

AGENDA
COMMUNITY HEALTH SERVICES BOARD
Cordova Library Conference Room
July 3, 2013 @ 6:45pm

At CCMC, we believe that healthy people create a healthy community.

President

David Allison
term expires 03/14

Vice-President

EJ Cheshier
term expires 03/15

Secretary

David Reggiani
term expires 08/15

Board Members

Bret Bradford
term expires 03/15

Tim Joyce
term expires 03/14

Kristin Carpenter
term expires 04/16

James Burton
term expires 03/15

Administrator

Theresa L. Carté

I. OPENING

A. Call to Order

B. Roll Call – David Allison, EJ Cheshier, David Reggiani, Bret Bradford, Tim Joyce, Kristin Carpenter, James Burton.

C. Establishment of a Quorum

II. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

A. Guest Speaker

**B. Audience Comments (limited to 3 minutes per speaker).
Speaker must give name and agenda item to which they are addressing.**

III. CONFLICT OF INTEREST

IV. APPROVAL OF AGENDA

V. APPROVAL OF CONSENT CALENDAR

Minutes from the June 5, 2013 HSB Special Meeting Pgs 1-4

VI. REPORTS AND CORRESPONDENCE

A. Administrator's Report

B. President's Report

C. Finance Report Pg 5-6

VII. ACTION ITEMS

A. Credentialing and Privileging of Mary Jo Elam, PA-C

B. Resolution to update the CCMC check signers Pg 7

VIII. DISCUSSION ITEMS

IX. AUDIENCE PARTICIPATION (limited to 3 minutes per speaker)

Members of the public are given the opportunity to comment on matters which are within the subject matter jurisdiction of the Board and are appropriate for discussion in an open session.

X. BOARD MEMBERS COMMENTS

XI. EXECUTIVE SESSION*

XII. ADJOURNMENT

*Executive Session: Subjects that may be considered in executive session are: 1) Matters, immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity; 2) Subjects that tend to prejudice the reputation and character of any person, provided that the person may request a public discussion; 3) Matters which by law, municipal charter, or ordinance are required to be confidential; 4) Matters involving consideration of governmental records that by law are not subject to public disclosure; 5) Direction to an attorney or labor negotiator regarding the handling of specific legal matters or labor negotiations.

**Minutes
Community Health Services Board
Library Conference Room
June 5, 2013 – 6:15 PM
Special Meeting**

I. CALL TO ORDER AND ROLL CALL –

David Allison called the HSB special meeting to order at 6:18 pm. Board members present: **David Allison, Bret Bradford, Kristin Carpenter, James Burton, E.J. Cheshier (arrived at 6:23pm) and Tim Joyce (arrived at 7:10pm).**

A quorum was established.

CCHC staff present: **Theresa Carté, CEO and Tim Kelly, CFO.**

II. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

- **Guest Speakers** – None
- **Audience Comments** – None

III. CONFLICT OF INTEREST – None

IV. APPROVAL OF AGENDA

M/Carpenter S/Burton move to approve the agenda.

Upon voice vote, motion passed 4-0

V. APPROVAL OF CONSENT CALENDAR

Minutes from the May 29, 2013 HSB Special Meeting

M/Carpenter S/Bradford move to approve the Consent Calendar.

Upon voice vote, motion passed 4-0

E.J. Cheshier arrived at 6:23pm

VI. REPORTS AND CORRESPONDENCE

- **Administrator's Report**

Theresa Carté ~ The Community Health Needs Assessment did close out on Monday June 3, 2013 with over 300 surveys which was our goal, so that was great. Thanks to Kristin for being a part of that team and Jim Kacsh was also a part of the Advisory Board. The next meeting of the Advisory Board will be on August 2, 2013 so you can expect that at the October meeting we'll bring you back the results of the whole process.

- **President's Report** - None
- **Finance Report**

Theresa Carté ~ Tim Kelly our CFO prepared this, the first page is Cordova Community Medical Center as a whole and the second page is Sound Alternative Counseling Center. You can see that we are doing well, better than budget. A lot of it is that our Long Term Care beds have been full, and we've also had a swing care bed patient for most of that time too. We added OT to our Rehab services. The CT Scanner that we're planning on having working

in the first quarter of 2014 will really help, we'll be able to keep more people in Cordova. The rate rebasing is really important to us, it can impact our revenue as well.

