

AGENDA
COMMUNITY HEALTH SERVICES BOARD MEETING
Cordova Library Conference Room
December 14, 2011 – 7:00 PM

CCMC'S core purpose is to deliver quality health care locally.
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President
David Allison
term expires 03/12

Vice-President
Kristin Carpenter
term expires 08/12

Secretary
Tim Joyce
term expires 08/14

Board Members
Elmer (E.J.) Cheshier
term expires 08/13
Nichole Hunt
term expires 08/12
Jim Kacsh
term expires 08/12
NVE Tribal Council - Vacant

Acting CEO
Stephen Sundby, PhD

- I. OPENING**
 - A. Call to Order
 - B. Roll Call – David Allison, Kristin Carpenter, EJ Cheshier, Nichole Hunt, Jim Kacsh, Timothy Joyce
 - 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 item on the agenda which they are addressing.
- III. CONFLICT OF INTEREST**
- IV. APPROVAL OF AGENDA**
- V. APPROVAL OF CONSENT CALENDAR**
 - A. HSB Meeting Minutes – 11/11/2011.....Page 1
- VI. REPORTS AND CORRESPONDENCE**
 - A. Administrator’s Report.....Page 5
 - B. President’s Report

- C. Finance Report
 - i. Balance Sheet as of 09/30/11.....Page 6
 - ii. YTD Income Statement as of 9/30/11.....Page 7
 - iii. Three Year Comparative Income Statements (YTD as of 9/30/11).....Page 8

- D. City Council Report
- VII. ACTION ITEMS**
- 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 person may require a public discussion; 3) Matters which by law, city charter, or ordinance are required to be confidential; 4) Matters involving consideration of government 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
Cordova Library Conference Room
November 11, 2011 – 12:00 PM

I. CALL TO ORDER AND ROLL CALL –

David Allison called the HSB meeting to order at 12:17 pm. **Board members present: David Allison, Kristin Carpenter, Nichole Hunt** (telephonically), **Tim Joyce, and Jim Kacsh. Absent: EJ Cheshier.** A quorum was established.

CCMC staff present: Stephen Sundby, PhD (Acting CEO), and **Zhiyong Li** (CFO).

II. COMMUNICATIONS BY AND PETITIONS FROM VISITORS – None

III. CONFLICT OF INTEREST – None

IV. APPROVAL OF AGENDA

M/Kacsh, S/Joyce: Move to approve the agenda.

A roll call vote was made on the motion: 5 yeas. - 0 nays. Motion passed.

V. APPROVAL OF CONSENT CALENDAR

M/Carpenter, S/Kasch: Move to approve the consent calendar.

- a. Health Services Board meeting minutes from October 12, 2011

A roll call vote was made on the motion: 5 yeas – 0 nays. Motion passed.

VI. REPORTS AND CORRESPONDENCE

A. Administrator's Report

Sundby reported that upon emergency approval by the HSB President, staff has ordered a new IT server, which will bring CCMC into compliance with 5010 requirements. CCMC

also received the new portable x-ray machine. The radiology tech currently on staff has used the equipment before, which is a benefit.

Sundby noted that Susan Humphrey-Barnett visited on Friday, November 4th; she primarily reviewed CCMC's financials, but also provided a recap of what her team found during their site visits. Per her request, maintenance is looking at how to merge different physical areas of the building.

Sundby reported that items noted in CCMC's Critical Access Hospital Plan of Correction were due for completion on November 4, 2011. Staff is anticipating the return of the surveyors for a follow-up site visit.

With respect to staffing, **Sundby** advised that CCMC is losing two permanent day nurses. However, CCMC is negotiating with a locum agency for an individual currently on travel status who is interested in staying.

Joyce noted that it might be worth approaching the Cordova Fire Department about obtaining a FEMA grant to purchase the x-ray machine from CCMC, but have it reside at the hospital unless needed in an emergency.

B. President's Report – None

C. Finance Report

Li reported that there was nothing unusual reflected in the financial statements. He reported that as of today, CCMC has \$115K in the bank, with \$67K in payments waiting to clear. In addition, there are outstanding invoices totaling \$127K (which includes a disputed bill related to a shared Ilanka/CCMC provider, the portable x-ray and the new server.) **Li** noted that if the Board asks the City for \$200K now, instead of January 2012, the request would be reasonable based on these expenses.

Sundby added that the City Manager requested a letter for the \$47K spent in March on lab equipment, a capital expense which becomes property owned by the City.

