



AGENDA
CCMC AUTHORITY BOARD OF DIRECTORS
CCMC CONFERENCE ROOM
December 22, 2017 at 12:00PM
SPECIAL MEETING

AT CCMC, WE BELIEVE THAT HEALTHY PEOPLE CREATE A HEALTHY COMMUNITY.

Board of Directors

Kristin Carpenter exp. 3/20
April Horton exp. 3/19
Sally Bennett exp. 3/19
Dorne Hawxhurst exp. 3/18
Amanda Wiese exp. 3/18

CCMC CEO

Scot Mitchell

OPENING: Call to Order

Roll Call – April Horton, Dorne Hawxhurst, Kristin Carpenter, Sally Bennett and Amanda Wiese. Establishment of a Quorum

A. APPROVAL OF AGENDA

B. CONFLICT OF INTEREST

C. COMMUNICATIONS BY AND PETITIONS FROM VISITORS (Speaker must give name and agenda item to which they are addressing.)

1. Audience Comments (limited to 3 minutes per speaker).
2. Guest Speaker

D. BOARD DEVELOPMENT - None

E. APPROVAL OF CONSENT CALENDAR

F. APPROVAL OF MINUTES - None

G. REPORTS OF OFFICER and ADVISORS - None

H. CORRESPONDENCE - None

I. ACTION ITEMS

1. Approval of the 2018 CCMC Budget

J. DISCUSSION ITEMS - None

L. 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.

M. BOARD MEMBERS COMMENTS

N. EXECUTIVE SESSION

1. Pursuant to AS 42.40.170 Executive Sessions; please see #3 below

O. ADJOURNMENT

For a full packet, go to www.cityofcordova.net/government/boards-commissions/health-services-board

*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.

Cordova Community Medical Center 2018 Draft Budget

Pages in this package

- 1) Narrative
- 2) Projected Budget statistical page
- 3) Budget assumptions and description of process.
- 4) Comparative budgets and actual/projection comparison

Narrative

Statistics

The Key Statistics were circulated and everyone had input on what they thought the volumes would be. 2018 stats are in the blue lines--the orange cells are where I projected out 2017. Only the active for year will determine if we meet or exceed those numbers. Four Medicaid Swing bed patients were used for the entire year.

Revenue

An 8% price increase was calculated in the budget. We are getting payments especially for Lab where our prices are below the reimbursement. Commercial insurers are paying us the contract rate for charges, if we are low their payment is lower.

The Retail pharmacy revenue is from our projection last spring, it may be a great deal better than that.

Contractual allowances

I used the historical payer mix for ten month of 2017 to calculate the contractual by financial class/payer. Medicare is up because of changes in volume in relation to Medicaid Swing bed. If payer mix changes the contract allowances will change.

Charity and Bad Debt are just guesses they could be less or more.

Cost Recoveries

Grants are budgeted lower as we have been notified by grant managers grant will be less in 2018. In-kind contributions are expected to be about the same as this year. The city's 2018 contribution is shown in cost recoveries.

Expenses

Wages were calculated according the wage philosophy approved by board earlier this fall. Benefits in addition to the social security rate on wages, PERS was calculated at 34% (8% match and 26% for the past. (it is anticipated the state will lower their participation due to their budget issues.) The hospitals portion of the fixed costs of the health and life is included in the benefits as well as \$50K a month for actual claims based on the monthly average for 2017.

The other expense item are calculated on past history. Any one of those could change and it could change I. E. we have a 30 year old building repair could be more depending on what happens during the year.

There are a lot of moving parts in this year's draft of the budget—the retail pharmacy is new, it is unknown how it will perform. Payer mix could change, etc.

Respectfully submitted.

