

Cascade Medical Center Board Minutes

August 19th, 2020

CMC Conference Room

12:00 pm – 2:31pm

Members present: None

Members attending remotely: George Greenfield, Lesa Becker, Jacque Zemlicka, Rachel Smith, Mary Tracey and Anthony Henry

Members absent and excused: David Gough

Others present: Tom Reinhardt, Teri Coombs, David Donnahoo, and Sarah Hasbrouck

Call to Order: Meeting called to order by George Greenfield at 12:10 PM.

Mission Moment: Rachel provided a mission moment pertaining to the concept of really taking this time when we are all socially distant from each other about the importance of truly seeing and appreciating those we are around, maybe more than usual, due to the current situation.

BOT Minutes: Minutes from the July 15th, 2020 meeting were reviewed. Two requested changes were suggest by Mary Tracey, one to the language surrounding the FYTD Variance in the Financial Reports & CARES Act Status section, which should include a statement reflecting that funding from the CARES Act has not been applied to offset variances in the Financial Statements. She also requested that the language in the FY2021 Proposed Budget Review section to show that instead of “change in Bond Principle/Interest which will now correctly show as ‘other revenue’ instead of an expense” we will say “correction in Bond Principal/Interest so that it will now be part of ‘other revenue’ instead of as an expense.” Additionally, it was noted that in the Utilization Review, July data was used instead of June. These changes will be made to the July 15th, 2020 BOT Minutes to be reflected in their final draft.

A motion to approve the minutes once corrected, was made by Anthony Henry, seconded by Rachel Smith; all members were in favor, motion passes.

Public Hearing of the Budget:

There were no members of the community present on the available Zoom meeting line for public questions or comments on the proposed budget.

A motion was made by Lesa Becker to approve the budget as presented for FY2021 as the Official Budget for FY2021. Jacque Zemlicka seconded the motion; all members were in favor, motion passes. The publicly posted and approved budget is attached to these minutes as “Attachment B.”

Operations Report:

Medical Staff Minutes:

Teri presented the Board with the August 12th, 2020 Medical Staff Minutes, which include the Utilization Report and Volume Trends, for review.

The Utilization Review and Volume Trends for the month of July 2020 were as follows:

Utilization Review:

- Total ER Visits: 214 (180 July 2019)
- Total OP Visits: 31 (40 July 2019)
- Total Physical Therapy Visits: 338 (321 July 2019)
- Total Clinic Visits: 491 (507 July 2019)
 - Dr. Ellsworth: 102
 - Chantell Williams: 13
 - David Hill: 54
 - Heather Lewis: 31
 - Dr. Dardis: 32
 - Courtney Hill: 105
 - Louise Michels: 111
 - Jamie Coffey-Kelly: 43
- Total Laboratory Visits: 385 (270 July 2019)
- Total Radiology Visits: 163 XR's, 87 CT's and 8 US's (172 XR's, 65 CT's, 4 US's July 2019)
 - Death – one
 - Blood Transfusions – none
 - Average Length of Stay for Inpatients – there were four inpatients in the month of July, and there were two observation patients.
 - Leaving Against Medical Advice – none

QUALITY REVIEW:

All provider response times were within the 30-minute window.

TRANSFERS:

All transfers were noted to be of appropriate mode. The following reasons were cited for services and/or equipment needed at CMC to keep patient here:

Transfers

Surgery	9
ENT	
Neurology	2
CCU	2
ICU	9
Obstetric	
PICU	
Psych	
Burns (Utah)	

INPATIENT CARE PLANS:

There were four inpatients in the month of July, all of the charts contained a complete care plan.

Financial Reports & CARES Act Status:

Tom presented updated financials for July, as well as Variance Tables. These were reviewed by the member of the BOT and have been included as Attachment A following the official version of the minutes for this meeting.

It is noted that Tom notified the members of the board that a provision of the CARES Act allows for the recoupment of lost revenue, however guidance on how to calculate this has been vague with no further direction being provided at this time. Potential resources to help calculate lost revenue due to decreased volumes have been identified, Wipfli and the Idaho Bureau of Rural Health, and will be sourced so that we are able to start recouping lost revenue due to volume reductions related to COVID as well as begin allocating CARES funds to offset COVID related expenses on the August Financial Statements.

