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, Kenny Solomon-Gross

Staff: Kevin Benson, CFO, Billy Gardner, COO, Rose Lawhorne, CNO, and Megan Taylor, Executive Assistant

Mr. Johnson made a MOTION to approve the minutes from the May 8, 2019 Finance Committee Meeting. Dr. Urata noted no objections and they were approved.

April 2019 Finance Review – Kevin Benson, CFO

Mr. Benson explained that Bartlett Regional Hospital saw improved finances overall for the month of April. Inpatient revenue was 10% below budget, but Outpatient revenue was 12% over budget, and BRH finished the month about $471,000 positive. Net operating revenue was positive as well. The months of May and June look better than budgeted and should help narrow the gap between actuals and budgeted by the end of the fiscal year. Capital spending is at 40% of budgeted with two months left in the fiscal year.

There was a discussion about the Oncology software listed in the budget. Dr. Urata noted that there was some dissention among nurses and physicians regarding practicality of using the software. More discussion and research is needed to finalize decision or find another product.

Swing Bed Proposal – Kevin Benson, CFO

The possibility of implementing this program has been discussed for years. Patients that require long term care, but aren’t acute, are currently being sent outside of Juneau. DRG “RUG rates” currently apply for long term skilled care, which are determined by condition and complexity of care required. Financial viability with these rates are either marginal or a loss.

BRH would qualify for cost-based reimbursement, but a “base year” must first be established for a full fiscal year. Until the completion of the base year (which would begin July 1, 2020), BRH could receive the RUG rates. Once the base year is completed, BRH would qualify for cost-based reimbursement, which is a difference of about $2,000 per day based on a two patient per day average in the swing bed program, including retroactive reimbursement for the base year. There would be some per unit cost loss, but still a net increase of $1.1 million (based on the two patient per day average). Given these projections, it makes sense to proceed, assuming the rural demonstration project continues. Otherwise, it would not be feasible. BRH would need to be conscious not to accept enough swing bed patients to eliminate space for acute care patients, especially in the summer, as acute care patients generate more revenue.

Dr. Urata requested that Mr. Benson present a report on the Soldotna site visit regarding their swing bed program (in a rural demonstration project hospital) to the Board of Directors meeting on June 25th, including any information gleaned about their robotics program.

Next Meeting: July 10th, 2019 at 7:00 a.m. in BRH Boardroom

Adjourned – 7:41 a.m.