

Jefferson County Public Hospital District No.2
Board of Commissioners, Regular Session Minutes
Wednesday, December 20, 2017
Victor J. Dirksen Conference Room

Call to Order:

The meeting was called to order at 3:30pm by Commissioner Buhler. Present were Commissioners Buhler, Dressler, De Leo, Kolff, and Ready. Also present were Mike Glenn, Chief Executive Officer, Hilary Whittington, Chief Administrative Officer/Chief Financial Officer, Lisa Holt, Chief Ancillary and Specialty Services Officer, Caitlin Harrison, Chief Human Resources Officer, Brandie Manuel, Chief Patient Care officer, Jon French, Chief Legal Officer, and Alyssa Rodrigues, Administrative Assistant. This meeting was officially audio recorded by Jefferson Healthcare.

Patient Story:

Brandie Manuel, Chief Patient Care Officer, spoke about a patient who came in for treatment of an injury that required intervention. Respiratory care staff immediately identified that the patient had been experiencing sleep apnea. Respiratory care worked with nursing staff, social workers, and other care team members to address all the patient's medical needs. Communication and interdepartmental team work resulted in the patient receiving all the necessary care.

Approve Agenda:

Commissioner Dressler made a motion to approve the agenda. Commissioner De Leo seconded.

Commissioner Kolff recommended to switch CEO Compensation and Potential Litigation. Commissioner Dressler seconded.

Action: Amended motion passed unanimously.

Commissioner Buhler recommended to add a Board of Health report under board reports. Commissioner Kolff seconded.

Action: Amended motion passed unanimously.

Action: Main Motion passed unanimously.

Minutes:

- December 6 Regular Session minutes

Commissioner Dressler made a motion to approve the December 6 Regular Session Minutes. Commissioner De Leo seconded.

Action: Motion passed unanimously

Required Approvals:

- November Warrants and Adjustments
- Resolution 2017-44 Surplus Equipment
- Resolution 2017-45 Cancel Warrants

Commissioner De Leo made a motion to approve November Warrants and Adjustment, Resolution 2017-44 Surplus Equipment, and Resolution 2017-45 Canceled Warrants as presented. Commissioner Kolff seconded the motion.

Action: Motion passed unanimously.

Public Comment:

No public comment

Financial Report:

Hilary Whittington, CAO/CFO presented the November Finance Report.

Discussion ensued.

Administrator's Report:

Mike Glenn, CEO, presented the administrator's report.

Discussion ensued.

Chief Medical Officer Report:

CMO, Joe Mattern, was excused.

Resolution 2017-46: Action Requested

- Commissioner Acknowledgment

Commissioner Dressler made a motion to approve Resolution 2017-46. Commissioner Kolff seconded the motion.

Discussion ensued.

Action: Motion passed unanimously.

Resolution 2017-40: Action Requested

- Meeting Change

Commissioner Dressler made a motion to approve Resolution 2017-40. Commissioner Kolff seconded.

Discussion ensued.

Action: Motion passed 4 to1 with Commissioner Dressler, Kolff, Buhler, Ready in favor. Commissioner De Leo opposed.

Board Reports:

Commissioner De Leo reported that the Autopsy policy was still being worked on and will be addressed in January.

Commissioner Buhler announced her term was up for the Board of Health at the end of the year. Commissioner Buhler nominated Commissioner Kolff to be the next representative for the Jefferson County Board of Health.

Discussion ensued.

Action: Motion passed unanimously.

Executive Session: No Action Requested

- Potential Litigation

Commissioners went into Executive Session at 5:00pm.

Commissioner came out of Executive Session at 5:45pm. No public present.

Commissioner went into Executive Session at 5:45pm. Action will be taken.

Commissioner came out of Executive Session at 6:00pm.

Commissioner Kolff made a motion to approve settlement and wave first reading. Commissioner Dressler seconded.

Action: Motion passed unanimously.

Discussion ensued.

