

Cascade Medical Center Board Minutes

July 15th, 2020

CMC Conference Room

12:00 pm – 2:52 pm

Members present: None

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

Members absent and excused: None

Others present remotely: Tom Reinhardt, Teri Coombs, and Sarah Hasbrouck

Change to Agenda: Prior to calling the meeting to order, George Greenfield acknowledged a request to add an item to the meeting agenda to discuss the Treasurer position. A motion to add the item was made by Lesa Becker and seconded by Jacque Zemlicka; all members were in favor to add this item. It will appear on the agenda after the approval of the minutes from the June 2020 BOT meeting.

Call to Order: Meeting called to order by George Greenfield at 12:04 PM.

Mission Moment: Tom provided a mission moment about a recent patient's death, demonstrating the culture that we have built at CMC to allow for the staff to go above and beyond in the last few hours of this patient's life to provide a comforting environment for both the patient and their spouse. Staffing adjustments were made to allow for one to one nursing care so that someone could be present with the patient for company and conversation without being pulled away. In addition, the provider personally picked up the patient's spouse and drove them to the hospital so that they could also have a few more hours with their loved one before they passed, as the spouse is not able to drive anymore.

BOT Minutes: Minutes from the June 17th, 2020 meeting were reviewed. The only requested change was to the Agenda where it stated May 2020 BOT meeting instead of June; a motion to approve the minutes was made by Anthony Henry, seconded by Rachel Smith; all members were in favor, motion passes.

Treasurer Position Discussion: Mary Tracey tendered her resignation as the interim Treasurer, allowing the position to become vacant for the incoming CFO to fill at the August BOT meeting. She was thanked for her service and dedication to the position during her time spent as the Treasurer. A motion to accept her resignation was made by Jacque Zemlicka and seconded by Anthony Henry; all members were in favor, motion passes.

Operations Report:

Medical Staff Minutes:

Teri presented the Board with the July 8th, 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 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 June, 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 was noted that the variance of (284,877) to net income FYTD does not reflect adjustments made for unbudgeted COVID-19 related expenses which are included in the current financial data. The AP

department is keeping track of these expenses, and will be able to account for COVID-19 related expenses and their reimbursement from the CARES Act funds at the appropriate time.

CEO Report / New Business/ Unfinished Business:

CEO Update:

Tom provided an update on staffing for the members of the board, including the addition of a new part time physical therapist as well as a part time coding specialist, in addition to new CFO who will begin at the end of July.

Tom also provided an update on the current COVID-19 situation, including a doubling down by the staff on infection precautions, additional security cameras to include waiting rooms and hallways, as well as the postponement of Together on Tuesdays until further notice.

The financial impact of COVID-19 was discussed with the members of the board. Graphs demonstrating the trending numbers of COVID tests and positive results were provided, as well as graphs with current and historical volume trends and financial data. By then end of June, most departments have returned to nearly full volumes, with projections for full volume by the fall. Preparation for continued COVID cases into 2021 has been outlined and will be funded by the CARES Act.

FY2021 Proposed Budget Review:

The FY2021 Budget as it will appear publically was presented. It will include footnotes regarding the removal of depreciation, as well as a change in Bond Principle/Interest which will now correctly show as “other revenue” instead of an expense.

After discussion about the proposed changes regarding the footnotes, Lesa Becker made a motion to accept the proposed FY21 Budget as it is printed. Anthony Henry seconded the motion; all members were in favor, motion passes.

COVID-19 Update:

Discussion was centered on how the hospital could become a resource for the community to assist in education about the importance of wearing a masks. Tom attended the City Council meeting this past Monday in an effort to continue spreading the education. Also discussed were the best ways to use the new website as well as social media to continue sharing education with the community.

Executive Session:

Executive Session was not held during this meeting.

Committee Reports:

Finance Committee:

Members:

Mary Tracey, Chairperson
Jacque Zemlicka
George Greenfield
Tom Reinhardt

The Finance Committee met to provide a finalized budget for FY21.

Quality Assurance, Performance Improvement and Compliance Committee:

Members:

Lesa Becker, Chairperson
Rachel Smith
George Greenfield
Aline Lee
Tom Reinhardt
Teri Coombs

The Quality Assurance, Performance Improvement and Compliance Committee met in June. Discussion surrounded the creation of a Quality Metric Dashboard, to include Patient Satisfaction and Diabetes Management in the RHC location. Top priorities for the committee include COVID Infection Prevention, ER Callbacks and Patient Satisfaction.

Strategic Planning Committee:

Members:

Anthony Henry
George Greenfield
Tom Reinhardt
Karolyn Plehal
Ann Young

The Strategic Planning Committee did not meet in June, however they did provide a reminder that the Wipfli representatives will be doing a site visit the first week in August. They also reported that the community survey ended up netting more than 470 responses.

Other/Next Steps:

Agenda topics for next meeting:

- Update on testing supplies (COVID, Rapid Flu, Rapid Strep)
- Additional BOT Members

Adjournment: The meeting was adjourned by George Greenfield at 2:52 PM.

The next meeting is scheduled for August 19th, 2020 at 12:00 PM.

Attachment A

						Correction/Action Plan
REVENUES						
Gross Revenue from Inpatient, Outpatient, ER, and Clinic	\$ 3,702,186	\$ 3,643,541	\$ (58,646)	-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.	No action necessary. All service lines have now recovered and volumes/revenues are coming back in line with expectations.
Gross Revenue from 340B Rx Plan	\$ 111,468	\$ (742)	\$ (112,210)	-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. Settlement with pharmacy didn't occur in January, resulting in a deficit.	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.
Off-sets to Revenue						
Contractual Adjustment	\$ 283,466	\$ 404,006	\$ 120,540	43%	Write offs are disproportionately higher than the revenue variance, so need to investigate.	Need to conduct audit of payor contractuals and assess contracts to verify that adjustments are correct. Project TBD.
Bad Debt Expense	\$ 94,406	\$ 113,760	\$ 19,355	21%	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. It is back down in June.	No action necessary.
Indigent Care Writeoff	\$ 94,406	\$ 162,013	\$ 67,607	72%	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 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	\$ 750,023	\$ 871,561	\$ 121,539	16%	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	157,577	178,739	21,162	13%	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	201,585	296,442	94,857	47%	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	8,274	26,938	18,663	226%	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 July-Aug. COVID prep expenses and creating additional work space in clinic (renovation) will increase expenses in July.
Minor Equipment Purchase	2,911	13,518	10,607	364%	Additional small equipment purchases for COVID (e.g., air handlers, tent)	No action needed. We are tracking COVID expenses and submitting quarterly reports for reimbursement.
Hospital Insurance	22,861	29,470	6,609	29%	YTD variance through January due to timing of insurance premium payments (not spread equally throughout the year).	No correction planned. We will be over budget through the year due to slightly higher premiums than budgeted and old invoices from FY19 for Worker's Comp premiums that were not paid and subsequently caught up in FY20.
Depreciation & Amortization	209,450	299,775	90,325	43%	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 possibly a \$45k lab analyzer. 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				