Allison summarized the discussion: CCMC wants to remove the lab equipment from the line of credit and obtain the regular \$200K early. **Allison** asked the prognosis of needing the \$200K when it is really due in January. **Li** responded that there should not be a need, as the facility is expecting \$200K from delayed Medicaid reimbursement. Kasch

responded that it would be easier to dip into the line of credit, rather than ask for the \$200K early, as it would result in the City paying the \$200K in the current fiscal year rather than next fiscal year as budgeted. Kasch further suggested that City Council would need a letter sent to the City Manager requesting that CCMC use the line of credit. **Allison** concurred and directed that staff write a letter that the Board wants the full amount of the line of credit. Kasch added that Council already approved the line of credit, so CCMC doesn't need to wait for the request to go to Council.

Li reported that the auditors asked for a variance analysis between this year and last. With respect to the financial statement, the revenue dollars are increasing due to the change in fees. Although some of the increases were significant, Blue Cross has accepted the changes, but recommended a 10% increase each year instead of less periodic increases. **Sundby** added that Providence compared our current rates to others and will likely increase those that are still low.

D. City Council

Kasch reported that the City Manager and the Mayor are working on a contract with Providence, but Council had not yet seen it. PERS and governance are the two big issues at this point. He further reported that Council is working on the calendar year 2012 budget and requested confirmation that CCMC's capital budget had been provided to the City. **Allison** confirmed that he had.

VII. ACTION ITEMS

A. Computer Server

Allison reported that he made an emergency decision to approve the purchase after discussing the issue with the Mayor and Providence. **Allison** gave emergency authorization.

M/Joyce, S/Kasch: Move to approve the emergency authorization.

Carpenter requested that a paper trail be provided for the record and **Allison** offered to provide an email record that documented the process.

A roll call vote was made on the motion: 5 yeas. - 0 nays. Motion passed.

B. Privileging of Dr. William Doyle, MD

M/Joyce, S/Kasch: Move to grant unrestricted privileges for Dr. William Doyle while at CCMC.

A roll call vote was made on the motion: 5 yeas. - 0 nays. Motion passed.

C. Liaison to Sound Alternatives Advisory Board

Sundby advised the Board that Aspen had been the HSB liaison to the Sound Alternatives Board; now there is none. **Carpenter** responded that previously, the HSB members rotated attendance, rather than having a single delegate. **Allison** volunteered to attend the next meeting as long as it was held earlier than the City Council meeting scheduled for the same evening.

VIII. DISCUSSION ITEMS

The next HSB meeting will be on December 14th. Kasch will not be in attendance, but everyone else is available, ensuring a quorum.

IX. AUDIENCE PARTICIPATION – None

X. BOARD MEMBER COMMENTS – None

XI. EXECUTIVE SESSION – None

XIII. ADJOURNMENT

With no other business, **Allison** declared the meeting adjourned at 12:47 pm.

Transcribed by: Laura Cloward

Reviewed by: HSB Secretary, Tim Joyce

CORDOVA COMMUNITY MEDICAL CENTER



P.O. Box 160 • 602 Chase Ave. • Cordova, Alaska 99574-0160
Phone: (907) 424-8000 • Fax: (907) 424-8116

To: Health Services Board
From: Stephen Sundby, Ph.D., CCMC Acting Administrator
RE: Administrator Report
Date: December 14, 2011

1. We received the letter from the State of Alaska that we are back in substantial compliance with the Critical Access Hospital (CAH)/Life Safety Standards.
2. Zhiyong Li (CFO) has submitted a letter of resignation. His last day at work will be December 21st.
3. Providence visit: Susan Humphrey-Barnett (Administrator for Area Operations Administration) will visit on December 28th and/or 29th to discuss transition.
4. The new server to update our Healthland financial software in order to bring CCMC in compliance with 5010 requirements has been shipped from Healthland.
5. ASHNHA paid for Zhiyong Li and me to attend the Anchorage ASHNHA meetings.
6. The CCMC Employee Christmas Party will be the night of December 17th at the Reluctant Fisherman.
7. CCMC is one of the small rural CAH that is part of the HRSA HIT Network grant that ASHNHA has been granted. Planning for the use of the funds started at the ASHNHA meeting in Anchorage and is continuing with monthly teleconference meetings. The grant award is for \$900,000 distributed to ASHNHA at \$300,000 for a year for 3 years.
8. Staffing:
Positions we are advertising to fill:
 - i. CFO – 1
 - ii. Accounts Payable/Payroll Clerk – 1
 - iii. Physicians – 1
 - iv. Physicians Assistant/Mid-Level Practitioner – 2
 - v. Nurses – 5
 - vi. Laboratory Technician – 2
 - vii. Licensed Occupational Therapist – 1
9. Stephen Sundby and Zhiyong Li are meeting on Fridays at 9:00 AM with Angela Arnold and Penney Benson (NVE) to coordinate and collaborate where opportunities arise.

