriated in FY19. A vendor has been selected for designing the project and prices are being negotiated.

The second project that needs to get off the ground this year is the siding replacement in the Robert F. Valliant Building. Mr. Bartholomew has requested that a request for a supplemental budget be submitted to CBJ for this as well.

Mr. Wanner stated that the OR renovation and the Information Services Facility project has been put on hold until we can look further into our options. The roof replacement for RRC will become a part of the RRC remodel project. CAMHU funds that had been committed from sales tax funds are no longer available. Mr. Bartholomew has requested that BRH deappropriate the funds for each of these projects. Mr. Storer stated that we need to make a formal acknowledgement to CBJ that the \$6 million set aside for the CAMHU funds are no longer available. He also noted that it would be too premature to request funding from CBJ for the Crisis Stabilization Center.

Dr. Buley made a MOTION to approve 1) Requesting a supplemental FY18 budget of \$700,000 for the Rainforest Recovery Center remodel and 2) Requesting a supplemental budget for FY18 for \$300,000 for siding replacement of the Robert F. Valliant Building. Mr. Storer seconded the motion and it was approved.

Dr. Buley made a MOTION that Bartlett closes out all of the projects listed on the appropriated CBJ balance sheet with the exception of the Medical Arts building roof replacement. Mr. Storer seconded the motion and it was approved. Mr. Storer also stated that this is a formal recognition that CBJ is no longer giving the funds for these projects, with the exception of the \$2.5 million for the RRC remodel, to BRH. In the very near future, the finance committee plans to address the \$10 million that has been designated at the Board level for the CAMHU project.

Finance Committee member comments / questions

Mr. Wanner will inform the Board of Directors at next week’s meeting that Jason Newcomer is no longer employed as the IT Director of BRH.

Mr. Storer highlighted some of the issues surrounding Hospice and Homecare. He was wondering if there was something that BRH could provide to help them out, such as billing. Mr. Bill stated that there is suspicion that Catholic Community Services will discontinue Hospice and Homecare services. These services are critical to the continuum of care plan. These services are not always available due to shortage of staff. We are looking at alternatives to fill that gap.

Adjourned 5:55 p.m.