

Cascade Medical Center Board Minutes

April 15, 2020

CMC Conference Room

12:00 pm – 3:11 pm

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

Members absent and excused: None

Others present: Tom Reinhardt, Teri Coombs, Sarah Hasbrouck

Call to Order: Meeting called to order by George Greenfield at 12:02.

George Greenfield requested a motion to modify the original agenda to include the addition of the agenda item “Medical Staff Privileges: Medical Center privileges for Krista Niezwaag, PA.” A motion was made by Jacque Zemlicka and seconded by Rachel Smith, all members were in favor; approval of modified agenda passes.

Mission Moment:

Mission Moment was provided by George Greenfield.

BOT Minutes:

Minutes from the March 18th, 2020 meeting as well as the special session held on April 9th, 2020 were read. There were no corrections; a motion to approve the minutes from both meetings was made by Anthony Henry, seconded by Lesa Becker, all members were in favor; motion passes.

Operations Report:

Medical Staff Minutes:

Teri presented the Board with the April 8, 2020 Medical Staff Minutes, which include the Utilization Report and Volume Trends, for review.

Dr. David Gough had additional suggestions on some of the agenda items from the Medical Staff Minutes and will coordinate a time with Dr. Ellsworth to discuss these items.

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

UTILIZATION REVIEW:

- Total ER Visits: 78 (73 March 2019)
- Total OP Visits: 41 (41 March 2019)
- Total Physical Therapy Visits: 324 (145 March 2019)

- Total Clinic Visits: 397 (415 March 2019)
 - Dr. Ellsworth: 79
 - Chantell Williams: 44
 - Marc Nagel: 77
 - David Hill: 119
 - Jamie Coffey-Kelly: 55
- Total Laboratory Visits: 206 (233 March 2019)
- Total Radiology Visits: 83 XR's, 36 CT's and 8 US's (118 XR's, 33 CT's, 11 US's March 2019)
- Death – none
- Blood Transfusions – none
- Average Length of Stay for Inpatients – there were two inpatients in the month of March, ALOS 65.63 hours (one observation patient)
- Leaving Against Medical Advice – three.

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	1
ENT	
Neurology	2
CCU	1
ICU	3
Obstetric	
PICU	
Psych	
Burns (Utah)	

INPATIENT CARE PLANS:

There were two inpatients in the month of March, both charts contained a complete care plan.

Financial Reports:

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

Medical Staff Privileges:

Sarah presented a request for Temporary 90 Day Locum Privileges to be granted to Krista Niezwaag, PA-C, with a start date of April 24, 2020. The credentialing packet was reviewed and included the recommendation to grant these privileges from the Medical Staff at their meeting on April 8th, 2020.

Mary Tracey motioned to accept the request of Krista Niezwaag, PA-C to be given Temporary 90 Day Locum privileges at Cascade Medical Center. This motion was seconded by Rachel Smith, all were in favor; motion passes.

CEO Report / New Business/ Unfinished Business:

CEO Update:

Tom notified the board that the new Spacelabs Patient Monitoring system has arrived and is being installed. User training is occurring for all clinical staff.

The Hospital Registration position has been filled, and we have commitments from two providers; Louise Michels, NP and Dr. Katie Camarata.

Staff recruitments is still occurring for the following positions:

- Finance and Accounting – Full time
- PT Aide
- Full Time Physician Assistant
- Paramedic/CNA's

Campus Mater Planning Process:

Nicholas Smith with Wipfli provided a presentation on the Facility Master Plan Process, specifically the stages of creating the Facility Master Plan. This plan will utilize data gathered from the efforts of the Strategic Planning Committee's outreach into the community as a base for the process. It was advised that a Facility/Campus Planning Committee be established, and that we continue to survey the community utilizing digital/email campaigns and social media outlets for future, more targeted community input.

