

MAYERS
MEMORIAL
HOSPITAL
DISTRICT

Finance Committee Meeting

Wednesday, December 28, 2016 – 9:00 am

Board Room, Fall River

Meeting called by:

Allen Albaugh, Chair

Type of meeting:

BOD Committee

Board Clerk:

Valerie Lakey

Attendees:

Allen Albaugh, Committee Chair, Board Member
Art Whitney, Board Member
Louis Ward, CEO
Travis Lakey, CFO

----- Agenda Topics -----

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1) Meeting Called To Order		Albaugh	
2) Requests from audience to speak to issues/agenda items	Attach-ments	Albaugh	
3) Approval of FC Minutes (November 30, 2016)	A	Albaugh	Action
4) Department Reports (per schedule – one revenue and one non-revenue per month) <ul style="list-style-type: none"> • Acute • IT 		Overton Broadway	Reports
5) Financial Reviews – <i>(will be sent by T. Lakey, CFO)</i> <ul style="list-style-type: none"> a) November Financials b) Accounts Payables (AP)/ Accounts Receivable (AR) c) Quarterly Finance Review (Binder) 		Lakey	Action Action
6) Recommend Approval for Board Resolution to open Construction Bank Account		Lakey	Action
7) Administrative Report – Building Update, USDA, etc.		Ward	Information
8) Other			
Adjournment			

Posted: 12/21/16 by V. Lakey

MAYERS MEMORIAL HOSPITAL DISTRICT
BOARD FINANCE COMMITTEE MEETING
MINUTES – OCTOBER 26, 2016 9:00 A.M.

BFC Attendance:
 Allen Albaugh
 Art Whitney
 Louis Ward, CEO
 Travis Lakey, CFO

DRAFT
Attachment A

Other:
 Valerie Lakey
 Adam Dendauw

(These minutes are not intended to be a verbatim transcription of the proceedings and discussions associated with the business of the board's agenda; rather, what follows is a summary of the order of business and general nature of testimony, deliberations and action taken.)

SUBJECT	DISCUSSION	
CALL TO ORDER	The meeting was called to order by Albaugh at 1:00 PM in Fall River Mills.	
Requests from Audience to Speak	None	
Minutes	The minutes from the BFC meeting held 10.26.16 were approved. <i>(Whitney/Albaugh) - Approved all</i>	Approved
Department Presentation	<p>Marketing, Val Lakey – (See handout) Lakey gave a report on marketing and highlighted the “in-kind” advertising we receive.</p> <p>Respiratory, Adam Dendauw – (See Power Point) Revenue is up. Swing was the only department that was down. The department is providing more services. Pulmonary Rehab was a big growth area. Some challenges with referrals based on the constant change in physicians. Dr. Dahle has been a good referral source. There will be new rates. Medicare has lax qualifications – Private and Partnership have not followed suit yet. 3 referrals from the health fair. Some PFT’s for Pit River. Services in Burney will help with that demographic. Staffing runs short sometimes – equipment – doing good.</p>	
Financials	<p>October 2016 Financials were discussed. <i>(Whitney/Albaugh)</i> Notes as follows:</p> <ul style="list-style-type: none"> • A/P - \$350,000 • A/R – 58 Days – Lakey needs to look into it. • Cost report was turned in today • Breakdown on receivables. • Did not use the Credit Line at all. • Over \$2 million coming in IGT (Paid out QUAF and Partnership) • We have received PRIME IGT • Should be at about 60 days Cash on Hand at end of year • Will have \$3.6 mil in reserve at end of year. • January 1 timecard plus will be up. (December 25th is go 	Approved

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	live date) Will begin training in the next couple of week.	
Capital Expenditure Plan	<ul style="list-style-type: none"> McArthur explained the CEP – it is instrumental with grant requests, Capital Expenditure Plan for Acute Surveyor. It's a "wish list". It is a fluid document. Ryan Harris works on the equipment (fixed asset) portion. Portable x-ray machine – a \$100,000 grant was written. The CEP is a useful tool. Chocolate Festival proceeds will go to SNF renovations. (Whitney/Albaugh)to approve CEP 	Approved
Layton Construction Contract	<ul style="list-style-type: none"> Tyler Davis will be present at regular board meeting to present on the budget There will be an increase because of OSHPD required water storage Just received the contract Will probably not be approved until December 	
Administrative Report	<ul style="list-style-type: none"> Participated in NSGT (raised over \$3000 for Foundation) USDA will fund when we have guaranteed maximum price as opposed to waiting for OSHPD. There will be a separate construction account Account will be at Tri-Counties; will get all paperwork taken care of There will be an approval process for payables in place Would Layton to hold a "Job Fair" for local construction people. Look at in-kind work SEMSA – met with Mike Williams – discussed a variety of options. (MMHD does not own, MMHD owns – but operated by SEMSA) Currently, talking about keeping ownership – SEMSA buys equipment, MMHD is a second on the lease. MMHD would have the first right to take over leases. Discussing input over type of equipment, etc. SEMSA covers all costs and we contract with them. Work out details on the ambulance. Will be beginning conversations with the staff. Big Valley ambulance in January Helicopter in March Employee meetings in January – Benefits will be a topic SNF Survey was very good. Fire Life Safety is back also. Much better than last year. Will be doing a holiday bonus \$100 F/T; \$50 P/T Albaugh asked about doing something for the SNF staff. Whitney suggested doing gift cards CNA incentives Registry – working on bringing that number down. Mostly CNA's – Will be doing a holiday incentive. Met with FRJUSD regarding ROP for CNA's – will start working on it. Share cost with school district. Partnerships may be interested in helping to fund. Discussion from physicians on how they are paid for services 	