Executive Session: Action Requested

- CEO Compensation

Commissioners went into Executive Session at 6:02pm.

Commissioners came out of Executive Session at 6:15pm. No public present.

Commissioner went into Executive Session at 6:15pm.

Commissioners came out of Executive Session at 6:20pm.

Commissioner Dressler made a motion to increase CEO Mike Glenn's salary by 3% as a cost of living adjustment and to allow him to convert up to 100 hours of existing PTO to 457F account and to cash up to 100 hours of existing PTO. Commissioner De Leo seconded.

Discussion ensued.

Action: Motion passed unanimously.

Conclude:

Commissioner Kolff made a motion to conclude the meeting. Commissioner Dressler seconded the motion.

Action: Motion passed unanimously.

Meeting concluded at 6:25pm.

Approved by the Commission:

Chair of Commission: Jill Buhler _____

Secretary of Commission: Marie Dressler _____

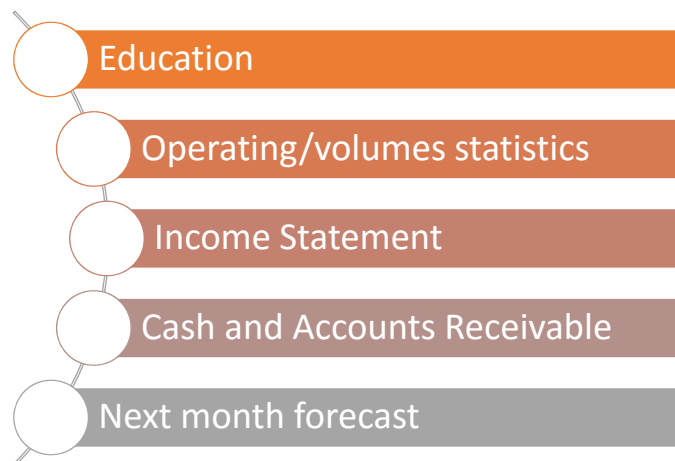
Finance Report

November 2017

Presented to the Board of Commissioners
December 20, 2017

Jefferson
Healthcare

New finance presentation template



November's Monthly Service Line Highlight Rehabilitation Services

Clinic of Choice

- Spotting schedule holes & quickly filling them
- Time is money

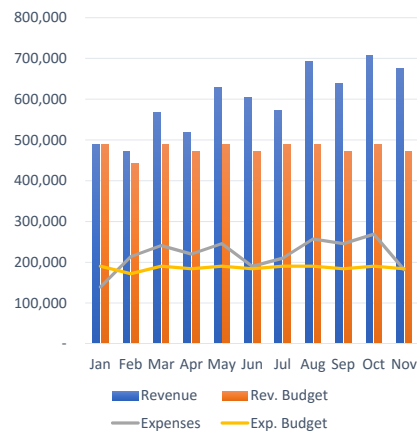
Teamwork

- Pelvic Health Specialist
- Adult Speech Pathologist
- PT & OT Certified in Lymphedema
- Growing liaison with Oncology patients

Upcoming

- Increase in Oncology patients
- Prior to surgeries
- Post - surgeries and treatments
- Help improve the quality of patient's life

