

Memorial Hospital Lafayette County 'MHLC'
 October 27, 2015
 MHLC Conference Room
 Minutes from Monthly MHLC Committee Meeting

Present: MHLC Chair Bill Moody; MHLC County Supervisors Wayne Wilson; Larry Ludlum; Connie Hull; Bob Boyle; Dr, Solverson; Administrator Julie Chikowski; Director of Finance Barb Johnson; DON/COO Kathy Kuepers; County Finance Director Nicola Maurer; Accounts Manager Deb Krahenbuhl; Executive Secretary Jody Tuescher

I. Call to Order

Mr. Moody called the meeting to order at 12:30 p.m.

II. Posting

Mr. Moody asked if the meeting had been properly posted. Ms. Tuescher reported that the meeting had been posted with notices at the Hospital, Health Department, Manor, Court House, County Website, and sent to the local media. Mr. Moody declared the meeting to be legal.

III. Approval of Agenda - Discussion and possible action requested

Mr. Moody presented the agenda and inquired if there were any changes. Mr. Wilson moved to approve the agenda, seconded by Mr. Boyle. Voice vote, motion passed unanimously.

IV. Minutes – Discussion and possible action requested

After a brief discussion a change was made to the minutes under VI. Financial Report: Ms. Johnson which read: The increase in net income is due to a \$150,000 donation. To clarify it should read: The increase in net income is due to a \$150,000 donation, which is restricted for use for Capital Expenditures. Mr. Boyle made the motion to approve the minutes of the September 21, 2015 hospital committee meeting with the change, seconded by Ms. Hull. Voice vote, motion passed unanimously.

V. Financial Report: Ms. Johnson:

Dept Profit/(Loss) & Income Statement - September 2015:

- September monthly total net income prior to the transfer is \$66,152 with net income after the transfer at \$46,417.
- September profit YTD is down from 2014 by \$436,625.
- YTD Swingbed days are down from 2014 by 7 patient days.
- YTD Acute Inpatient days are down from 2014 by 104 patient days.
- YTD Observation hours are down from 2014 by 583 patient hours.
- Comparing Department Profit/(Loss) Current YTD to Budget, in inpatient revenue: OR, ER/OR Pro fees, and Therapy are above budget – mainly due to orthopedic surgeries. All other departments are below budget – due to decrease in patient count.
- Comparing Department Profit/(Loss) Current YTD to Budget, in outpatient revenue: Ambulatory, ER/OR Pro fees, OR, Outpatient clinic, Therapy, and Radiology are above budget – mainly due to orthopedic surgeries.
- Med/Surg, Laboratory, and Pharmacy are below budget – due to decrease in patient count.
- Total Clinical Expenses are below budget.
- Med/Surg, OR, and Therapy are over budget.
- OB, ER, Outpatient clinic, Lab, Radiology, and Pharmacy are below budget.
- YTD Net (Loss) prior to the transfer of \$-0- to the Manor and \$177,608 to the County General Fund is a profit of \$38,453, which is a 0.37% profit YTD. Operating Percentage Margin YTD (after disbursement of the CGF) is - 1.085%, which is below budget.
- Our YTD net loss after County Transfer is at a loss of \$139,155.

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- Account balances that were written off to charity care for 2015 amount to \$62,358.77, compared to 2014 amount of \$40,813.50.

Balance Sheet

- Cash as of September 30, 2015 is \$314,578.
- The Accounts Receivable balance as of September 30, 2015 is \$3,365,690.
- Capital purchases for 2015 are indicated on the capital worksheet.

Aged Accounts Receivable

- The net days outstanding in accounts receivable is 48.22.
- 61.59% of our aging accounts receivable is in 0-30 days outstanding, and 18.31% are in 31-60 days outstanding.
- Self-pay balances September 2015 total \$510,878, compared to self-pay balances September 2014 total \$566,402.
- Currently for September 2015, \$528,966 is greater than 90 days outstanding, compared to September 2014, \$483,485 is greater than 90 days outstanding.
- Currently for September 2015, 52.39% of our aging accounts receivable consists of Medicare and Medicaid.

Liabilities

- Long term liabilities includes \$650,000 loan for the remodel of the outpatient clinic. Payments are being made monthly, and the current balance is down to \$614,029.
- Short term liabilities for August 2015 compared to August 2014 is due to the "other current liabilities" which is how the Medicare due to/from was recorded on the balance sheet. In 2015 we started recording an accrual, so it is now located in the current assets section.

Ms. Johnson reported that there is now a separate category for restricted donations on the Balance Sheet – page 9 of the financial report. General discussion continued.