Allison ~ Can you go into a little more detail on the State's position?

Theresa Carté ~ When they did our rebase the rates they gave us were contested, we didn't feel that they were fair and reasonable.

Susan Humphrey-Barnett ~ We asked for reconsideration on about 4 or 5 points. They did something unusual in my experience in terms of how they handled the swing care bed costs. So I actually met with the new head of Rate Review for the State and asked him if he would personally look at it. If they do that to other small hospitals around the State I think it will cause them a problem and then we had a number of slightly smaller issues. We expect to hear back within the next couple of weeks.

Theresa Carté ~ The Sound Alternatives piece their financials are a lot different from the hospital because they are mainly funded on grant revenue. They are providing services to the community and getting funding. What is surprising to me is a decrease in the number of visits and I'm not sure what is driving the decrease. But obviously it isn't impacting their revenue at this time, they're doing pretty well this year too.

HBS members commented on how nice it was to see all of the stats.

VII. ACTION ITEMS

- **Debt Repayment Agreement**

Theresa Carté ~ We wanted to formalize the money that in the past was given to as a subsidy to the hospital, it's changed recently to become a loan. And we wanted something in writing to say how we would manage that money. The whole of point is to get in writing the expectation of the City on how that's being taken care of and then we can make sure that we're meeting each other's expectations around that money.

Allison ~ I just had a couple of comments, sitting with this hat on I agree with everything that's here. But there's two issues, the first one is I know that when Council discussed loaning the money for the Electronic Medical Records the spreadsheet showed when the meaningful use payments would be made and when we would recover on this. It went with a two year payback and was an investment for the City. I am in favor of this tonight but I would ask staff to show us how that is going to affect our permanent fund. And the second thing is, in paragraph b near the bottom it kind of leaves it up to somebody, I don't know who, to decide if you're going to pay back up to fifty percent or are you going to keep no less than fifty percent.

M/Carpenter S/Bradford "I move to approve the recommendation to City Council of the Debt Repayment Agreement from CCMC to the City."

HSB Members continued to discuss the debt repayment agreement with concerns in regards to interest lost on the initial \$700K, 90 days cash on hand and the new projected time frame of meaningful use payments to the City

Upon voice vote, motion passed 5-0

- **Amendment to Operating Agreement regarding Management Fee**

M/Carpenter S/Cheshier "I make a motion that we recommend to City Council to adopt the second amendment to the management contract."

Upon voice vote, motion passed 5-0

- **Election of Officers**

M/Bradford S/ Carpenter "I move to approve David Allison as President"

M/Bradford S/Burton "I move that the officers stay as they are" (Cheshier as Vice-President and Reggiani as Secretary)

Upon voice vote, motion passed 4-0

VIII. DISCUSSION ITEMS

- **12 month Operating Report**

Theresa Carté ~ This is a good review of what we've accomplished. **Executive Summary** the roof is working great for us, the walls are coming along very well, the new signs are in place and the pneumatic control work will start June 14th. It's really improved the moral of staff seeing money being put into our facility, also Council's support on the Electronic Health Records. **Major Accomplishments** for this time period eICU went live in April, it's getting really good reviews. The CT Scanner plans are moving forward. The LTC State Survey went better this year. We updated our Mission Statement and revised the Core Values and created a Vision Statement. We also created a Strategic Plan. Next is **People**, we are doing an employee engagement survey. We've increased our training this year. We've recruited an Occupational Therapist, 2 licensed Clinical Social Workers, a CFO, an AP/Payroll Clerk and 3 Nurses. I think this is the first time I've presented you with **Quality** data. You can see that Catheter Associated Urinary Tract Infections, Blood Transfusions, Pressure Ulcers and Readmissions within 30 days we are doing very well and part of that reason is that the volume is small. Resident falls is an opportunity for us to bring those down. We had one Adverse Drug event in the January to April time frame; of course our goal is to be at zero. The last one is Hand washing Compliance, that one is a challenge for any hospital.