2017 Revenue & Expense Trend



Operating Statistics

November 2017

STATISTIC DESCRIPTION	November	November	QUANTITY	%
	BUDGET	ACTUAL	VARIANCE	VARIANCE
ICU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)	82	78	(4)	-5%
ACU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)	316	361	45	14%
SWING IP PATIENT DAYS (MIDNIGHT CENSUS)	59	20	(39)	-66%
PATIENT DAYS (ACU, ICU, SWING), INCLUDES OBSERVATION	458	459	1	0%
BIRTHS	9	10	1	11%
SURGERY MINUTES (IN OR)	8,563	10,293	1,730	20%
SPECIAL PROCEDURE CASES	127	65	(62)	-49%
RECOVERY MINUTES	6,738	4,162	(2,576)	-38%
LAB BILLABLE TESTS	17,306	16,486	(820)	-5%
TOTAL DIAGNOSTIC IMAGING TESTS	2,278	2,313	35	2%
TOTAL RURAL HEALTH CLINIC VISITS	4,635	4,311	(324)	-7%
JHPLC PATIENT VISITS (ENCOUNTERS)	475	507	32	7%
GEN SURG PATIENT VISITS	350	262	(88)	-25%
ORTHO PATIENT VISITS	1,042	621	(421)	-40%
INFUSION CENTER VISITS	469	570	101	22%
WOUND CARE VISITS	313	211	(102)	-33%
ONCOLOGY VISITS	395	359	(36)	-9%
ANTI COAG VISITS	552	486	(66)	-12%
SLEEP CLINIC VISITS	212	213	1	0%
CARDIOLOGY CLINIC	205	243	38	19%
WOMENS CLINIC	149	233	84	57%

November

Revenues and adjustments

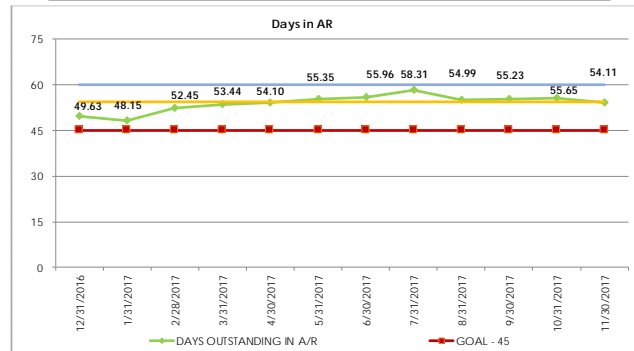
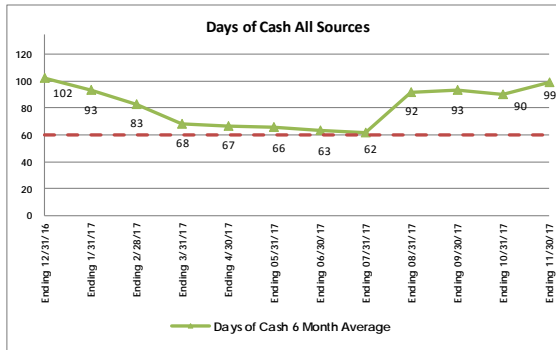
	November 2017 Actual	November 2017 Budget	Variance Favorable/ (Unfavorable)	%	November 2017 YTD	November 2017 Budget YTD	Variance Favorable/ (Unfavorable)	%	November 2016 YTD
Gross Revenue									
Inpatient Revenue	3,741,603	3,329,805	411,799	12%	41,526,795	37,071,845	4,454,950	12%	31,322,346
Outpatient Revenue	14,246,112	13,951,918	294,193	2%	150,856,299	155,331,443	(4,475,144)	-3%	126,887,626
Total Gross Revenue	17,987,715	17,281,723	705,992	4%	192,383,094	192,403,288	(20,194)	0%	158,209,972
Revenue Adjustments									
Cost Adjustment Medicaid	1,616,729	2,120,984	504,256	24%	18,218,246	23,613,639	5,395,393	23%	17,850,039
Cost Adjustment Medicare	5,949,314	5,695,494	(253,820)	-4%	67,530,108	63,409,868	(4,120,239)	-6%	50,903,750
Charity Care	232,406	108,100	(124,305)	-115%	1,177,550	1,203,515	25,965	2%	889,452
Contractual Allowances Other	1,588,064	1,210,877	(377,187)	-31%	14,941,711	13,481,107	(1,460,604)	-11%	11,681,059
Administrative Adjustments	85,001	19,472	(65,530)	-337%	476,759	216,786	(259,974)	-120%	193,325
Adjust Bad Debt	112,763	256,374	143,611	56%	2,583,187	2,854,300	271,112	9%	2,499,346
Total Revenue Adjustments	9,584,277	9,411,302	(172,975)	-2%	104,927,561	104,779,215	(148,346)	0%	84,016,971
Net Patient Service Revenue	8,403,438	7,870,421	533,017	7%	87,455,533	87,624,073	(168,540)	0%	74,193,001
Other Revenue									
340B Revenue	284,050	251,844	32,206	13%	3,090,574	2,803,860	286,714	10%	2,769,007
Meaningful Use Ehr Incentive	(276,085)	3,288	(279,372)	-8498%	(139,301)	36,603	(175,903)	-481%	182,750
Other Operating Revenue	74,619	109,317	(34,698)	-32%	1,413,060	1,217,068	195,992	16%	1,022,218
Total Operating Revenues	8,486,022	8,234,870	251,152	3%	91,819,866	91,681,604	138,262	0%	78,166,976

