

MORRISON COMMUNITY HOSPITAL

BOARD OF DIRECTORS MEETING

June 28, 2017

Members Attending:

Don Beswick, Chairman
Luke VanderBleek, Vice Chairman
Betty Steinert, FIAO
Mark Schuler, Secretary
Jennifer Black, Treasurer
Barb Kophamer
Paul Beswick
Sharon Kelley
Gary Gibbs

Other Attendees:

Pam Pfister, CEO
Cami Megli, Controller
Amber Temple, HR Director
Mick Welding, Marketing/Public Relations Dir
Darcey Jansen, CNO
Tom Potter, Attorney
Shannon Rubright, Admin. Asst.
Adrienne Erickson, Quality Coordinator

Members Absent

Others Absent

Mr. Don Beswick called the meeting to order at 7:00 P.M.

APPROVAL OF MINUTES

Mr. Mark Schuler made a motion to approve the May 2017 meeting minutes and it was seconded by Ms. Betty Steinert. All in favor. Motion so carried.

PUBLIC COMMENT

No Public Comment

FINANCIAL STATISTIC REPORTS

- Financial Highlight – see attached (Page 4)
- Statistics Report – see attached (Page 5)
- Income Statement – see attached (Page 6)
- Balance Sheet – see attached (Page 7)
- Payer Mix – see attached (Page 8)
- Ratio and Indicators – see attached (Page 9)
- Accounts Receivable Aging – see attached (Page 10)
- Department Statistics – see attached (Page 11)
- Inpatient Admission by Physician – see attached (Page 12)

Patient Revenue for May was \$139,660 above budget. Patient days were above budget for Swing Bed and Observation days and below Acute Days. Outpatient volumes were above budget for Procedure Room, Wound Care, Radiology, and Respiratory and below budget for all other areas. Family Care Clinic was below budget while Specialty Clinic was above budget. Year-to-Date patient revenue was \$598,470 less than budget.

OLD BUSINESS

NEW BUSINESS

1. Prevailing Wage Ordinance #158 –
Ms. Sharon Kelley made a motion to approve Prevailing Wage Ordinance #158 and it was seconded by Ms. Jennifer Black. All in favor. Motion so carried.
2. Budget FY 2018
Cami distributed a Statistic Report showing stats for FY 2014 through FY 2017 and FY 2018 budgeted numbers.

Cami Megli, CFO discussed the budget assumptions for FY2018.

Budget Assumptions – FY 2018

Volumes:

1. Surgery volumes are based on an average of 24 surgeries per month for General Surgery, Ophthalmology, GI, Urology and Podiatry; volumes in Recovery and Anesthesia were also adjusted to reflect the surgery volumes.

2. Procedure Room volumes are based on an average of 62 procedures per month for Wound Care, Dermatology, General Surgery, Urology and Podiatry.
3. Clinic volumes are based on an average of 1,460 visits per month for Family Care Clinic and Specialty Clinic.
4. Inpatient and Observation volumes were increased by 10% based on anticipated admissions related to surgeries.
5. Swing Bed days budgeted to remain consistent with current volumes.

Revenues:

1. Based on a review of charges in various service lines, charges in certain service lines were changed to be more in line with market, which resulted slight overall .77% increase in the chargemaster.
2. Other Operating Revenue remains relatively the same.
3. Other Non-Operating Revenue is increased due to an anticipated 5% annual increase in the tax levy and the \$25,000 contribution from the Foundation toward to the financial feasibility study.

Contractual Adjustments:

1. Contractual Adjustments were estimated based on review of current reimbursement contracts and current Medicare rates. A Medicare cost report was completed using the budget; the estimated payable is included in contractual adjustments.

