

Memorial Hospital Lafayette County 'MHLC'
 January 25, 2016
 MHLC Conference Room
 Minutes from Monthly MHLC Committee Meeting

Present: MHLC Chair Bill Moody; MHLC County Supervisors Wayne Wilson; Larry Ludlum; Connie Hull; Dr. Matt Solverson arrived at 12:15 pm; Administrator Julie Chikowski; Director of Finance Barb Johnson; DON/COO Kathy Kuepers; County Finance Director Nicola Maurer; Executive Secretary Jody Tuescher

I. Call to Order

Mr. Moody called the meeting to order at 12:00 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. Ms. Kuepers wanted to add Batch Scanner for HIM under Management Report. Mr. Wilson moved to approve the agenda with the addition, seconded by Mr. Boyle. Voice vote, motion passed unanimously.

IV. Minutes – Discussion and possible action requested

Mr. Ludlum made the motion to approve the minutes of the December 23, 2015 hospital committee meeting with the correction that Mr. Boyle was not in attendance, seconded by Mr. Boyle. Voice vote, motion passed unanimously.

V. Financial Report: Ms. Johnson:

1. Dept Profit/(Loss) & Income Statement

- December monthly total net income prior to the transfer is a loss of \$114,208 with net income after the transfer at a loss of \$137,968.
- December profit YTD is down from 2014 by \$83,651.
- YTD Swingbed days are down from 2014 by 4 patient days.
- YTD Acute Inpatient days are down from 2014 by 234 patient days. 123 patient days are related to OB / Newborn days.
- YTD Observation hours are down from 2014 by 959 patient hours.
- Comparing Department Profit/(Loss) Current YTD to Budget, in inpatient revenue:
 OR, ER/OR Pro fees, and Therapy are above budget – this is due mainly to orthopedic surgeries.
 All other departments are below budget – due to a decrease in the ancillary service for an inpatient.
- Comparing Department Profit/(Loss) Current YTD to Budget, in outpatient revenue:
 Ambulatory, OR, Outpatient clinic, Therapy, and Radiology are above budget – mainly due to orthopedic surgeries and the type of outpatient service.
 Med/Surg, Laboratory, and Pharmacy are below budget – due to decrease in patient count and ancillary service.
- Total Clinical Expenses YTD:
 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 \$4,025.63 to the Manor and \$236,811 to the County General Fund is a loss of \$123,033, which is a 0.90 loss YTD. Operating Percentage Margin YTD (after disbursal of the CGF) is - 1.511%, which is below budget.
- Our YTD net loss after County Transfer is at a loss of \$363,869.
- Account balances that were written off to charity care for 2015 amount to \$65,084.58, compared to 2014 amount of \$51,486.17.

Memorial Hospital Lafayette County 'MHLC'
January 25, 2016
MHLC Conference Room
Minutes from Monthly MHLC Committee Meeting

Balance Sheet

- Cash as of December 31, 2015 is -\$254,811. Cash is low due to reduced amount of deposits in December and some large invoices.
- The Accounts Receivable balance as of December 31, 2015 is \$3,385,194.
- Capital purchases for 2015 are indicated on the capital worksheet.

Aged Accounts Receivable

- The net days outstanding in accounts receivable is 55.08.
- 61.49% of our aging accounts receivable is in 0-30 days outstanding, and 13.61% are in 31-60 days outstanding.
- Self-pay balances December 2015 total \$437,815, compared to self-pay balances December 2014 total \$526,799.
- Currently for December 2015, \$612,932 is greater than 90 days outstanding, compared to December 2014, \$465,534 greater than 90 days outstanding.
- Currently for December 2015, 42.73% 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 \$595,650

Since we outsourced our billing and OS, Inc. took over we are seeing some negative changes in our cash, AR and P&L – we will work through this transition and things will eventually work out. Ms. Chikowski said that there is a lag time in December – revenue was affected – we were very busy initially. Look at page 13 – Nov/Dec - A/R: received payments. Ms. Johnson explained how this affected us – overall it causes days outstanding to be higher. Ms. Hull asked if this meant there is a lot out there waiting to be paid. Ms. Johnson said that yes there is. Brief discussion continued.

Ms. Maurer: This was a preliminary financial report for the 2015 year. An interim Cost Report was prepared by WIPFLI in November to look at what we can anticipate in cost reimbursement from Medicare. The Net Loss for the year will change as we go through preparation for the audit - hopefully nothing major. Regarding the Allowances (contractual adjustments) – we are looking at this and why the big differences from 2014 to 2015 in the Medicare payments received. Why are our Medicare Allowances up by so much – we are trying to understand this.