November

Expenses, nonoperating activities, and change in net position

	November 2017 Actual	November 2017 Budget	Variance Favorable/ (Unfavorable)	%	November 2017 YTD	November 2017 Budget YTD	Variance Favorable/ (Unfavorable)	%	November 2016 YTD
Operating Expenses									
Salaries And Wages	4,089,231	4,075,266	(13,965)	0%	44,876,881	45,371,320	494,439	1%	38,157,086
Employee Benefits	1,002,571	1,006,680	4,109	0%	11,072,853	11,207,706	134,852	1%	9,219,707
Professional Fees	311,818	281,104	(30,714)	-11%	4,524,949	3,129,625	(1,395,324)	-45%	3,276,062
Purchased Services	462,238	522,574	60,336	12%	5,515,674	5,017,995	(302,321)	5%	5,166,428
Supplies	1,437,460	1,173,307	(264,153)	-23%	14,579,365	15,062,822	(1,516,543)	-12%	12,326,212
Insurance	38,495	55,890	17,395	31%	553,390	622,246	68,857	11%	604,826
Leases And Rentals	146,562	142,968	(3,594)	-3%	1,281,645	1,591,715	310,071	19%	1,283,432
Depreciation And Amortization	402,274	302,612	(99,462)	-33%	3,967,672	3,371,308	(596,364)	-18%	3,646,788
Repairs And Maintenance	49,431	74,737	25,306	34%	506,216	632,071	323,855	39%	613,729
Utilities	95,210	75,607	(19,603)	-13%	933,602	841,761	(91,840)	-11%	750,815
Licenses And Taxes	66,399	45,063	(21,337)	-47%	608,108	501,699	(106,409)	-21%	568,332
Other	130,533	169,190	38,657	23%	1,445,277	1,883,653	438,376	23%	1,550,457
Total Operating Expenses	8,222,222	7,925,198	(297,024)	-4%	89,867,631	88,233,921	(1,633,710)	-2%	77,163,874
Operating Income (Loss)	263,800	309,672	(45,872)	-15%	1,952,236	3,447,683	(1,495,448)	-43%	893,102
Non Operating Revenues (Expenses)									
Taxation For Maint Operations	19	16,603	(16,584)	-100%	203,203	184,844	18,359	10%	181,567
Taxation For Debt Service	21	18,390	(18,370)	-100%	221,545	204,746	16,799	8%	267,137
Investment Income	(53,737)	6,370	(60,107)	-944%	133,955	79,918	53,067	89%	107,140
Interest Expense	(65,024)	(82,854)	17,830	22%	(613,145)	(922,437)	309,292	34%	(448,629)
Bond Issuance Costs	-	(12,329)	12,329	100%	(10,000)	(137,260)	127,260	93%	0
Gain or (Loss) on Disposed Asset	(4,363)	-	(4,363)	0%	(29,919)	0	(29,919)	0%	46,749
Contributions	7,393	11,507	(4,114)	-36%	357,012	128,110	228,903	179%	50,052
Total Non Operating Revenues (Expenses)	(115,691)	(42,313)	(73,379)	-173%	262,681	(471,080)	733,761	156%	204,016
Change in Net Position (Loss)	148,109	267,360	(119,251)	-45%	2,214,917	2,976,604	(761,687)	-26%	1,187,117
Operating Margin	3.1%	3.8%	-0.7%	-17.3%	2.1%	3.8%	-1.63%	-43.5%	1.3%
Total margin	1.7%	3.2%	-1.5%	-46.2%	2.4%	3.2%	-0.83%	-25.7%	1.5%
Inpatient gross revenue	3,741,603	3,329,805	411,799	12.4%	41,526,795	37,071,845	4,454,950	12.0%	31,322,346
Outpatient gross revenue	14,246,112	13,951,918	294,193	2.1%	150,856,299	155,331,443	(4,475,144)	-2.9%	126,887,626
Net patient revenue	8,403,438	7,870,421	533,017	6.8%	87,455,533	87,624,073	(168,540)	-0.2%	74,193,001
Deductions as a % of gross revenue	-53.3%	-54.5%	1.2%	2.2%	-54.5%	-54.5%	-0.08%	-0.2%	-53.1%
Charity as a % of gross revenue	-1.3%	-0.6%	-0.7%	-106.6%	-0.6%	-0.6%	0.01%	2.1%	-0.6%
Bad Debt as a % of gross revenue	-0.6%	-1.5%	0.9%	57.7%	-1.3%	-1.5%	0.14%	9.5%	-1.6%
Salaries & Benefits as a % of net pt. service rev.	-60.6%	-64.6%	4.0%	6.2%	-64.0%	-64.6%	0.60%	0.9%	-63.9%