Dr. Solverson noticed that over the last 3 months things are starting to pick up – general discussion of numbers being down in May and June due for the most part to the decrease in providers at Family Health, but now August and September numbers have picked up substantially and October is expected to be good as well. Mr. Moody asked why the surgery numbers were down for the month; Ms. Chikowski explained that Dr. Stormont was on vacation but if you notice the YTD numbers are up overall.

Dr. Solverson said that they are still trying to get Urology to do more procedures here. Some procedures are being taken to Madison due to insurance and the more complicated cases, but definitely they could be doing more here. Ms. Chikowski and Dr. Solverson will talk to Meriter about this.

Dr. Solverson said that Family Health Clinic is starting to see patients from the Illinois area. They are making appointments to see the new providers – we believe this is in anticipation of Dr. Cleary starting here soon. We are very excited to have him on board. Ms. Kuepers said that we'll be notified by next week if his Wisconsin License has been granted, then credentialing can be completed.

After a general discussion and clarifications the motion was made by Mr. Boyle to approve the financial report(s), seconded by Mr. Ludlum. Voice vote motion passed.

- Actual vs. Budgeted Financials:
No updates.

2. 2015 Budget Update: Ms. Johnson & Ms. Maurer:

Focus Statement
 "Caring...Quality...Life... We take it Personally."
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No updates at this time. However, Ms. Maurer said we are optimistic there will be a profit at the end of the year. This item was put on the agenda for us to monitor. We have implemented some of the changes that Wipfli found and they will be opening the 2013 & 2014 Cost Reports and after the Capital Budget for 2016 has been updated and passed through the full County Board on 11/10/2015; then all OB items will be taken out and an updated version will be completed and copies handed out. Notice that we used a lot of those dollars for other needed items.

VI. Audit of the Bills: Discussion and possible action.

Ms. Johnson said that Deb Krahenbuhl had prepared a synopsis of check's and invoices and it was included in the monthly financials for their review on page 17. Ms. Krahenbuhl highlighted a few - nothing out of the ordinary. BioMet; we had a server room air conditioner installed by Fritz's Burner Service; ACLS training; new servers, and Lamar for 3 Billboards. General discussion of ad money – Ms. Chikowski said that we took the left over ad money that was budgeted for the rest of the year and put it toward 3 Bill Boards which are placed outside of Argyle, Shullsburg and Darlington featuring the new providers at Family Health; Nurse Practitioners, PA & Dr. Cleary; Chief of Staff, ER Director and OR. Dr. Solverson commented that it will get the word out that we have Quality Health Care in Lafayette County and close to home. Mr. Boyle said that it was money well spent as well as advertising the hospital in the Hidden Valley Magazine. We will get a lot of exposure in there as well. After a brief discussion Mr. Wilson made the motion to approve the audit of the bills, seconded by Ms. Hull. Voice vote motion passed.

VII. Personnel – discussion and possible action requested.1. Staff Updates: Ms. Kuepers

- We have lost another CNA; she was part-time weekends and fill in. She left due to family obligations and we hired a CNA/HUC to replace Danielle Aubrey – so we will be looking to hire another one. There is a shortage of CNAs as people are not choosing that as a career anymore, they become a CNA as a stepping stone on their way to becoming an RN or other occupation. Discussion of other staff looking elsewhere. It is becoming a real concern in all areas of the hospital.
- Billers: We lost one biller this summer, then another biller's last day was 9/16; and now 2 long term employees will be retiring 1/4/16. General discussion continued. We will discuss our proposal later in this meeting.
- Lab/PRN: Amy Troestler started as a PRN Lab Tech – she was a Lab student here a while back. We are working on a contract with her to cover weekends – we have weekend radiology coverage and it seems to work out very well.

Mr. Boyle asked what we can do about the CNA shortage. Ms. Kuepers and Ms. Chikowski said that the hospital is different than the Manor - they are working on creative ideas to help cover what a CNA does other than direct patient care – looking at bringing back CNA/bed makers. General discussion continued we may be shifting back to primary care where the RN does all the cares for their patients, and adding new grad LPN's. This will continue to be a struggle but we will be working on solutions.

2. September OT Report: Ms. Chikowski.

The report was reviewed: RN's have been busier and covering 2 maternity leaves; Safety & Training, Coding Conference for HIM staff; Trauma Team Activation; Lab, Radiology have been busier because of call ins; ER short staffed because we lost a HUC; and there has been a respiratory illness going through the hospital and the Manor. We are still below last year's numbers.