Lee Holter

CFO

CCMC

Cordova Community Medical Center Statistics

Budget stats in Blue

Change each month

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Monthly Average
29														
Hosp Acute+SWB Avg. Census														
FY 2018 ADC	4.8	5.0	4.8	4.7	4.6	4.4	4.8	4.5	4.6	4.8	4.5	4.6	4.6	4.7
FY 2017 ADC	3.2	3.8	4.5	4.2	3.8	3.1	4.5	4.4	4.5	4.6	4.5	4.5		4.1
FY 2016	0.8	1.9	1.3	2.0	1.7	2.2	1.2	0.3	0.7	1.1	0.5	1.0		1.2
FY 2015	1.1	0.2	2.0	2.3	2.0	2.7	0.9	1.5	0.7	0.5	0.9	0.1		1.2
Acute Admits														
FY 2018 Projection	8	9	8	7	6	4	8	5	6	8	5	6	80	6.7
FY 2017	9	7	7	5	4	1	10	6	6	11	7	7	80	6.6
FY 2016	6	8	3	8	9	5	7	5	6	10	6	8	81	6.8
FY 2015	1	1	4	6	5	2	5	1	5	5	3	1	39	3.3
Acute Patient Days														
FY 2018 Projection	25	28	25	22	19	12	25	16	19	25	16	18	250	20.8
FY 2017	34	22	31	16	8	2	27	13	16	18	16	16	219	18.3
FY 2016	16	15	18	22	26	20	11	10	18	22	15	17	210	17.5
FY 2015	2	3	7	8	16	3	10	2	11	6	7	2	77	6.4
SWB Admits														
FY 2018 Projection	1	0	0	1	0	0	0	1	0	0	1	0	4	0.3
FY 2017	5	3	2	1	2	0	1	1	1	0	1	1	18	1.5
FY 2016	2	2	0	2	1	3	1	0	1	2	1	2	17	1.4
FY 2015	1	1	3	3	2	0	0	3	1	1	0	0	15	1.3
SWB Patient Days														
FY 2018 Projection	124	112	124	120	124	120	124	124	120	124	120	124	1,460	121.7
FY 2017	64	84	109	111	111	90	114	124	120	124	120	124	1,295	107.9
FY 2016	9	40	23	37	28	46	25	0	3	11	1	14	237	19.8
FY 2015	31	3	55	60	46	78	18	45	11	11	19	0	377	31.4
CCMC LTC Admits														
FY 2018 Projection													0	#DIV/0!
FY 2017	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FY 2016	1	0	0	0	0	0	2	0	0	0	0	0	3	0.3
FY 2015	0	0	0	1	1	2	1	2	2	1	0	0	10	0.8
CCMC LTD Resident Days														

FY 2018 Projection	310	280	310	300	310	300	310	300	310	300	310	300	310	300	310	3,650	304.2
FY 2017	310	280	310	300	310	300	310	300	310	300	310	300	310	300	310	3,650	304
FY 2016	310	290	310	297	310	298	292	310	300	310	300	310	300	310	300	3,637	303.1
FY 2015	310	280	308	287	307	300	274	273	388	309	300	310	300	310	3,646	304	
CCMC LTC Avg. Census																	
FY 2017	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0		10.0
FY 2016	10.0	10.0	10.0	9.9	10.0	9.9	9.4	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0		9.9
FY 2015	10.0	10.0	9.9	9.6	9.9	10.0	8.8	8.8	12.9	10.0	10.0	10.0	10.0	10.0	10.0		10.0
ER Visits																	
FY 2018 Projection	50	40	50	55	55	60	80	75	60	65	50	60	65	50	60	700	58.3
FY 2017	49	35	47	49	53	55	75	68	53	67	44	55	65	44	55	650	54.2
FY 2016	52	45	52	52	59	79	85	74	51	55	37	53	55	37	53	694	57.8
FY 2015	23	46	49	40	104	73	104	97	47	56	37	39	56	37	39	715	59.6
Outpatient Registrations w/ER																	
FY 2018 Projection	125	115	135	340	140	150	180	175	170	150	130	140	150	130	140	1,950	162.5
FY 2017	120	111	138	293	136	146	177	168	145	147	127	138	147	127	138	1,847	154
FY 2016	120	117	131	342	159	164	160	172	165	146	126	137	146	126	137	1,939	485
FY 2015																0	0
PT Procedures																	
FY 2018 Projection	400	340	423	400	327	366	320	330	348	330	407	416	330	407	416	4,407	367.3
FY 2017	416	322	497	399	327	296	343	136	206	284	387	376	284	387	376	3,989	332
FY 2016	319	344	349	401	326	396	291	324	489	346	407	415	346	407	415	4,407	367
FY 2015	224	197	280	347	321	224	319	345	216	170	296	269	170	296	269	3,208	267
Lab Tests																	
FY 2018 Projection	310	330	305	325	350	305	390	360	385	405	325	350	405	325	350	4,140	345.0
FY 2017	298	322	284	304	318	283	435	410	337	387	310	322	387	310	322	4,010	334
FY 2016	304	363	324	350	374	399	318	314	319	340	272	219	340	272	219	3,896	325
FY 2015	440	350	533	266	486	311	411	328	359	363	291	367	363	291	367	4,505	375
X-Ray Procedures																	
FY 2018 Projection	45	45	40	30	40	65	75	90	55	45	40	45	45	40	45	615	51.3
FY 2017	47	43	37	29	42	63	72	57	43	43	43	45	43	43	45	564	47
FY 2016	60	52	64	56	76	71	63	74	52	44	42	37	44	42	37	691	58
FY 2015	27	27	66	68	59	56	99	84	47	34	37	44	34	37	44	648	54
CT Procedures																	