COVID-19 Update:

Tom presented on the ongoing efforts of the staff regarding COVID-19, including community education about social distancing and hand washing. He also provided the updated COVID protocols effective April 3, 2020 for the Medical Center, including daily self-screening for all staff members and a universal mask requirement for anyone inside of the Medical Center.

Tom shared education about post COVID-19 marketing, including efforts to improve the physical environment during times of low volumes, focusing on patient safety and flexibility in scheduling, as well as embracing new technology and tools for better patient check in processes and medical care.

Governance Readiness was also discussed, including interim succession planning should the CEO, Medical Director or President of the Board of Trustees be unable to complete their duties.

Sarah will research the current bylaws to see if there is anything restricting a Board Member from assuming the CEO position, and if able, if that member would need to vacate their seat temporarily from the BOT.

Committee Reports:

Finance Committee:

Members:

Mary Tracey, Chairperson
Jacque Zemlicka
George Greenfield
Tom Reinhardt

The Finance Committee did not meet in March.

Quality Assurance, Performance Improvement and Compliance Committee:

Members:

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

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

Strategic Planning Committee:

Members:

Larry Walters
Anthony Henry
George Greenfield
Tom Reinhardt
Karolyn Plehal
Ann Young

The Strategic Planning Committee did not meet in March.

Executive Session:

There was no Executive Session on the agenda for April.

Other/Next Steps:

Agenda topics for next meeting: Continue Governance Readiness recommendations.

Meeting Evaluation: Members appreciate the ability to utilize Zoom to function remotely; paraphrasing big decisions to make sure all members are in agreement, adding 5 min breaks for longer meetings.

Adjournment: The meeting was adjourned by George Greenfield at 3:11PM.

The next meeting is scheduled for May 20th, 2020 at 12:00 pm.

Attachment A

Variance Detail Analysis - February 2020 FYTD						
Category	Budget FYTD Feb 2020	Actual FYTD Feb 2020	Variance to Budget	Variance %	Explanation	Correction/Action Plan
REVENUES						
Gross Revenue from Inpatient, Outpatient, ER, and Clinic	\$ 1,981,452	\$ 2,877,214	\$ 895,762	45%	Overall volumes and gross revenue are trending significantly higher than budget, primarily due to strong ER, Inpatient, and Swing bed revenue.	No action necessary
Gross Revenue from 340B Rx Plan	\$ 59,659	\$ 21,602	\$ (38,057)	-64%	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. 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	\$ 151,714	\$ 341,392	\$ 189,678	125%	Higher volumes and charges means higher contractual adjustments (write-offs).	Need to conduct audit of payor contractuals and assess contracts to verify that adjustments are correct. Project TBD.
Bad Debt Expense	\$ 50,527	\$ 56,826	\$ 6,299	12%	October and November Bad Debt was higher than budget. Bad Debt was below budget for Dec, Jan, and Feb.	Leadership is working to gain a better understanding of the seasonal fluctuation in bad debt, and will revisit our policy on how to budget and write-off bad debt.
Indigent Care Writeoff	\$ 50,527	\$ 154,506	\$ 103,979	206%	CMC implemented the indigent care "sliding scale" program in Fall of 2018. The actual dollar amount written off continues to far exceeded the estimate. February's actual indigent care write off of \$13,527 is the smallest so far this year, 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.
EXPENSES (Unfavorable Variances > \$5,000 from Budget YTD)						
Other employee expenses	20,786	27,797	7,011	34%	licensing fees, insurance credentialing fees, other dues - primarily provider related. February's "other" employee expense was well below budget.	No action needed.
Contract Labor	87,543	113,138	25,595	29%	Although contract labor stopped Dec 30, we are still processing invoices from previous months, as far back as August. February's contract labor was well below budget.	No action needed.
Purchased Services	250,736	295,207	44,471	18%	Athena charges are a percentage of revenue, which is a component of purchased services	No action needed.
Supplies	107,890	148,450	40,560	38%	Supply costs are higher than expected because of medical supply and drugs purchased. Volumes have been higher in most departments, accounting for much of the increase.	No action needed. Drug purchases fluctuate throughout the year. We expect to be within budget, adjusted for actual volumes, at year end.
Repairs & Maintenance	4,429	19,337	14,908	337%	Projects scheduled for completion in FY19 drifted into FY20, especially electrical work.	No action needed. COVID prep expenses and creating additional work space in clinic (renovation) will increase expenses in Feb-April.
Hospital Insurance	12,236	28,406	16,170	132%	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.
Other Expenses	71,450	80,199	8,749	12%	CMC contracted with Zoom to provide tele/video conference capabilities, including HIPAA compliant secure conferencing. Paid full year of \$1,999 in advance for savings. TVL expense of \$4,000. Bank fees doubled to \$1,137 in January. Software support rose to \$2,916 in January. February was below budget.	No correction planned. We expect to be within budget, adjusted for actual volumes, at year end.
Depreciation & Amortization	112,100	161,422	49,322	44%	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.

