

MAYERS  
MEMORIAL  
HOSPITAL  
DISTRICT

# Finance Committee Meeting

Wednesday, June 28, 2017 – 11:00 am

Board Room, Burney

Meeting called by:

Allen Albaugh, Chair

Type of meeting:

BOD Committee

Board Clerk:

Valerie Lakey

Attendees:

Allen Albaugh, Committee Chair, Board Member  
Abe Hathaway, Board Member  
Louis Ward, CEO  
Travis Lakey, CFO

## ----- Agenda Topics -----

	Attach-ments		
1) Meeting Called To Order		Albaugh	
2) Requests from audience to speak to issues/agenda items		Albaugh	
3) Approval of FC Minutes (April 26, 2017)	A	Albaugh	Action
4) Department Reports (per schedule – one revenue and one non-revenue per month) <ul style="list-style-type: none"> <li>Dietary (Garcia)</li> </ul>		Garcia	Reports
5) Financial Reviews – <i>(will be sent by T. Lakey, CFO)</i> <ul style="list-style-type: none"> <li>a) May Financials</li> <li>b) Accounts Payables (AP)/ Accounts Receivable (AR)</li> </ul>		Lakey	Action Action
6) USDA Update		Lakey/ Ward	Discussion/ Action
7) Bond Resolutions – Recommend for approval <i>(sent with regular Board Packet – Attachment E)</i> or follow link: <a href="http://www.qtilp.com/MayersMemorialHospitalDistrict.html">http://www.qtilp.com/MayersMemorialHospitalDistrict.html</a>			
8) Siemens RFP – Recommend for approval <i>(Sent with Board Packet Attachment F)</i>		Ward	Action
9) Physician Recruitment Resolution – Recommend for approval – <i>Dispersed Separately</i>		Ward/ Lakey	Action
10) FY18 Budget Resolution – Recommend for approval	B	Lakey	Action
11) Administrative Report		Ward	Information
12) Other			
Adjournment			

Posted 06/21/17 by V. Lakey



MAYERS MEMORIAL HOSPITAL DISTRICT

BOARD FINANCE COMMITTEE MEETING  
MINUTES – MAY 24, 2017 3:00 P.M.

BFC Attendance:

Allen Albaugh  
Abe Hathaway  
Louis Ward, CEO  
Travis Lakey, CFO

**DRAFT  
Attachment A**

Other:

Daryl Schneider  
Steve Sweet  
Valerie Lakey

*(These minutes are not intended to be a verbatim transcription of the proceedings and discussions associated with the business of the board's agenda; rather, what follows is a summary of the order of business and general nature of testimony, deliberations and action taken.)*

SUBJECT	DISCUSSION	
CALL TO ORDER	The meeting was called to order by Albaugh at 3:02 PM in Fall River Mills	
Requests from Audience to Speak	None	
Minutes	The minutes from the BFC meeting held 04.26.17 were approved. <b><i>(Hathaway/Albaugh) - Approved all</i></b>	<b>Approved</b>
Department Presentation	<b>Physical Therapy – Daryl Schneider</b> – (Power Point) Schneider noted that we should be done with contracted employees. We now have 4 permanent PT's. She projects no contract employees in 2018. The department is currently looking for an OT. Revenue per hour is up. Charges have not been changed in PT for 2 years. Highest cancellation comes from Burney in the winter. The department Receive 57 cents per dollar billed. OT doesn't cut into the PT cap in medi-care. <b>Purchasing – Steve Sweet</b> – (Power Point) Premier, Inc. group purchasing. Explained the contract purchasing system. Free shipping. Supply prices go up each year and that is budgeted for.	
Financials	<b><i>April Financials were reviewed. Notes as follows: (Hathaway/Albaugh)</i></b> <ul style="list-style-type: none"> <li>• Lakey reviewed the financial notes, A/R and A/P days.</li> <li>• Services except for PT and Emergency services are down</li> <li>• Working on getting SNF intake process fine-tuned.</li> <li>• Albaugh suggested to contact Art Whitney</li> <li>• Telemed financial questions (TeleMED2U could bill for the ProFees) MMHD bills facility fee and connection fee. It probably won't make money – but break even to provide a service to the community. It will be on a referral basis for specialty services. Project has been paid for through grants</li> <li>• Questions regarding paying offs</li> <li>• Albaugh noted the decrease in revenue</li> <li>• Surgery needs to be evaluated</li> </ul>	<b>Approved</b>

