

Chief Executive Officer
Louis Ward, MHA



Mayers Memorial Hospital District

Board of Directors
Beatriz Vasquez, PhD, President
Abe Hathaway, Vice President
Laura Beyer, Secretary
Allen Albaugh, Treasurer
Jeanne Utterback, Director

Board of Directors
Finance Committee
Minutes

June 24, 2019 – 11:00 am
Boardroom (Fall River Mills)

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.

1 **CALL MEETING TO ORDER:** Abe Hathaway called the meeting to order at 11:02 am on the above date.

BOARD MEMBERS PRESENT:

Abe Hathaway, Committee Chair
Allen Albaugh, Board Member

ABSENT:

STAFF PRESENT:

Travis Lakey, CFO
Ryan Harris, COO
Candy Vculek, CNO
Louis Ward, CEO
Chris Broadway, IT Manager
Ryan Nicholls
Pam Sweet, Board Clerk

2 **CALL FOR REQUEST FROM THE AUDIENCE – PUBLIC COMMENTS OR TO SPEAK TO AGENDA ITEMS**

None

3 **APPROVAL OF MINUTES**

3.1 A motion/second carried; committee members accepted the minutes of May 20, 2019 **Albaugh/Hathaway Approved All**

4 **DEPARTMENT REPORTS**

4.1 Patient Access

Admitting is my highest turnover department due to odd hours and starting wages. I have a very strong lead, Amy who has been in the department in the leadership role who makes sure admitting is running smoothly. I'm very happy with the crew Amy has trained and put together. Admitting has implemented a paperless process at the front desk with a signature pad. Admitting does some Business Office and Medical Records functions such as posting, deposit, and indexing documents. The nights and weekends tend to be slower so we have found other duties to maximize their time.

4.2 Business Office

The Business Office is responsible for billing and collecting for all patient accounts. We have had a rough transition in switching billing software but are almost back to where we were before the switch. Unfortunately every time historically we have switched this has occurred. We have focused on training with most of the billers attending a Medicare training focused on critical access hospital billing and other trainings as they have popped up. All the payors are looked at on a weekly basis to see the AR days and individual biller's performance. We may need another FTE as the Medi-Cal billing excluding SNF isn't where I would like it to be AR Day wise. A lot of facilities have outsourced their billing throughout the years and being a facility that has done both I would always choose for it to be in house as you give up a lot of control when it happens remotely.

4.3 HIM

HIM also known as Medical Records is responsible for coding all encounters based off the clinical documentation. Given that documentation can often be incomplete and physicians are hard to nail down it can be challenging to get all encounters completed. Most coding is done here in house but some surgeries and inpatient charts are still sent out to the outsource company to be coded. Whenever our one certified coder is on vacation all encounters are sent out so it is a nice safety net. Currently HIM is working with One Content and IT on setting up a new Records Repository which will do the majority of indexing automatically. This system will also be much easier for clinicians to use and much more reliable than the unsupported system we currently have.

- 4.4 SNF Staffing/Star Rating
See attachments B and L
Attachment L is a report we get every month that shows CMS comparative scores. One star is the lowest they can give and is because of our inspections. Inspections impact our score for 4 years. Their effect will start to fall off over the next 2 to 3 years. Direct staffing is nurses who are hands on. Indirect is RN administrators and LVN charge nurses. All our RN staffing is indirect care and they do not count toward the number of nurses the state says we need.

As we look at Registry cost that includes the cost we would pay our own staff, so travelers cost an additional \$24 to \$25 /hour. 75 patient days vs 60 patient days equals about \$1.2 million per year.

5 **FINANCIAL REVIEWS**

- | | | | |
|-----|---|--------------------------------|---------------------|
| 5.1 | May 2019 Financials –
CHAFFA: waiting on contractors bids
Current ratio is 5.9 | <i>Albaugh/Hathaway</i> | Approved All |
| 5.2 | Accounts Payable (A/P)/Accounts Receivable (A/R) | <i>Albaugh/Hathaway</i> | Approved All |
| 5.3 | Board Quarterly Finance Review | <i>Albaugh/Hathaway</i> | Approved All |
| 5.4 | Resolution 2019.07 FY20 Budget – Recommend for Approval – | <i>Albaugh/Hathaway</i> | Approved All |

6 **NEW BUSINESS**

- | | | | |
|-----|--|--------------------------------|---------------------|
| 6.1 | Resolution 2019-08 Local Agency Investment Fund – Recommend for Approval: This is a fund other hospitals, municipalities and schools invest in. It is relatively safe and we can get to our money if we need to. | <i>Albaugh/Hathaway</i> | Approved All |
| 6.2 | IT Infrastructure – 10 Year Plan: The original computer systems purchased in 2011 are running Windows 7. In about 6 months Microsoft will cease to support Window 7 and we will need to replace about one half of our systems – laptops, desktops and servers. IT recommends replacing Windows with Citrix. The cost will be roughly \$1.5 million over the next 10 years with one third of that spent in the first year to replace outdated hardware. Will discuss more at the full board meeting. | | |
| 6.3 | Day Care Discussion: We’ve done the research and we can confirm the need. Committee recommends next step is to hire a qualified Director to determine what is needed and develop a budget. Collaboration with the school district looks less likely. | | |

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- 7 **Administrative Report:** HRSA OB grant that MVHC is looking into. \$600,000 per year for 3 years. The physical improvements to the facility would not be covered by the grant.

SEMSA: We have an agreement, but we are trying to get them to reduce their fees.

Assisted Living: A survey of the need must be done, but no one is willing to pay for it. Don’t think there are enough patients. MediCal does not pay for.

Partnership Health Amendment: Louis has a call in to the Chairman of the Partnership Board. He will not sign the amendment and has petitioned other CEO’s to not sign. Amendment calls for a significant increase in fees with no explanation of the need.

8 **OTHER INFORMATION/ANNOUNCEMENTS**

Generators: The current generator will be replaced with one that will power the existing building and the expansion. It will not power the air conditioners.

9 **ADJOURNMENT 1:22 pm**

Next Finance Committee Meeting – July 31, 2019 – Burney