COVID Update

Tom presented data of the current number of tests and positive results. Discussion was had about the policies surrounding COVID testing, including the testing of asymptomatic patients as well as the updated Visitor Policy to ensure we are accommodating those with disabilities as well as an updated Phone Tree that now includes the option to be directed to a clinical person, either nurse or medical assistant, for any questions, concerns or screening related to COVID.

Medical Staff Privileges:

Sarah presented two applications for Medical Staff privileges. Both applications were approved by the Medical Staff at their meeting on August 12th, 2020.

Dr. Katie Camarata, DO is requesting Active privileges for a period of 2 years. Of note, her application contained two deficiencies: 1) No proof of prior liability coverage and 2) No current ATLS certification. Sarah then explained that as Dr. Camarata is straight out of her Residency, Residents are grouped together under one liability policy, therefore not allowing for proof of individual coverage. Additionally, due to COVID, ATLS courses have been extremely limited, and provisions have been made for other providers requesting privileges this year to have it completed within a reasonable time once they do become available again.

A motion was then made by Mary Tracey to grant Dr. Katie Camarata's application to the Medical Staff as an Active member for a term of 2 years with the condition that she complete the required ATLS certification within a reasonable time once they become available. Rachel Smith seconded this motion; all were in favor, motion passes.

Sarah then presented the application for Dr. Steven Writer who is requesting Consulting privileges for a period of 2 years. There were no deficiencies with his application.

A motion was made by Anthony Henry to grant Dr. Steven Writer's application to the Medical Staff as a Consulting member for a term of 2 years. The motion was seconded by Lesa Becker; all were in favor, motion passes.

CEO Report / New Business/ Unfinished Business:

CEO Update:

Tom notified the members of the board that we have received multiple grants this past month to assist with new laboratory equipment and the continued strategic planning efforts.

An updated Organizational chart was provided showing our commitment to keeping patients at the center of what we do. This chart included the addition of new staff members David Donnahoo, CFO, as well as Amy Trumbull and Alison Zeller, our new Physical Therapist.

Nomination of Treasurer:

With the addition of David Donnahoo to our team, a nomination was made by Anthony Henry to extend the position of Treasurer of the Board to David. Lesa Becker seconded this motion; all members were in favor, motion passes.

Tom then provided David with a copy of his Oath of Office, which he read out loud in the presence of the board. A signed copy of this oath will also be placed in the records.

New Board Members:

Discussion was centered on succession planning as well as adding non-voting members with areas of specialized expertise. Jacque did note that the current bylaws do allow for up to 2 additional voting members to the board. Some community members have been identified as potentially showing interest in possible board positions.

The Pros and Cons of adding additional members were discussed among the group. It was suggested that if there are community members interested in being part of the succession plan, they be invited to attend a meeting and if interested participate on one of the committees as a community member.

Executive Session:

Executive Session was not held during this meeting.

Committee Reports:

Finance Committee:

Members:

- Mary Tracey, Chairperson
- Jacque Zemlicka
- David Donnahoo
- Tom Reinhardt

The Finance Committee did not meet, but will before the end of August.

Quality Assurance, Performance Improvement and Compliance Committee:

Members:

- Lesa Becker, Chairperson
- Rachel Smith
- David Gough
- Aline Lee
- Tom Reinhardt
- Teri Coombs

The Quality Assurance, Performance Improvement and Compliance Committee did not meet.

Strategic Planning Committee:

Members:

Anthony Henry
David Gough
Mary Tracey
Tom Reinhardt
Karolyn Plehal
Ann Young

The Strategic Planning Committee did not meet; however, Tom did provide an update on site tours that took place in the beginning of August with the consultants from Wipfli, who did meet with the members of the committee. They were directed to provide options and do a deep dive into current construction costs for the area so that a possible recommendation can be made to the BOT members at the September meeting.