VIII. Medical Staff Report:1. Appointments/Reappointments:

Ms. Kuepers said that there are 4 applicants that have been granted temp privileges and waiting to be taken through Medical Staff meeting first, then will be coming here for approval next month.

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2. Family Health/Hospital Communication – Dr. Solverson

Dr. Solverson reported that they now have enough providers to cover all outside clinics 5 days/week, which is the first time in Argyle. They have 3 recruiters hired and are continuing to recruit for more providers. Dr. Cleary will be finding out next week if his licensing has come through for Wisconsin. He will hopefully be on board by December or January. Our clinic is excited to have him join us

Concerns regarding the problem of physicians who have been practicing in other states, like Dr. Cleary, and finding they have the inability to transfer their license to another state or having to go through such a long process was discussed. It sometimes takes up to 3 months or more. Ms. Kuepers said that Wisconsin is working on a multi-state physician compact which includes 11 states now and Wisconsin will be the 12th. This will hopefully be in place by the end of the year. Ms. Chikowski said Marklein has come out in support of that and if anyone has a chance to call him to let him know we need his support would be very beneficial. She called Senator Howard Marklein's office to talk about her concerns and she believes he truly understands the medical needs of rural Wisconsin. She also called Senator Ron Johnson's office about the compact license, but also our concerns about the silos that we have in all our insurances specifically the silo we have with our State Insurance Plan. If we get the Wisconsin County's Association involved – it may help us to expand the network of places where we can go for healthcare – the fact that we have Meriter Specialists available here at the hospital and Unity won't even talk to them about credentialing them in our hospital is very frustrating. So many lives in Lafayette County that are covered by Unity insurance and it is ridiculous that they are forced to go outside of our area to see specialty physicians. We have put Meriter in contact with the people from Medical Associates and they've opened that conversation. Dean was always the one that was strong-arming that you have to do this or we aren't going to consider you, but now Unity & Medical Associates are just as guilty of this. If anytime you get the opportunity to talk to the Wisconsin County's Association about the fact that we need to expand these networks so that people paying for insurance have a choice to go to these physicians that are available in our community and don't have to drive an hour or two hours to see physicians outside of our area. We've got the primary care physician base built up now and will continue working on developing that. Now we need to work and focus on the fact that we have 100's of people here within Lafayette County that can't get their specialized care here because Unity and Medical Associates won't cover their specialists. Dr. Solverson said that the State Insurance Plan is currently set up so that higher tertiary care must to go to UW - both Unity & Medical Associates are set up that way. So the state of Wisconsin has set up a healthcare plan that funds its state sponsored hospital. It's at the expense of the rural community and the rural healthcare around here and it is a travesty to hurt people of those communities by feeding Madison. Several examples of how this is affecting patient quality of care in our community were discussed. Ms. Kuepers said that in order to implement any change we really need to get our politicians involved to lobby this.

After a lengthy discussion Dr. Solverson made the motion to ask the full county board to make a resolution to ask the State Government to request the State Insurance Plan to have cross-credentialing, especially for rural areas, across all plans involved in the State Insurance Plan. The motion was seconded by Mr. Boyle, voice vote, motion passed. Ms. Chikowski and Dr. Solverson will go to the Building & Insurance Committee to explain this first, then onto the County Board. Dr. Solverson said it is very important for the medical economy of this community and Lafayette County. After further discussion it was thought that it would be beneficial to find out what the Wisconsin County's Association's stance is on this subject. Ms. Chikowski will contact Mark O'Connell.

IX. Management Report: Discussion and possible action requested.
Old Business:

1. CST Update: Ms. Chikowski reported that that she heard back from them and they disagree with her and if we want to pursue this to we should get a lawyer. After a brief discussion it was decided to just ride it out

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and continue to refer any new clients onto the other company. We will continue to give them feedback that we are not satisfied with their service.

New Business:1. IT Request(s): Ms. Chikowski:

- We had an analyzer in the lab that has been in existence since 2008 die. Since October we used it for 33 tests – we need it to interface directly into HMS – Cost will be \$3,500 for the Analyzer and \$3,600 for the install for a total of \$6,200. This is over our Capital Budget amount –but we need it to happen. So we went back to the 2015 Capital Budget and there was \$10,000 in the budget for a microscope replacement. The microscope does not need to be replaced at this time – we are asking for permission to go ahead and get this HMS Analyzer and Interface replacement utilizing the money from the microscope. After a brief discussion about warranty the motion was made by Dr. Solverson after verifying if there is a warranty, to give permission to purchase the Analyzer and Interface with the money from the microscope. Seconded by Mr. Wilson, voice vote, motion passed.
- Adam Burns, IT Tech has resigned and will be going to the 1st National Bank – last day Nov. 25. Ads have been in the papers.