MAYERS MEMORIAL HOSPITAL DISTRICT

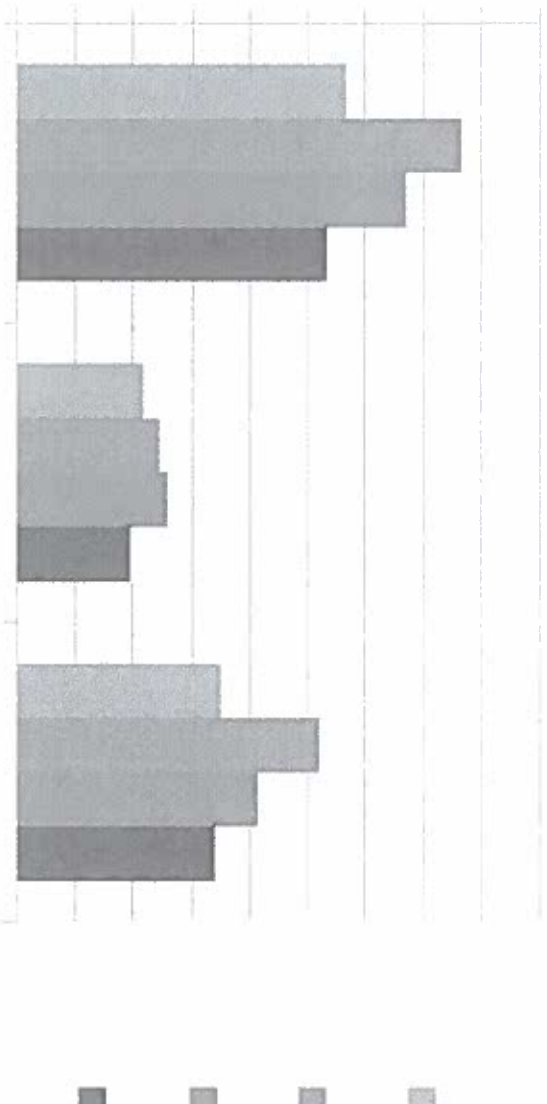
BOARD FINANCE COMMITTEE MEETING  
MINUTES – MAY 24, 2017 3:00 P.M.

USDA Update	<ul style="list-style-type: none"><li>•</li></ul>	Information
Administrative Report	<ul style="list-style-type: none"><li>•</li></ul>	
Adjournment	Meeting was adjourned at 4:30 pm	