Other/Next Steps:

Agenda topics for next meeting:

- Finance Committee Update
- Strategic Planning Presentation/Recommendation

Adjournment: The meeting was adjourned by George Greenfield at 2:31 PM.

The next meeting is scheduled for September 16th, 2020 at 12:00 PM.

Attachment A

Variance Detail Analysis - July 2020 FYTD						
Category	Budget FYTD July 2020	Actual FYTD July 2020	Variance to Budget	Variance %	Explanation	Correction/Action Plan
REVENUES						
Gross Revenue from Inpatient, Outpatient, ER, and Clinic	\$ 4,223,821	\$ 4,146,180	\$ (77,441)	-2%	Revenues were suppressed from Mid-March through Mid-June due to COVID and the related volume reductions that resulted in PT, Clinic, and inpatient services being below budget.	No action necessary. All service lines are recovering to expected volumes, except for clinic visits which are still held back due to a combination of delaying non-essential visits and provider bandwidth.
Gross Revenue from 340B Rx Plan	\$ 127,168	\$ (1,874)	\$ (129,042)	-101%	340B revenue was below budget in Oct/Nov, due to providers not being included in the program. In December we added the missing providers and Macrohelix applied the 340B credit (revenue) retroactively.	The retroactive processing resulted in a payable from Watkins Pharmacy to CMC of approximately \$50,000 with another \$10,000 or so accumulating each month. We have agreed that Watkins can pay CMC over time, with the plan to be caught up by 9/30/20. Even so, will fall far short of budget and CFO has begun exploration of causes and possible remedies.
Off-sets to Revenue						
Contractual Adjustment	\$ 323,391	\$ 476,475	\$ 153,085	47%	Write offs are disproportionately higher than the revenue variance, so need to investigate.	Need to conduct audit of payor contractals and assess contracts to verify that adjustments are correct. Project TBD.
Bad Debt Expense	\$ 107,702	\$ 134,264	\$ 26,561	25%	October and November Bad Debt was higher than budget. As expected, bad debt expense leveled out after the summertime claims worked through the bad debt/charity care process. Bad Debt was below budget for Dec, Jan, and Feb but rose again in March - May, and July.	No action necessary.
Indigent Care Writeoff	\$ 107,702	\$ 166,915	\$ 59,213	55%	CMC implemented the indigent care "sliding scale" program in Fall of 2018. The actual dollar amount written off continues to far exceeded the estimate. Actual indigent care write off from March to May and July has been smaller and close to budget for those months, suggesting that our action plan may be starting to work.	CMC Business Office has reexamined the criteria applied to indigent care applications including documentation required to qualify. Our modified practice still complies with NHSC guidelines regarding proof of indigency. We are aggressively helping uninsured patients qualify for Medicaid.
Other Revenue	\$ 855,660	\$ 957,451	\$ 101,792	12%	CMS completed its review of our audited financials and cost reports for FY19, and provided CMC additional reimbursement as settle-up. Additionally, we have been successful with grant revenue and donations from the CMC Foundation, IWCF, St. Luke's Health Partners, and other organizations.	No action necessary.
EXPENSES (Unfavorable Variances > \$5,000 from Budget YTD)						
Contract Labor	175,086	215,463	40,378	23%	We brought in a contracted NP for 5 months to support provider staffing due to concerns of COVID volumes and impact on employed providers. A contracted Lab employee was brought on through rest of summer to assist with anticipated rise in lab testing due to COVID tests.	No action needed. Contracted NP is scheduled through early September. Lab worker will be evaluated as COVID develops.
Supplies	229,977	368,382	138,405	60%	Supply costs are higher than expected because of medical supply and drugs purchased, including COVID related supplies, extra PPE. Volumes have been higher in the ER, accounting for some of the increase.	Need project to assess purchasing arrangements and GPO options.
Repairs & Maintenance	9,440	30,020	20,580	218%	Projects scheduled for completion in FY19 drifted into FY20, especially electrical work. Additional expenses related to triplex repairs and facility changes to improve safety for COVID.	No action needed. More triplex repairs in Aug-Sept. COVID prep expenses and creating additional work space in clinic (renovation) will increase expenses in FY20, but should be fully reimbursed via
Minor Equipment Purchase	3,321	13,518	10,197	307%	Additional small equipment purchases for COVID (e.g., air handlers, tent)	No action needed. We are tracking COVID expenses and will comply with HHS guidance on recognition and trackign of reimbursement.
Depreciation & Amortization	238,950	338,979	100,029	42%	Capital equipment purchases incurred in late FY19 drove D&A higher than budgeted, and will continue throughout FY20.	No correction planned. In fact, D&A will go higher still as a result of anticipated purchases this year of a \$125k cardiac monitoring system (replacement) and nearly \$100k in lab equipment replacement. Other items will "age-off" our depreciation schedule over the next year as they become fully depreciated.
Favorable variances in Green	Unfavorable variances in Red					