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	within the hospital.	
Adjournment	Meeting was adjourned at 2:45 am	

By: Valerie Lakey



Mayers Memorial Hospital District

Always Caring. Always Here.

Marketing and Public Relations – Valerie Lakey, Director of Public Relations Board Finance Report – November 2016

Mayers Memorial Hospital District Marketing Department has continued to grow in the last fiscal year. Consistency of message remains the focus. After re-evaluating resources and budget, a more effective marketing strategy has been developed, advertising with higher frequency in fewer areas.

Accomplishments:

- **Budget** – We continue to get the most benefit for our dollar. The smaller the resources, the narrower the focus needs to be. The department is attempting to make the most of a limited budget. We have been able to negotiate over \$65,000 in “In-Kind” advertising dollars.

In-Kind Advertising Overview

	<u>In-Kind</u>	<u>Cost</u>
Annual Television Advertising Spend		\$25,000
(KRCR, Action News Now)		
In-Kind Advertising		
KRCR 72 (30 Second Spots) @\$65 (monthly) (\$4680/month)	\$56,160	
KHSL (Action News) Health Watch Advertising Program Includes 30-second spots, web page and 2 minute videos aired on Health Watch		
Discount of \$750/month	\$9000.00	
Total	\$65,160	\$25,000

- **Television** – We expanded in the television advertising market with advertisements on two local stations. We also became a part of the “Health Watch” program on KHSL. We are able to film short segments on different health topics that air at a variety of times on the station. Segments are also on digital media. Our advertising packet also includes a Health Watch webpage. This is an area the department continues to concentrate on. *We are targeting healthcare decision makers; women ages 35-55. Statistically, that age group spends the most hours daily watching television (4.96 hours) and on the Internet (3.07 hours).*
- **We will be eliminated the advertising on KHSL in 2017**
- **Website** – We had a website re-design to include more user friendly portions. We have added new sections on District Transparency, Quality and Employment. The site is mobile friendly, easy to search and kept up-to-date. Negotiated a *“two-for-one”* on the redesign. Both Foundation and MMHD websites were re-designed for one cost. We also did not receive the scheduled increase in our monthly fee and they continue to give us two sites for one in our billing.
- **Social media** - MMHD not only has Facebook, but we have Twitter and Pinterest, as well as a Blog, *“Always Caring, Always Here”*. All activity on the social media channels directs users back to the MMHD web page. Social media channels are meant to direct visitors to the services and resources provided at MMHD. We have increased our “page likes” and have even had a post with over 7500 views. Having a presence on Social Media is very important, as much of our target market uses these avenues. *NO COST – except time. Schedule Posts, etc.*
- **Community Outreach – Local Advertising** - We continue to advertising locally in an effort to reduce out-migration. Keeping MMHD “visible” in the community is a high priority. We participate in health fairs and other community events; like the Intermountain Fair, which is a highly populated event for the Intermountain Area. This year we became active in the local high schools with Health Career Days and High School Senior Internships. *“Planting Seeds and Growing Our Own”* has been a focus.

An email list is utilized to get messages out to community members. Presentations are also made to local organizations. We have also started publishing *“Mayers Minute”* weekly to give the community updates about what is happening at MMHD.

Collaboration with MVHC Marketing Department and Hwy 299 Collaborative Recruitment Marketing committee. (Funded by collaborative)

- **Department Marketing/Employee Public Relations** – The marketing department works with individual departments and managers to provide public relations and marketing material. Two-way communication between managers and the marketing department has improved significantly. Additionally, the department puts out a newsletter for employees with each payroll. *“It Pays to Know”* is a resource meant to keep employees up to date on

happenings, announcements and events at MMHD. Additionally we keep a large bulletin board up-to date weekly.