Expenses:

1. With the current U.S. inflation rate at 2.4%, all expenses are calculated as anticipated.
2. Salaries were increased by 3%.
3. New positions were added in the FY2018 budget.
4. Employee Benefits was budgeted based on FY2017 expenses.
5. Physician Fees were increased due to additional hours for Neurology and Urology.
6. Non-Physician Medical Fees were increased based on the number of surgery days requiring CRNA services.
7. Purchased Services increased overall by approximately \$34,000 due to the following:
 - a. \$45,000 decrease in Med/Surg and ER agency nursing services,
 - b. \$13,000 increase in OR due to increased procedure volumes,
 - c. \$16,000 increase in Lab due to increased volumes,
 - d. \$33,000 increase in Radiology due to the addition of MRI services,
 - e. \$10,000 increase in Plant due to minor upgrade projects,
 - f. \$3,000 decrease in Laundry due to a reduction in cost with a new vendor,
 - g. \$2,000 increase in Quality due to Press Ganey customer service survey costs related to the increase in surgery volumes.
8. Medical supplies increased due to increases in volumes, mainly in surgery.
9. Equipment rental decreased by approximately \$10,000 due to change in our GI scope rental agreement.
10. Travel and Education increased due to physician CEU reimbursement based on contracts, hospital-wide customer service program training, and travel related to conferences for rural health and reimbursement.
11. Dues and Subscriptions increased by approximately \$12,000 due to increases in dues for the various associations—IHA, ICAHN, NRHA.
12. Utilities are anticipated to decrease with the addition of a new phone system than will use the voIP utilizing the internet versus traditional telephone service.
13. Depreciation has decreased due to capital items that have been fully depreciated in FY2017.
14. Insurance expense decreased by approximately \$20,000 due to a 20% premium reduction in malpractice with our existing carrier and reductions in property and vehicle with a new carrier.
15. Interest expense decreased by approximately \$10,000 based on pay down of existing debt.
16. Maintenance Contracts will decrease by approximately \$7,000 due to elimination of maintenance contracts related to microbiology which is now outsourced.
17. Equipment and Software has increased in areas such as Plant, Dietary, IT, Radiology, Rehab, and Ambulance to purchase or replace general equipment and software.
18. Other Operating Expense remains relatively the same.

Ms. Betty Steinert made a motion and it was seconded by Mr. Mark Schuler to approve the FY2018 Budget as presented. All in favor. Motion so carried.

COMMITTEE REPORTS

Executive Committee – The Board Executive Committee met on June 21st. Topic will be discussed in closed session.

Building and Grounds – Did not meet

Employee Community and Public Relations Committee – Did not meet

Budget, Finance & Acquisition Committee – The committee met prior the Board meeting and reviewed the FY2018 Budget.

Joint Conference –

Medical Staff Re-Appointments

1. Nicole Eustace, MD – Active Privileges
Ms. Sharon Kelley made a motion to approve Dr. Nicole Eustace for Active Privileges and it was seconded by Ms. Betty Steinert. All in favor. Motion so carried.
2. Ashish Patel, MD – Courtesy Privileges
Mr. Luke VanderBleek made a motion to approve Dr. Ashish Patel for Courtesy Privileges and it was seconded by Mr. Mark Schuler. All in favor. Motion so carried.

Administrative Report:

Quality Improvement – Adrienne Erickson See attached report

Human Resources – Amber Temple See attached report.

Nursing Report – Darcey Jansen See attached report.

Marketing / Public Relations Report – Mick Welding – See attached report.

CEO Report – Pam Pfister – See attached report.

CLOSED SESSION

Ms. Barb Kophamer made a motion to move into Closed Session at 8:02 P.M. and it was seconded by Ms. Sharon Kelley.

Roll Call -Paul – aye, Barb – aye, Luke - aye, Mark – aye, Sharon –aye, Gary – aye, Barb – aye, Don – aye.

All in favor. Motion so carried.

For the purpose of the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity.

Mr. Paul Beswick made a motion to move back into Open Session at 8:51 P.M. and it was seconded by Mr. Gary Gibbs.

Roll Call: Don – aye, Paul – aye, Barb – aye, Luke - aye, Mark – aye, Sharon – aye, Gary – aye, Betty – aye.

Mr. Gary Gibbs made a motion to adjourn the meeting, and it was seconded by Ms. Sharon Kelley. All in favor. Motion so carried.

The meeting adjourned at 8:33 P.M.

Respectfully Submitted,

Mark Schuler, Secretary