Attachment B

**NOTICE OF PUBLIC HEARING
CASCADE MEDICAL CENTER**

REGARDING ADOPTION OF BUDGET For FY 10/01/2020-09/30/2021

LEGAL NOTICE is hereby given that a PUBLIC HEARING will be held on the 19th day of August, 2020 at 12 p.m. Mountain Time for the consideration of a proposed budget for Fiscal period October 1, 2020 to September 30, 2021, pursuant to provisions of 50-1002 Idaho Code. Any interested parties may use video conferencing via Zoom or teleconference by using the following phone number and access codes: 1-888-788-0099 (US Toll-free), meeting ID 917 1945 1340 and meeting password 975001 to show cause why such proposed budget should or should not be adopted. Anyone desiring accommodations for disabilities related to the hearing, contact Cascade Medical Center at 208-382-4285, at least 48 hours prior to the public hearing.

<i>FY Budget Summary</i>	<i>FY 2018 Actual</i>	<i>FY 2019 Actual</i>	<i>FY 2020 Budget</i>	<i>FY 2021 Proposed</i>
<i>Operating Revenue</i>	\$3,640,286	\$4,125,379	\$4,706,164	\$5,089,456
<i>Operating Expenses (1)</i>	\$ 4,071,738	\$ 4,632,531	\$ 5,321,706	\$ 5,797,581
<i>Net Operating Income (Loss)</i>	(\$431,452)	(\$507,152)	(\$615,542)	(\$708,125)
<i>Tax Revenue</i>	\$ 792,665	\$ 872,488	\$ 853,078	\$ 888,880
<i>Other Revenue (2)</i>	\$ 81,586	\$ 128,298	\$ 99,535	\$ 53,835
<i>Donations</i>	\$ 141,538	\$ 66,688	\$ 50,000	\$ 30,000
<i>Grants</i>	\$ 42,506	\$ 66,374	\$ 53,757	\$ 75,851
<i>Total Net Income (Cash Basis)</i>	\$ 626,843	\$ 626,696	\$ 440,828	\$340,441
<i>Equipment/Improvements</i>	\$ 257,657	\$ -	\$ 100,000	\$ 100,000
<i>Bond Principal/Interest (2)</i>	\$ -	\$ -	\$ -	\$ -
<i>Cash Flow provided (Used) per year</i>	\$ 369,186	\$ 626,696	\$ 340,828	\$ 240,441

(1) Operating Expenses reflect cash transactions and therefore do not include depreciation. Budget submissions from previous years did mistakenly include depreciation as an Operating Expense for both the budget and actual data presented. Therefore, this year's budget submittal data reflects the Operating Expenses restated to exclude depreciation.

(2) Bond Principal/Interest line item in the previous year's budget submittal mistakenly reflected interest income rather than interest expense. CMC currently has no debt so this line item should have been blank. Corrections are reflected in this budget submittal for all fiscal years indicated.

PLEASE TAKE FURTHER NOTICE that the budget under consideration is available for public inspection from and after August 3, 2020 by contacting Tom Reinhardt at 208-382-4285 x1300 or by email at treinhardt@cmchd.org.

Tom Reinhardt, CEO
Cascade Medical Center