**Cordova Community
Medical Center
Balance Sheet
October 31, 2011**

	Current Year	Last Year	
	10/31/2011	10/31/2010	Increase (Decrease)
Assets			
Cash	150,472	493,290	(342,818)
Receivables			
Accounts Receivable	1,203,473	1,733,251	(529,779)
Allowance for Uncollectible	(293,029)	(867,132)	
Net Accounts Receivable	910,444	866,119	44,324
Other	75,232	197,955	(122,723)
Grant Programs & City Transfers	(54,314)	(118,315)	64,001
Supplies Inventory	131,611	138,055	(6,444)
Prepaid Expenses	43,173	66,136	(22,963)
Other Assets			
Major Moveable	10,684,096	10,625,271	58,825
Accum Depreciation	(8,450,696)	(8,183,358)	(267,339)
Total Assets	3,490,017	4,085,153	(595,137)
Liabilities and Net Assets			
Accounts Payable	304,207	598,721	(294,515)
Accrued Payroll & Related Liab	513,623	346,679	166,945
Other Liabilities	34,068	48,769	(14,701)
Total Current Liabilities	851,898	994,168	(142,270)
Net Pension Obligation	0	0	0
Obligations under Capital Lease	0	0	0
Total Liabilities	851,898	994,168	(142,270)
Prior/Current Income/(Loss)	2,638,119	3,090,985	(452,866)
Total Liabilities & Net Assets	3,490,017	4,085,153	(595,137)

Cordova Community Medical Center
Income Statement (Fiscal Year 2012 - 7/1/11 through 6/30/12)

Period

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	Actual 2011 July	Actual 2011 August	Actual 2011 September	Actual 2011 October	Actual YTD Total
Revenue					
Acute	0	8,500	6,800	15,300	30,600
Long Term Care	268,981	270,923	262,184	261,212	1,063,300
Swing Bed	11,900	18,700	42,500	67,256	140,356
Lab/Blood	61,626	58,895	76,191	57,309	254,021
EKG	2,460	3,772	4,439	3,608	14,279
Medical Supplies/RT (Oxygen)	16,768	24,420	20,802	15,652	77,642
Radiology/Ultrasound	30,523	43,459	34,424	20,282	128,688
Pharmacy	44,959	43,800	42,637	52,798	184,194
PT	19,080	14,667	27,083	27,796	88,626
Outpatient	13,824	12,357	22,770	12,839	61,790
Emergency Room	39,714	26,898	32,060	16,709	115,381
Short Stay-Obsv	2,548	3,796	4,212	6,188	16,744
Pro Fee	38,851	35,780	39,882	28,178	142,691
Clinic	30,988	50,843	28,276	32,331	142,438
BH (MH, AL, Outreach)	14,077	16,558	23,139	13,569	67,343
Other - Mortuary, Respite, L&D				140	140
Gross Patient Services Revenue	596,300	633,368	667,399	631,168	2,528,234
Contractual Adj, Charity, Bad Debt	(138,619)	(74,352)	(191,006)	(191,468)	(595,446)
Net Patient Services Revenue	457,680	559,016	476,393	439,699	1,932,789
Interest Income	0	0	0	2	3
City Contributions					0
City Funding	33,333	33,333	33,333	33,333	133,333
City In-Kind Contributions Utilities	1,019	1,019	1,019	1,019	4,077
In Kind Revenue - Non City	30,788	30,788	30,788	40,840	133,204
Grant and Waiver Funding	78,847	48,848	72,127	43,574	243,397
Non-Operating Revenue	11,406	21,906	5,131	11,610	50,053
Total Non-Operating Revenue	155,394	135,895	142,398	130,379	564,066
Total Revenue	613,074	694,911	618,791	570,078	2,496,855
Expenses					
Wages	241,588	278,426	250,152	281,815	1,051,981
Taxes and Benefits	146,146	139,670	108,116	99,160	493,092
Recruitment & Relocation	324	3,288	1,119	221	4,952
Professional Services	68,550	124,634	68,136	81,862	343,182
Minor Equipment	270	7,705	30	1,500	9,505
Supplies	33,962	31,362	41,446	48,269	155,039
Repair & Maintenance	1,211	19,505	4,668	1,758	27,142
Rent / Lease Equipment	2,150	689	2,069	6,102	11,010
Utilities and Fuel	14,381	29,357	24,007	21,460	89,205
USF In Kind Utilities Expense	30,788	30,788	30,788	40,840	133,204
Travel & Training	375	3,364	5,535	3,405	12,680
General & Malpractice Insurance	11,561	28,898	(21)	13,017	53,455
Other Expenses	2,354	8,923	1,879	7,713	20,870
Total Expenses	553,659	706,609	537,924	607,124	2,405,316
Income/(Loss) before depreciation	59,415	(11,698)	80,867	(37,046)	91,538
Depreciation Expense	21,893	21,893	21,893	21,893	87,573
Net Income/(Loss)	37,522	(33,591)	58,974	(58,939)	3,966