FY 2018 Projection	10	10	14	15	15	15	20	15	16	30	20	15	195	16.3
FY 2017	7	7	13	14	12	14	22	15	12	28	19	16	178	15
FY 2016		7	16	14	15	24	20	14	15	25	17	13	180	16
CCMC Clinic Visits														
FY 2018 Projection	200	191	189	201	241	221	218	265	359	235	207	223	2,750	229.2
FY 2017	212	175	197	188	248	239	217	284	356	232	200	211	2,759	229.9
FY 2016	178	197	170	203	222	191	205	231	343	227	203	223	2,593	216
FY 2015	141	151	157	196	204	190	224	270	164	194	131	160	2,182	182
Behavioral Hlth Visits														
FY 2018 Projection	90	105	85	105	100	115	100	105	85	90	100	100	1,180	98.3
FY 2017	70	98	71	90	88	100	85	109	72	56	72	94	1,004	83.7
FY 2016	94	100	103	104	89	75	58	39	56	47	80	122	967	81
FY 2015	94	90	73	97	37	68	112	49	106	70	71	76	943	79
Prescriptions Filled														
FY 2018 Projection	110	176	220	330	440	660	880	1,100	1,100	770	770	770	7,326	610.5

2018 Budget Assumptions

Wage increases based on Board approved wage philosophy and merit based on performance.

Will have to budget wages by individual rather than position.

Continued effort to reduce use of travelers.

Supply costs increases of 5% in 2018. Pharmacy 8 %.

Overall goal of 5% margin.

Budget method

1. Establish Statistics for the year
2. Calculate revenue based on historical average per stat revenue plus price increase
3. Calculate contractual allowances based on historical/planned payer mix.
4. Budget FTE's/ hours worked per job code This by Year individual
5. Then budget wages with/or if there is a planned increase.
6. Budget operating expenses.
7. Assembly all the parts.
8. Check for margin percentage
9. Individual manager review with Administration.

Cordova Community Medical Center
2018 Budget

	<u>2016 Budget</u>	<u>2016 Actual</u>	<u>2017 Budget</u>	<u>2017 Projected</u>	<u>2018 Budget</u>
Revenue					
Acute/Swing Bed	-1,474,607	-1,493,560	-1,564,015	-2,926,633	-3,970,905
Long Term Care	-4,156,537	-4,198,233	-4,096,798	-4,395,231	-4,630,572
Clinic	-759,517	-877,601	-1,014,409	-1,177,168	-1,348,490
Outpatients - Other	-2,262,238	-2,534,872	-3,198,427	-2,644,845	-3,628,720
Retail Pharmacy					-430,770
Behavioral Health	-579,053	-456,386	-676,990	-435,136	-352,327
Patient Services Total	-9,231,952	-9,560,651	-10,550,639	-11,579,013	-14,361,784
Deductions					
Charity	250,643	184,869	150,000	11,973	30,000
Contractual Adjustments	1,132,620	1,749,542	1,623,174	3,531,545	4,365,671
Bad Debt	222,907	339,400	312,500	328,681	375,000
Deductions Total	1,606,170	2,273,811	2,085,674	3,872,199	4,770,671
Cost Recoveries					
Grants	-489,695	-479,312	-487,671	-318,044	-300,000
In-Kind Contributions	-1,217,444	-1,345,472	-1,109,695	-1,097,146	-1,000,000
Funds From City				-565,000	-625,000
Other Revenue	-770,451	-40,782	-156,600	-219,050	-225,000
Cost Recoveries Total	-2,477,590	-1,865,566	-1,753,966	-2,199,240	-2,150,000
Net Revenue	-10,103,372	-9,152,405	-10,218,931	-9,906,055	-11,741,113
Expenses					
Wages	3,521,668	3,552,400	4,183,042	4,004,486	4,250,000
Taxes & Benefits	2,425,108	3,554,354	2,207,365	1,774,453	2,663,250
Professional Services	2,180,831	2,393,730	1,540,815	1,681,558	1,600,000
Minor Equipment	21,074	30,587	27,700	45,604	50,000
Supplies	431,230	445,814	415,884	561,870	610,000
Repairs & Maintenance	105,574	97,011	67,272	105,230	100,000
Rents & Leases	122,365	184,596	106,000	135,251	130,000
Utilities	564,282	1,236,003	1,349,354	1,255,559	1,300,000
Travel & Training	49,392	67,350	48,800	84,895	65,000
Insurances	206,649	192,873	140,808	192,377	200,000
Recruitment & Relocation	94,060	103,875	50,000	70,012	50,000
Depreciation	268,331	550,522	525,000	553,891	595,000
Other Expenses	112,808	145,754	140,540	151,655	150,000
Total Expenses	10,103,372	12,554,868	10,802,580	10,616,842	11,763,250
Operating Income		(3,402,463)	(583,650)	(710,787)	(22,137)
Restricted Contributions				1,230	0
Net Income/(Loss)	0	(3,402,463)	(583,650)	(709,557)	(22,137)