Tim Joyce arrived at 7:10pm

Physician Recruiting, we have Dr. Dudley as our Medical Director. We've had four onsite interviews for permanent placement. We have Dr. Gear here right now, we have him for four months. We had Mark Boyd's group here for a year, their contract came to an end in May. We also contracted with Delta Physician Recruiting to increase our visibility to permanent Physician candidates. **Customer Service**, another important piece for us. We don't have data right now, we selected National Research Corporation for our survey process. The surveys will start on July 1st with our goal to be in the top quartile. We're going to be surveying Inpatient (HCAHPS), Outpatient Rehab, Emergency Department, Clinic and Long Term Care. The next one here is **Growth**, outpatient is down, emergency room visits were down, observation is down. Our volume numbers are down right now, but we're getting ready to go into our busy season. We have a Pediatrician coming in quarterly; we have Orthopedics, Ophthalmology, and Optometry. We'd like to look into getting Dermatology, ENT and Phlebology. The **Financials**, we're doing well in Gross Patient Service Revenue, our FTE's have stayed pretty constant, and so have the number of employees. We added in Charity Care, it wasn't being tracked before. We talked about Days of Cash on Hand earlier, as well as Year-end Cash in the Bank. Our **Service**

Enhancements for the last year, we got a Portable X-ray System, we updated our Unix server and software for Healthland, we got 3 new stretchers, we started eICU services, we got a new hot water system, the roof replacement and now we're working on the EIFS. The 2012 **Community Benefits**, we provide 74+ local jobs, CNA class, Diabetic support group, Traveling Health Fair, Community Mass Vaccination, Job Shadow program, Med box refill, Senior Ride program, Senior Ride program, Sharps disposal and able to provide CPR training. Our **2013 Priorities** are of course to stabilize the local provider base, the CT Scanner project, specialty clinics, EHR, achieve Meaningful Use, ICD-10 coding, the eICU, EIFS project, the floor project and to collaborate with the Cordova School District.

- **Annual Review of Providence's performance**

Allison ~ This will be forwarded to Council.

- **Recommend a Cordova resident to serve on Providence's Region Community Ministry**

Allison ~ The HSB members will provide any nominations identified to Providence for consideration

IX. AUDIENCE PARTICIPATION – None

X. BOARD MEMBERS COMMENTS

Joyce ~ None

Carpenter ~ Thanks for the great report Theresa.

Bradford ~ You're doing a great job Theresa, we appreciate all of the work you're doing.

Cheshier ~ It's nice to have some organization to look at.

Burton ~ It's a lot of information to read, to see it in the format that it was made it nice and easy for me.

Allison ~ I appreciate the reports and thank for all the work you do and the staff does.

XI. EXECUTIVE SESSION – None

XII. ADJOURNMENT –

M/Cheshier S/Burton Move to adjourn the meeting.

Allison declared the meeting adjourned at 7:22 pm.

Transcribed by: Faith Wheeler-Jeppson

Financial Report for May 2013
By: Timothy Kelly, CFO

Cordova Community Medical Center:

In May 2013, CCMC reported a net income of \$157k which is above the target of (\$25.6k) (loss). The \$183k (favorable) difference between actual and budget is explained by, 1.) continued full capacity in the Long Term Care Unit, and 2.) utilizing CMCC swing beds for rehabilitation and increasing the physical therapy and occupational therapy departments. Additionally, hiring staff members instead of using traveler services is also lowering expenses.

A few major changes have been made in the recognition of revenue throughout the year. After reviewing contractuals, it was noted that contractual expenses were not being recognized at the time of revenue recognition. This resulted in overstating revenues and showing a better bottom line only to have the contractual placed in the expense account well after the revenue. A new practice of calculating contractuals based upon open accounts receivable has resulted in a better recognition of revenue.

After reviewing historical transactions and reconciling the accounts receivable, it was discovered that two weeks of accounting transactions had been deleted in the month of November. Additionally, the last two weeks of November's transactions were duplicated in the accounting database. As a result, the month of November had several discrepancies from previously reported financial statements. These errors have been corrected and are reflected in the current financial statement and statistics.

Finally, a review of the accounts payable has shown the improper recognition of expenses by recording them in previous periods. This has also been corrected and will guarantee consistent reporting.