- **Annual Report** – negotiated savings (pre-pay to save 15%) will mail 7000 copies in January.
- **Legislation and Advocacy** – We have become very involved in advocacy for legislative issues pertaining to healthcare. Updates are provided for board, staff and community on a regular basis. Letters, phone calls, personal visits are all a part of lobbying for healthcare.

Challenges:

The major challenge for a small, rural hospital's Marketing Department is the budget. MMHD has had to be especially careful and carefully monitor its financials over the last several years. It has been difficult to implement a department that needs a fairly generous budget while the hospital as a whole must budget conservatively.

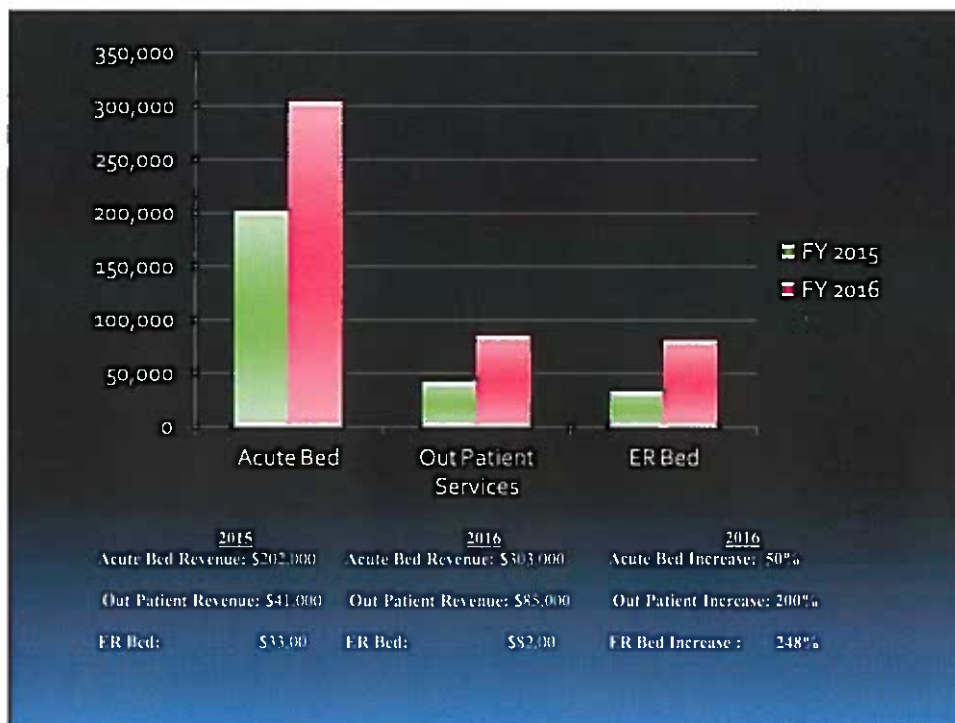
One of the biggest accomplishments also remains our biggest challenge. Gaining and retaining the trust of the community will always be an objective for the Marketing Department, and MMHD as a whole.



Respiratory Therapy Financial 11/30/2016



2015		2016		2016	
Total Respiratory Revenue:	\$470,000	Total Respiratory Revenue:	\$625,000	Total Revenue Increase:	33%
Total Expenses:	\$178,000	Total Expenses:	\$209,000	Actual Revenue Increase:	42%
Actual Revenue:	= \$292,000	Actual Revenue:	= \$414,000		



Pulmonary Rehabilitation

Proposed Hospital Outpatient PPS Payment Rates for CY 2017 Compared to CY 2016					
APC '16	APC '17	HCPCS Code	Short Description	CY 2016 Rate	CY 2017 Rate
5733	5791	G0424	Pulmonary rehab w/exercise	\$ 55.94	\$161.29
5734	5735	G0237	Therapeutic procedure strength endurance	\$ 91.18	\$265.56
5733	5791	G0238	Other respiratory procedure, individual	\$ 55.94	\$161.29
5732	5734	G0239	Other respiratory procedure, group	\$ 30.51	\$ 95.66

Almost a 300% Increase in reimbursement proposed for all forms of Pulmonary Rehab

Pulmonary Function Test required for Rehab
Increase in PFT Referrals (\$2,000/PFT)

G0237-39 Charged in 15 minute Increments
\$161 X 4 = \$644/ 1 hour Visit

G0424 Charged Hourly

Typical length of rehab is 36, 1-hour visits with a max benefit of 72 visits

Biggest obstacle is time and referral patterns- Propose patient share with Physical Therapy?

The Healthcare Common Procedure Coding System (HCPCS)

Ambulatory Payment Classifications (APC)

Challenges

- Increasing referrals with the exit of several key physicians from the area
- Re-marketing services to locum Physicians
- Establishing new relationships with incoming permanent physicians
- Balancing outpatients and inpatients