Attachment B

Variance Detail Analysis - March 2020 FYTD						
Category	Budget FYTD Mar 2020	Actual FYTD Mar 2020	Variance to Budget	Variance %	Explanation	Correction/Action Plan
REVENUES						
Gross Revenue from Inpatient, Outpatient, ER, and Clinic	\$ 2,346,456	\$ 3,322,290	\$ 975,834	42%	Overall volumes and gross revenue are trending significantly higher than budget, primarily due to strong ER, Inpatient, and Swing bed revenue.	No action necessary
Gross Revenue from 340B Rx Plan	\$ 70,649	\$ 11,683	\$ (58,966)	-83%	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. 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	\$ 179,662	\$ 416,400	\$ 236,738	132%	Higher volumes and charges means higher contractual adjustments (write-offs). Still, 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	\$ 59,835	\$ 73,162	\$ 13,327	22%	October and November Bad Debt was higher than budget. Bad Debt was below budget for Dec, Jan, and Feb but rose again in March.	Leadership is working to gain a better understanding of the seasonal fluctuation in bad debt, and will revisit our policy on how to budget and write-off bad debt.
Indigent Care Writeoff	\$ 59,835	\$ 164,212	\$ 104,377	174%	CMC implemented the indigent care "sliding scale" program in Fall of 2018. The actual dollar amount written off continues to far exceeded the estimate. March's actual indigent care write off of \$9,706 is the smallest so far this year, and only 4% over budget for the month, 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.
EXPENSES (Unfavorable Variances > \$5,000 from Budget YTD)						
Other employee expenses	24,944	31,062	6,118	25%	licensing fees, insurance credentialing fees, other dues - primarily provider related. March's "other" employee expense was below budget.	No action needed.
Contract Labor	105,052	115,236	10,185	10%	Clinical contract labor has been stopped. Now contract labor for Accounting continues, but is offset by reduced employment expense.	No action needed.
Purchased Services	296,924	302,943	6,019	2%	Athena charges are a percentage of revenue, which is a component of purchased services	No action needed.
Supplies	127,765	168,726	40,961	32%	Supply costs are higher than expected because of medical supply and drugs purchased. Volumes have been higher in most departments, accounting for much of the increase. Additional spending for PPE related to COVID.	No action needed. Drug purchases fluctuate throughout the year. We expect to be within budget, adjusted for actual volumes, at year end.
Repairs & Maintenance	5,244	20,190	14,946	285%	Projects scheduled for completion in FY19 drifted into FY20, especially electrical work.	No action needed. COVID prep expenses and creating additional work space in clinic (renovation) will increase expenses in Mar-April.
Minor Equipment Purchase	1,845	11,853	10,008	542%	Additional small equipment purchases for COVID.	No action needed.
Hospital Insurance	14,490	28,406	13,916	96%	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	132,750	193,796	61,046	46%	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.