Called to order at 7:00 a.m. by Finance Committee Chair, Dr. Bob Urata.

Finance Committee & Board Members: Dr. Bob Urata (Chair), Mark Johnson, Deb Johnston

Staff: Kevin Benson, CFO, Rose Lawhorne, Asst CCO, Billy Gardner, CCO, Bradley Grigg, CBHO, Dallas Hargrave, HR Director, Karen Taug, Controller, Megan Taylor, Executive Assistant

Mr. Johnson made a MOTION to approve the minutes from the March 13, 2019 Finance Committee Meeting. Dr. Urata noted no objections and they were approved.

February 2019 Finance Review – Kevin Benson, CFO

Mr. Benson explained that Bartlett Regional Hospital had a decrease in inpatient revenue and patient days that led to an overall decrease in revenue, that was somewhat offset by an increase in outpatient revenue. To address staffing concerns and lower cost associated with temporary coverage and travel nurses, in the next four to six months efforts will be made to recruit some of the twelve nurses graduating from UAS, and gradually on-board them starting June 1st. The hope is that they can get a temporary license and be trained primarily in a single department, and cross trained to float in another department when needed.

Crisis Stabilization Update – Bradley Grigg, CBHO

Mr. Grigg presented an update to the status of the Crisis Stabilization project. The RFP for the design phase will post in a couple weeks, with a decision to be made by the end of May. Premera has received tax credits, resulting in $5 million that they have chosen to invest in behavioral health. This money will be managed by the Mental Health Trust, and Mr. Grigg traveled to Anchorage to request $1.5 million for both the Crisis Stabilization project and the detox facility project, where Premera participated via phone. Mr. Grigg stated they should know within 60 days, and will have a three year rollover to allow a calculated application to best utilize the funds.

The details of the Crisis Stabilization Facility project will be very similar to what was laid out a year ago, with eight beds that can hopefully allow for some flexibility of use while maintaining separation between adults and minors (e.g. four adult beds and four child beds, or five adult beds and three child beds, etc). The sixteen beds at RRC currently will remain, and the plan is to add four beds for detox. Regarding staffing for the crisis stabilization project, there will be 24-hour care, which will include psychiatric, behavioral health assistant(s), and nurse coverage. Mr. Grigg expressed that ideally there would be an assessment center to function as a single point of entry for RRC, mental health, crisis stabilization, and detox, to bypass the Emergency Department all together for these patients. They would still be assessed by a physician, in the assessment center, to rule out other medical conditions.

Swing Bed Program – Kevin Benson, CFO

Cost-based reimbursement from Medicare (just like inpatient) is $2,700 per day, so reimbursement would be $1.9 million. Accounting for the loss of $677,000, and cost of staffing and ancillary services ($200,000), the total net reimbursement is projected at about $1.1 million. Central Peninsula Hospital in Soldotna is a rural demonstration project hospital with swing beds, so there will be a site visit for information...
Mr. Johnson requested information on a timeframe, but Mr. Benson clarified that the issue is finding the appropriate point of contact at CMS who is knowledgeable in implementing a swing bed program at a rural demonstration project hospital. The rural demonstration project ends June 2021 however, and if it doesn’t get renewed, then it wouldn’t make financial sense to continue with this project. Mr. Bill is working to get the program permanent, instead of the five year renewal that is currently the case.

**IV Infusion Pump Replacement – Kevin Benson, CFO**

The pumps are at or have surpassed their allotted ten year lifespan, and therefore are being replaced. There are single and multiline pumps that interface with Meditech. The pumps that were selected were preferred by nurses, should be a seamless integration with the current BRH IT systems, and was the lowest cost option at $327,000 ($200,000 below the budgeted amount, so approval by the board is not required).

There was a request for orthopedic equipment (for use by Dr. Hightower) in the amount of $178,000 (not in the approved budget).

*Mr. Johnson made a motion to approve the request in the amount of $178,000 for orthopedic equipment. Ms. Johnston seconded the motion. There were no objections and the motion passed.*

**340B Expansion – Kevin Benson, CFO**

Effective July 1st, the 340B program will be expanded to Safeway and Fred Meyer pharmacies, and they will split the savings with BRH. This will increase revenue and benefit local pharmacies. This is the deadline for getting data streams in place. BRH will spend the quarter seeing if the program is effective, then either discontinue it or expand further to additional local pharmacies (around January 1st). Ms. Johnston asked if this would require additional administrative burden to the hospital, to which Mr. Benson responded that most of the work is done behind the scenes and no additional staff would be needed. The 340B program would need to be audited annually to ensure compliance with requirements. Patients wouldn’t notice a difference at the consumer level.

**Departmental Assessments – Kevin Benson, CFO**

Mr. Benson presented a plan to assess productivity by department. BRH staffing has remained consistent over time, so the assumption is that current operations are efficient, but considering proposed state budget cuts, preparation must be made ahead of time to assess options for responding to substantial decreases in revenue. The GPO will conduct the assessment, as they have access to a large database of hospitals and can provide benchmarks for comparison. Fairbanks is conducting an assessment of their own, so BRH is waiting for completion of that assessment to gather information from their experience.

Dr. Urata brought up the Moss Adams assessment done last year of profitability by service line. He suggested looking at that again, and updating the model based on current operations to determine how operations may have changed.

Staff emphasized the value of assessors speaking with department directors to fully understand the real-life implications of their data findings, and the impact of any decision outcomes.

**Next Meeting:** May 8th, 2019 at 7:00 a.m. in BRH Boardroom

**Adjourned – 7:52 a.m.**