Ms. Chikowski: The overall allowance percents don't make sense – we have the experts helping us to try to figure this out. Wipfli will be working on this with us.

Ms. Chikowski thanked Ms. Maurer for her explanation and we will keep everyone posted. Dr. Solverson asked if corrected through the Cost Report – will it change what reimbursement from Medicare that we receive. Ms. Maurer said that yes it could change the reimbursement.

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

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

Ms. Johnson prepared an AP Summary of the larger invoices and annual listings – Page 17. After a brief discussion and clarifications, Ms. Hull made the motion to approve the audit of the bills, seconded by Mr. Ludlum. Voice vote motion passed.

VII. Personnel – discussion and possible action requested.

1. Staff Updates: Ms. Chikowski/Ms. Kuepers:

Focus Statement
“Caring...Quality...Life... We take it Personally.”
Page 2 of 5

Memorial Hospital Lafayette County 'MHLC'

January 25, 2016

MHLC Conference Room

Minutes from Monthly MHLC Committee Meeting

- Another full time RN resigned – she took a position in Platteville – we have nurse techs who will be graduating in May who will be absorbing these hours.
 - We hired a new CNA/HUC
 - Nick Metz started as our new IT Tech.
 - Dietary had a resignation – Connie Richards will be going full time at the Manor. We will be posting for a part time no benefited Cook position.
 - Dr. Solverson reported that they are hiring 2 MA's at Family Health.
 - Mary Roelli has been doing higher level management – ADON/ER Manager/OR Manager. The ER Manager has taken over that portion of Mary's duties, and she has been working with the 2 OR trainees who are taking over the OR Manager portion of her duties. Her retirement date is July 31 and we would like them to be done orienting by that time. We would like to look at her other duties as an ADON, work on a job description and proposal to bring back to discuss at our next meeting. There is another piece, Compliance Officer we'd like to take a look at and possibly fold into this new role. Hopefully an internal candidate might be able to take over this position. Ms. Chikowski reported that Ms. Roelli has significantly reduced her hours YTD and all of the proposed changes would be absorbed. We will bring the proposal back next month to reflect upon.
2. December OT Report: Ms. Chikowski.
The report was handed out and reviewed - we continue to monitor things very closely and work hard to keep OT to a minimum.

VIII. Medical Staff Report:

1. Appointments/Reappointments: 2 Year Reappointment to the Medical Staff:
Reappointment to the Medical Staff 2016 – 2018 for Active/Consulting/Allied Health Professionals/Emergency Dept. was approved at Medical Staff with the recommendation to be taken to the Hospital Committee for approval. There were also 2 new appointments that were approved at Medical Staff with the recommendation to be taken to the Hospital Committee for approval; Dr. Martin Cleary and Ian Lindsey, CRNA. After a brief discussion the motion was made by Mr. Wilson to approve all as was recommended by the Medical Staff, seconded by Mr. Boyle. Voice vote, motion passed.
2. Family Health/Hospital Communication:
Dr. Solverson gave a brief update on the court case which has been going on between Family Health & Freeport Clinic. After a general discussion Dr. Solverson reported that Dr. Cleary is able to practice in Lafayette County, he is credentialed with all the major insurances, he is credentialed here at MHLC and working with residents at Lafayette Manor and is doing a great job.

We also have another change coming down the road – Dr. Lori Neumann will be retiring as of April 22, 2016. After a general discussion it was agreed that Family Health is much improved and is in a good spot right now.

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

1. CST Update: Ms. Chikowski – Status quo – waiting contract out and filtering patients to another company.
2. OR Lighting: Ms. Kuepers reported that we are looking to replace the OR lights – they are 20 years old and we are no longer able to get replacement parts. It is becoming a patient quality of care issue. We have \$35,000 in the budget. We got a price from Stern for \$28,500 plus \$850 installation - \$29,350 which is under budget. There are perks if we go with Stern for future projects. We have a need for a new sterilizer and will be able to install it in March when Dr. Stormont is on vacation. We are looking at the option of selling the old one. Tiffany Meyers our Materials Manager has been doing a great job working this deal out for us. After a brief discussion the motion was made by Mr. Wilson, seconded by Ms. Hull to approve the purchase of the OR Lighting plus installation for a total of \$29,350. Voice vote, motion passed.