2. Outsourcing Billing:

Ms. Johnson sent out the Outsourcing information to everyone via email prior to this meeting so you would have a chance review. There were 3 options reviewed and after a lengthy discussion of each, the motion was made by Mr. Ludlum to go with Option 1 which makes the most sense.

Contract OS Inc. for Billing & A/R Follow-up. OS Inc. contract will start December 1, 2015. Contracts run for 1 year at a time and would increase based on the cost of living increase for the prior year. This would include the following:

Work all old A/R
 Claim submission, resolving claim edits
 Processing denials, appeals and following up on unpaid claims
 Secondary billing
 Credit balance resolution
 Denial management and A/R reporting
 835 processing/remittances and reconciling

Deb Hendrickson remains and takes over Kris Reichling's duties. We propose that Deb Hendrickson receive a \$3.00/hr wage increase for the change in duties. This is based on the knowledge she brings to the position and also remaining a liaison in the billing duties with OS Inc. Her duties will include, but are not limited to the following:

Liaison between MHLC and OS Inc.
 HMS daily reports review
 Contract review
 Bad debt/Medicare Bad Debt
 Cash spreadsheet
 Charity care
 Self-pay reconciliation
 Post all A/R to HMS an ACS
 Billing – industrial, birth to 3, med alerts, self-pay
 Other miscellaneous duties

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Deb Krahenbuhl would pick up a couple items which include the following:

Open mail, copy all checks for deposit, prepare deposit for treasurer – (The auditors identified this has to be done.)

Quality meeting

Jeanette Heins

Collection calls

Collection letters

Approve the request that Deb Hendrickson receive a \$3.00/hr increase from \$13.46, will have to go to HR's next meeting in December, then onto County Board for approval. It will become effective when the others retire on 1/4/2016. Motion was seconded by Mr. Boyle, voice vote, motion passed.

3. Nursing compensation: Ms. Kuepers presented information and a proposal as follows:

History: MHLC has lost 9 Registered Nurses since January of 2014 - 6 in 2014 and 3 so far in 2015. In the last month we had an additional resignation and were able to talk her into staying.

A new nurse takes one year at a minimum to orient – this equates to:

Wage:	2080 x \$24.94/hour = \$51,875.00
Ins:	\$17,000.00 (family plan – employer cost)
SS:	\$3,968.00
Retire:	\$3,631.00

Rough total for one year: \$76,474.00

Monroe wage after 3 years:	\$28.56/hour
Dodgeville wage after 3 years:	\$28.33/hour
MHLC	\$26.66/hour
MHLC after 5 years (ave)	\$27.25/hour

We are proposing a raise for all of our non-salaried nurses as following to keep them here to provide experienced, quality patient care and reduce our turnover and training costs.

13 nurses with 5 plus years of experience – propose a raise of \$1.50/hour.

3 nurses with 3 plus years of experience – propose a raise of \$1.00 per hour and an additional raise upon reaching the 5 year mark.

We ask that these raises will be in addition to any cost of living raises. We need to keep our well trained, experienced nursing staff here.

Approximate cost of the above proposed raises - \$50,000.00 annually.

Dollars spent in 2015 on training/orientation will exceed \$228,000.00.

A lengthy discussion continued. Ms. Kuepers said that she feels that this is a good faith effort to give now as a start even though several of the hospital committee members may not think it is enough. Ms. Maurer said that there needs to be a hospital-wide wage study to look at all of the other departments that are underpaid as well and everyone agreed. We need to bring a request for a wage study the same time we do the county wide study.

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After several other comments and questions were discussed the motion was made by Mr. Boyle to accept the proposal as presented here today which would be \$1.50/hour for 23 nurses. This does not include incentives for longevity. This will take effect the next pay period upon approval at the County Board meeting in December. Motion was seconded by Mr. Ludlum, voice vote, motion passed. Ms. Hull still believes this was not enough.

Dr. Solverson said that he would recommend to do the fact finding and to set the goal of the June 2016 hospital committee meeting to have the hospital wide wage study completed to get all staff where they need to be. Ms. Chikowski said that we can do our own wage study through RWHC.

- X. **Set Next Meeting Date** – After a general discussion Mr. Moody set the next meeting date.

**Next Hospital Committee Meeting
Tuesday, November 24, 2015 12:30 p.m.
MHLC Upstairs Conference Room**

- XI. **Adjournment** – Mr. Boyle made a motion, seconded by Mr. Ludlum to adjourn the meeting. Voice vote, meeting was adjourned.