

**Mountainview Medical Center
Board of Directors Meeting
November 22, 2017**

Present: Bill Galt, Tanya Hill, Shane Sere day, Bill Schendel, Rick Seidlitz, Chris Schlepp, Otto Ohlson, Rob Brandt – CEO, Tony Pfaff– Cypress Healthcare.

Guests: Deb and Wayne from Wipfli

1. Call to Order

Bill called the meeting to order at 12 (noon).

2. Minutes

Review of last month's minutes 10/25/17. Rick moved to approve them as presented, Otto seconded. **Motion Passed.**

3. DON Report

- 4 overtime RN shifts; 3 traveler shifts
- 8 overtime LPN shifts; 6 traveler shifts
- Kari Jo covered 3 shifts
- An LPN is moving away; personal reasons. Will need 1.5 FTE LPNs.
- RN grad that didn't pass Nclex testing will cover shifts. Has until January 1 to pass. Will be LPN for us until then.
- Training: front of the paper was the SIM truck (simulation truck)
 - Kari Jo conducted skills training up for nursing and providers.
- Attended a DON meeting in Deer Lodge on Monday

4. Financials ~ October

- Days cash on hand: 217
- Liabilities: \$349,671
- Revenue: hospital \$388,047; clinic \$77,458; net patient \$428,545
- Total operating expense: \$503,360
- Net profit: \$133,023
- Investments: US Bank \$1.07; Merrill Lynch 1.06
- Census: Inpatient days 10, ER visits 47, Clinic visits 354; Intermediate LTC days 605
- AR days 60
- Received money from Foundation for \$181,000 to cover the conversion to digital x-ray. This was included in the profit.
- Expenses were high due to travelers, wages for chiropractor, legal, and nurses are doubled up for training.

Audit Presentation ~ Wipfli

An unmodified opinion was given which is the highest they can give. Changes can be made until the 27th.

§ Cost report yielded a receivable for the year.

§ Total assets of 6.9 million

- § Other revenue from last year was NexGen funds
- § 182K decrease in net assets
- § Statement of cash flows: net cash used in operating was \$78,640
- § Net used in investing \$171,432. This includes equipment as well as purchase of investments and proceeds; moving the funds to Merrill lynch.
- § Decrease of \$250,072 for the fiscal year.
- § Notes to the financials, everything has remained the same. This explains how they account for things. Pointed out a change of new accounting pronouncement, the effect is nothing to MMC. Moving from 3 to 2 categories.
- § Patient service revenue; net of contractual allowances, is broke out by payor
- § Charity care is based on the cost report ratio
- § Income from investments was \$101,943
- § Summary of everything is a loss of \$207,731.

Motion to accept the Fiscal Year 2017 audit made by Chris and Rick seconded. **Motion Passed.**

Wayne had letters to review which is part of the audit. Internal controls, good; no internal weakness. Segregation of duties is always an issue. The only to fix is more employees to separate duties. But other controls can be put into place to mitigate. For instance you don't want the same person to receive cash and write off accounts. Inventory pricing, an error was found, which is being worked on.

Second letter is regarding no major findings. Corrected and one uncorrected statements. No disagreements with management and agree to sign the letter. Everything went well during the audit.

Rob explained the comment earlier regarding unrestricted funds. The funds are allocated towards certain items, and last year we requested to make a change to cover the chiller. Funds were not released to operations. Expenses have gone up and employees are paid more; we added PA, we have two MDs and have a higher number of travelers. Revenue has gone up. There is a sequestration from Medicare; we are not getting the 101%. We also have to fight for preauthorization's. Supplies are denied that aren't incident to service that we have gotten in the past. In general, we have to fight harder to get the funds. Last year we also had a 12% county wide expansion to Medicaid. Recently we have added a chiropractor. Part of the explanation is rural health care. Another issue is advantage plans denying claims. AR days expanded due to swing bed days and adjustments for medications.

6. CEO Report

Yellowstone Executive Summary is from our malpractice and D&O insurance provider. They provide a lot of training and work with Kari Jo on quality. They requested to come and meet with the board, Rob opted to give the report for board to review.

Employee Health Insurance: Blue Cross Blue Shield coverage will increase 6.5%. Rob has announced to employees they will have to contribute \$20 per month. This is a first step. We are staying with Blue Cross, they originally came in at 8% and it was settled at 6.5%.

Radiology Update: We are upgraded to full digital, they are working out a few kinks with the portable. It is going great and the photos are turning out well. Once it is up an operational we will do a press release and thank the donors from the Foundation for their donation.

Information Items

December meeting is traditionally not held. Question if a meeting is needed. Finance will still be held. Nothing that we can foresee happening, so unless something comes up, the meeting for December will be canceled. Rick moved and Chris seconded. **Motion Passed.**

Public Comment: Bill Schendel spoke with someone who is losing BC/BS advantage plan and is moving to Humana. BC/BS is only offered in 9 counties in Montana. What Humana is offering for a contract we can't afford to take or accept. They need a good contract. Tony stated that none of his facilities are accepting the coverage. Better insurance is the short answer. We will take a loss if we accept their insurance. We can't sign those contracts and keep running. Complaint is patient has to pay 50% of the entire bill out of pocket.

Motion to adjourn into executive session by Rick and seconded by Chris at 12:30 p.m.

Reopened meeting and adjourned at 12:44 p.m.