While not a part of the month of May, in June 2013, CCMC received an Interim Rate Review from Noridian requesting a lump sum adjustment of \$164,000. While CCMC does not agree with how this adjustment was calculated, it was completed utilizing recognized methods for recoupment. While not expected to persevere through an actual cost report audit, it is felt CCMC has no other choice but to pay it at this time and conduct an interim cost report after the 2013 year-end audit in an attempt to establish a better reimbursement rate.

While these items have had a significant impact on the overall bearing of the financial statement, it is expected that Fiscal Year 2013 will exceed budget expectations.

	May 31, 2013		Fiscal Year to Date	
	Actual	Budget	Actual	Budget
Gross Patient Revenue	\$ 873,056	\$ 666,578	\$ 7,430,808	\$ 7,181,836
Net Patient Revenue	\$ 620,775	\$ 526,486	\$ 5,339,780	\$ 5,672,458
Cost Recoveries	\$ 188,947	\$ 159,326	\$ 1,290,849	\$ 1,716,607
Total Expenses	\$ 652,452	\$ 711,452	\$ 6,669,016	\$ 7,665,320
Net Operating Income (Loss)	\$ 157,269	\$ (25,640)	(38,387)	\$ (276,254)
Full Time Equivalents	65.59	66.00	66.38	66.00
Acute Average Daily Census	0.32	0.15	0.31	0.15
LTC Average Daily Census	10.00	9.00	9.81	9.00
Swing Bed Days	31	20	354	220
Medicare Swing Days	31	13	252	143
OP Visits	21	38	240	420
ER Visits	73	61	558	670
Clinic Visits	179	150	1475	1600
Net AR Days	74.67	60.0	93.52	60.0
Days Cash on Hand	2.39	90	2.39	90

Sound Alternatives Counseling Center:

In May, Sound Alternatives had a net loss of \$6.9k. This loss is primarily due to changing the recognition of waiver income to the period when it was earned in order to more closely follow GAAP. The Counseling Center continues to have a stable financial year due to a healthy state grants and steady respite care.

	May 31, 2013		Fiscal Year to Date	
	Actual	Budget	Actual	Budget
Gross Patient Revenue	\$ 8,936	\$ 14,153	\$ 152,554	\$ 152,488
Net Patient Revenue	\$ 8,936	\$ 9,720	\$ 152,554	\$ 104,730
Cost Recoveries	\$ 40,201	\$ 49,133	\$ 577,919	\$ 529,377
Total Expenses	\$ 56,127	\$ 49,185	\$ 608,390	\$ 529,928
Net Operating Income (Loss)	\$ (6,990)	\$ 9,669	\$ 122,083	\$ 104,179
Full Time Equivalents	13.64	13	13.95	13
OP Visits	35	94	621	805
Net AR Days	120.39	60	75.98	60

**Community Health Services
Board**

Resolution 2013-01

**A RESOLUTION OF THE CORDOVA COMMUNITY HEALTH SERVICES BOARD
OF THE CORDOVA COMMUNITY MEDICAL CENTER DESIGNATING THE
REPRESENTATIVES AUTHORIZED FOR SIGNING CHECKS, NON-CHECK PAYROLL
TAX PAYMENTS, AND CASH TRANSFERS FOR CORDOVA COMMUNITY MEDICAL
CENTER.**

WHEREAS, the Cordova Community Medical Center checking accounts for the general fund, payroll fund, grant fund and nursing home patient trust accounts, require two (2) signatures; and

WHEREAS, CCMC investment accounts, funded depreciation accounts, and malpractice trust accounts require the Administrator and one (1) Board Officer's original signatures; and

THEREFORE, BE IT RESOLVED THAT,

1. All checks issued require two signatures; that checks exceeding \$5,000.00 for expenditures other than non-operational monthly expenses, i.e. payroll taxes, insurance, PERS contributions, etc, require at least one (1) Health Services Board Officer's signature, and that non-check payroll tax payments and cash transfers from the general checking account to the payroll checking account require only one (1) signature.
2. The Health Services Board authorizes the following individuals to act as check signers on the above-mentioned accounts:

President	David Allison
Vice President	E.J. Cheshier
Secretary	David Reggiani
Member	Bret Bradford
Member	Kristin Carpenter
Administrator	Theresa Carté
SA Director	Stephen Sundby

PASSED and approved this 3rd day of July 2013.

Board Signature: _____ Date: _____