Memorial Hospital Lafayette County 'MHLC'
 January 25, 2016
 MHLC Conference Room
 Minutes from Monthly MHLC Committee Meeting

Ms. Maurer added as a footnote that if you look at page 15 – \$778,000 in capital purchases are listed. This is assuming we have cash available – so if we have to purchase something we may have a negative cash position. Not all that is budgeted for is able to be purchased if we do not have the cash. A brief discussion continued. Ms. Kuepers said that both the Orthopedic Surgeon and the General Surgeon feel it is a necessity and it is getting to be a patient quality of care issue. She also said that they have gone over this fact at department head that even though it is in the Capital Budget it may not become a reality. We put on the requests and needed items and plan ahead and look at future needs to help with long range planning. Mr. Ludlum noticed that roof repairs was listed on there and questioned whether this was a repair or replacement – a brief discussion continued regarding this item.

New Business:

1. IT Request(s): Ms. Chikowski – No requests at this time.
2. HIM Batch Scanner: Ms. Kuepers reported that the scanner we have now has been falling since 2015. We put in the budget for 2016 to replace it – it is at its end of life. We have an agreement with RWHC for \$7,500 plus maintenance fee. It is used to scan our documents into our Electronic Health Record System. After a general discussion the motion was made by Mr. Boyle, seconded by Mr. Wilson to go ahead with the purchase of the batch scanner. Voice vote, motion passed.
3. Physicians Quality Reporting Vendor - \$7,500. Ms. Kuepers reported that in the past, this data was submitted via claims for Dr Stormont's clinic. Now we need to expand this to the ER providers and we are not able to report it via claims for that group. We have to report on quality measures on Dr. Stormont and ER Physicians to receive our reimbursement back from Medicare. We would like to contract out for this service as it is a much bigger process now, and we are not able to report the same method we did in the past. This is very important as it is 2% Medicare professional fees. Terri Vieth did a cost analysis of the benefit of doing it or not doing it and after all was researched determined that it was worth the \$7500 to contract it out. CMS gives recommendations of certified vendors. After a general discussion the motion was made by Mr. Wilson to contract out for this service. Terri Vieth will still be doing the gathering of data and then the certified firm would do the actual reporting & submission. Motion was seconded by Mr. Boyle, voice vote motion passed
4. Laundry Services: Ms. Chikowski reported that she put out a RFP to both Aramark, East Moline, IL & Superior, Madison, WI to bid contract for Laundry Services for both MHLC & Lafayette Manor. The bids are due 2/20/2016 and will bring back to review.
5. Ms. Chikowski said that she gave her stamp of approval on this but Ms. Kuepers had actually done the footwork on it so Ms. Kuepers explained that MHLC was identified by WORH (Wisconsin Office of Rural Health) as a possible candidate for grant money. They were looking at Wisconsin Rural Critical Access Hospitals who were County owned – and then looking to award money toward a financial quality initiative. The grant had to be submitted by Friday and they are looking at awarding a minimum of \$25,000 per hospital to look at something that could help benefit the hospitals bottom-line. This is something we have wanted to do for a long time - and after discussing it and looking at companies to work with – we are looking at working with Wipfli. We narrowed it down to look at our mid cycle revenue cycle billing to see how things are occurring; documentation, coding, billing correctly, the right amounts of money or leaving money on the table. Looking at our outpatient services, including orthopedic, emergency room, rehab services, general surgery as well as other areas. We are hoping we will be awarded the grant and it is looking good right now – since they narrowed the pool down. So we should be hearing in a week or so. A minimum of \$25,000 or a potential for more if we could demonstrate that we needed additional monies to accomplish our goal. Wipfli wrote up a nice proposal of what they would be reviewing and doing for us and what they thought the return on investment would be. One project would be to review the revenue cycle and then next to look at the charge master - CPT Codes/charges associated with it. Take the top 5 payors and look at the CPT Codes and their max allowable to insure we are not leaving money on the table. This will be a very in depth review. Mr. Boyle asked when the last time it was looked at – Ms. Kuepers said that it was 2012 and was a limited review. General discussion continued.

Focus Statement

“Caring...Quality...Life...We take it Personally.”

Page 4 of 5

Memorial Hospital Lafayette County 'MHLC'
January 25, 2016
MHLC Conference Room
Minutes from Monthly MHLC Committee Meeting

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

Next Hospital Committee Meeting
February 23, 2015 12:00 p.m.
MHLC Downstairs Conference Room

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