NOVEMBER VOLUMES



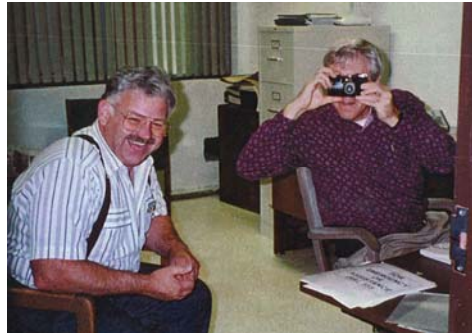
December Preview

- \$17,900,000 in HB charges
- Average: \$584,000/day (HB only)
- Budget: \$560,500/day

- \$7,400,000 in HB cash collections
- Average: \$250,000/day (HB only)
- Goal: \$255,000/day

50.1 Days in A/R

Happy Trails...



Administrative Report

December 20, 2017

Thank You To Our Gift Shop & Auxiliary Volunteers!

<u>Volunteer</u>	<u>Hours</u>	<u>Grand Total Hours</u>
Betty Kay Landaker	116.5	180.0
Jane Navone	96.0	151.25
Brenda Buck	280.0	1801.0
Barbara Clarberg	146.0	408.0
Pattie Cole	37.0	1017.0
Dolores Lickar	166.0	724.0
Marlene Newman	15.5	15.50
Rosemary Nielsen	429.0	2666.0

Advocacy Meeting Summary

- Secure funding for Jefferson Healthcare Dental Clinic
- Encourage continued investment in behavioral health services.
- Encourage investment in workforce planning resources
- Preserve Medicaid expansion, individual insurance options and Children's Health Insurance Program.
- Ensure hospitals can be stable institutions in their communities long into the future.

Within a safety- focused reasonable regulatory environment,
have the flexibility to respond to changing needs and
opportunities to improve care.

Make it easier to meet patient needs in lower-
cost (non-hospital) settings

Advocate for patients and hospital employees

High Census Surge Plan

- Interdepartmental task assistance plan
- Optional bed management/ discharge management
- Red/ Yellow/ Green Communication plan for each department
- Employee incident command center for high census “perfect storm” (high census, high acuity, high sick calls)
- Fluid management of surgical bed holds
- Communication plan