Cordova Community Medical Center

Three Year Comparative Profit & Loss Statements

	Current to Last Year Comparison	FY 2011 YTD October 31, 2011	FY 2010 YTD October 31, 2010	FY 2009 YTD October 31, 2009
Revenue				
Acute	-13.01%	30,600	35,175	45,000
Long Term Care	7.03%	1,063,300	993,474	936,150
Swing Bed	52.73%	140,356	91,901	268,408
Lab/Blood	6.16%	254,021	239,286	235,456
EKG	8.83%	14,279	13,120	11,972
Medical Supplies/RT (Oxygen)	-24.14%	77,642	102,347	61,529
Radiology/Ultrasound	96.08%	128,688	65,632	64,446
Pharmacy	10.76%	184,194	166,306	204,280
PT	15.95%	88,626	76,434	92,431
Outpatient	39.70%	61,790	44,232	35,791
Emergency Room	101.37%	115,381	57,298	65,705
Short Stay-Obsv	-16.20%	16,744	19,982	14,768
Pro Fee	126.04%	142,691	63,127	85,083
Pro Fee - Clinic	113.28%	142,438	66,786	83,491
BH (MH, AL, Outreach)	94.69%	67,343	34,590	55,968
Other - Mortuary, Respite, L&D		140	190	552
Gross Patient Services Revenue	22.14%	<u>2,528,234</u>	<u>2,069,879</u>	<u>2,261,029</u>
Contractual Adj, Charity, Bad Debt	155.93%	(595,446)	(232,658)	(367,534)
Net Patient Services Revenue	5.20%	<u>1,932,789</u>	<u>1,837,221</u>	<u>1,893,495</u>
Interest Income		3	71	-
City Contributions				
City Funding	-2.97%	133,333	137,410	133,332
City In-Kind Contributions Utilities	-0.02%	4,077	4,077	4,077
In Kind Revenue - Non City	7.42%	133,204	124,000	194,832
Grant and Waiver Funding	-17.03%	243,397	293,372	311,748
Non-Operating Revenue	68.38%	50,053	29,725	30,734
Total Non-Operating Revenue	-4.18%	<u>564,066</u>	<u>588,656</u>	<u>674,723</u>
Total Revenue	2.93%	<u>2,496,855</u>	<u>2,425,877</u>	<u>2,568,218</u>
Expenses				
Wages	7.77%	1,051,981	976,103	1,130,091
Taxes and Benefits	18.43%	493,092	416,354	553,735
Recruitment & Relocation	-36.24%	4,952	7,767	12,379
Professional Services	-12.18%	343,182	390,791	270,473
Minor Equipment	93.42%	9,505	4,914	2,542
Supplies	9.58%	155,039	141,479	140,709
Repair & Maintenance	17.21%	27,142	23,156	11,181
Rent / Lease Equipment	13.73%	11,010	9,681	4,780
Utilities and Fuel	3.61%	89,205	86,096	83,413
USF In Kind Utilities Expense	4.00%	133,204	128,077	101,776
Travel & Training	89.85%	12,680	6,679	14,464
General & Malpractice Insurance	29.25%	53,455	41,357	40,751
Other Expenses	17.05%	20,870	17,830	21,376
Total Expenses	6.89%	<u>2,405,316</u>	<u>2,250,284</u>	<u>2,387,670</u>
Income/(Loss) before depreciation	-47.87%	<u>91,538</u>	<u>175,593</u>	<u>180,548</u>
Depreciation Expense	3.73%	87,573	84,420	84,422
Net Income/(Loss)	-95.7%	<u>3,966</u>	<u>91,173</u>	<u>96,126</u>

Cordova Community Medical Center

Three Year Comparative Profit & Loss Statements

