

Bartlett Regional Hospital

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Finance Committee Meeting Minutes September 12, 2018

Called to order at 7:00 a.m. by Finance Committee Chair, Lance Stevens.

Finance Committee and Board Members: Lance Stevens, Brenda Knapp, Marshal Kendziorek, Robert Storer (phone), Dr. Bob Urata (phone).

Staff: Charles “Chuck” Bill, CEO, Karen Taug, Controller, William Gardner, CCO, Bradley Grigg, CBHO, Dallas Hargrave, HR Director, Rose Lawhorne, Assistant CCO, Megan Taylor, Executive Assistant

Mr. Storer made a MOTION to approve the minutes from the August 8, 2018 Finance Committee Meeting. Lance Stevens seconded and they were approved.

Karen Taug, Controller – July 2018 Finance Review

- A. **Summary** – July 2018 financials were improved compared to July 2017. All elements of analysis were essentially under budget or as expected. Mr. Kendziorek asked for clarification of contributing factors for improvements. Mr. Bill explained that business was scaled up. Mr. Stevens explained that controllable operating costs didn't rise with increased volume. Ms. Taug noted AEL&P credit passed onto hospital as one-time line item.
- B. **Aged Trial Balance** – Ms. Taug reviewed AR. Medicaid payment received on July 2, 2018 of \$1.6 million.
- C. **Extraordinary Write-Offs** – Prompt pay discount: 111 accounts resulted in \$8,700 in discounts. RRC labs not billable has decreased considerably, as these accounts are getting cleaned up.
- D. **Capital Budget** – Detail is listed in packet diagram for information's sake. It is the first month of FY, so limited content to address. Mr. Bill reviews RRC Intake Center construction project, and states CIP in place for \$250,000 roof replacement. Mr. Grigg elaborates on issues found with construction: Sleep off facility location interferes with plans, and a recommendation was made to relocate it to make room for detox center. An odor in a corner of the building is prompting a more extensive remodel than originally expected. These are the biggest unforeseen additional costs regarding the Rainforest construction. Mr. Stevens inquired regarding leftover FY 2018 items. Mr. Bill stated some will be addressed shortly and some will be pushed out further.

Chuck Bill, CEO – Spending Authority Policy

Mr. Stevens discussed progress of policy points. At last meeting, it was requested to review other policies as guide. Mr. Bill states he obtained a copy of CPH's policy, and explained the differences from CPH's and BRH's. Consensus in meeting is that if item is already approved, management should be authorized to move forward, specifically regarding discounts and deals that are time sensitive, and are at or below approved cost. Mr. Storer expresses concern about potential abuse of spending authority. Dr. Urata states that with larger

ticket items, maybe a phone or email meeting should occur. Mr. Bill states he will have a final draft for review at the next meeting.

Mr. Storer made a MOTION to move into Executive Session to discuss CEO salary. Dr. Urata seconded, and at 7:21 a.m. the session commenced. Returned from executive session at 7:37 a.m.

Dr. Urata made a MOTION to increase CEO salary by 3%, while the rest of the agreement is to remain unchanged. Mr. Stevens seconded and the motion carried.

Committee member comments / questions – None

Adjourned – 7:42 a.m.