By: Valerie Lakey



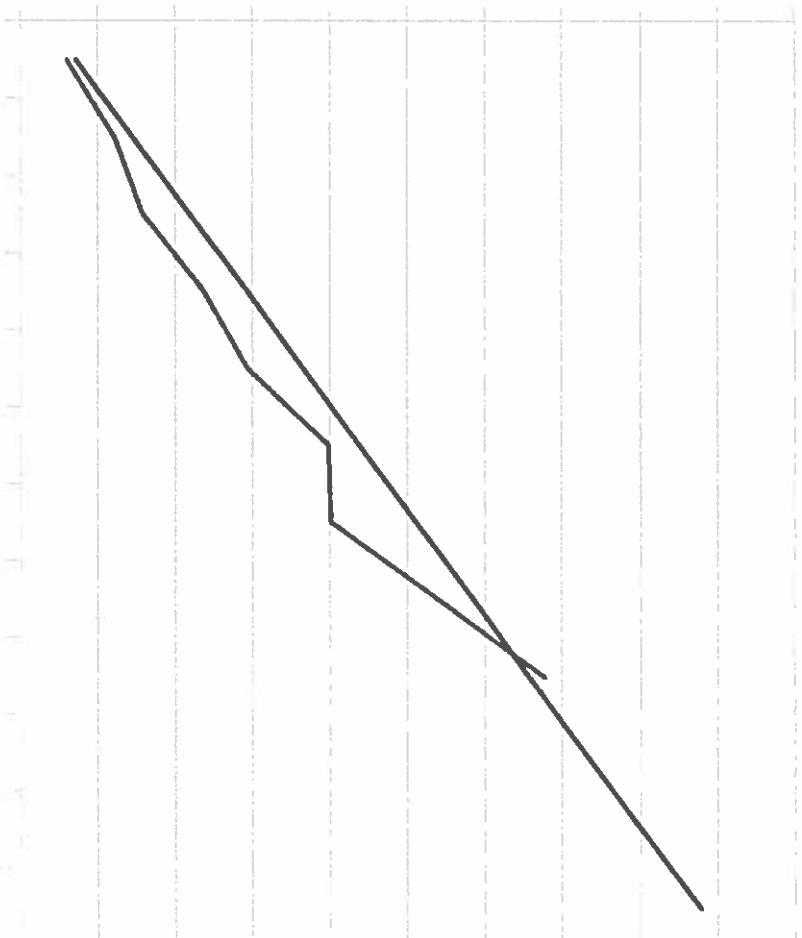
# Revenue and Expenses



2014	\$ 1,133,976	\$ 434,770	\$ 699,206
2015	\$ 1,532,174	\$ 489,216	\$ 1,042,958
2016	\$ 1,343,916	\$ 516,634	\$ 827,282
2017 (thru March)	\$ 1,069,842	\$ 390,666	\$ 679,176

Projecting 2017  
Actual Revenue at  
\$905,568

# Budget vs. Actual FY



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Budgeted for 2017 FY  
\$ 878,340

Projecting for 2017 FY  
\$ 905,568

# Cost of Travelers

- Other Purchased Services
  - (ie. contracted travelers)
    - 2014: \$ 124,756
    - 2015: \$ 103,752
    - 2016: \$ 182,460
    - 2017: \$ 120,158
    - 2018: anticipating \$ 0 for PT
      - Currently searching for OT



# Man Hours and Actual Revenue

- ▣ 2014: 7,638
  - \$91.54 in revenue per man hour
- ▣ 2015: 9,790
  - \$106.53 in revenue per man hour
- ▣ 2016: 8,148
  - \$101.53 in revenue per man hour
- ▣ 2017: 5,995 as of end of March
  - \$113.29 in revenue per man hour

# Payments by Insurance

Payor	Sum of Charge	Sum of Payment	Sum of Adjustment	Payment %	Contractual %
BLUE CROSS	\$ 161,593	\$ 145,940	\$ 15,653	90%	10%
COMMERCIAL	\$ 52,067	\$ 36,330	\$ 15,737	70%	30%
MEDICARE	\$ 311,677	\$ 139,839	\$ 171,838	45%	55%
MEDICAID	\$ 61,143	\$ 15,254	\$ 45,889	25%	75%
PRIVATE PAY	\$ 1,584	\$ 882	\$ 702	56%	44%
SELF-PAY	\$ 10,737	\$ 1,764	\$ 8,973	16%	84%
WORKMANS COMP	\$ 69,483	\$ 40,764	\$ 28,719	59%	41%
<b>Grand Total</b>	<b>\$ 668,284</b>	<b>\$ 380,773</b>	<b>\$ 287,511</b>	<b>57%</b>	<b>43%</b>

- ▣ In summary: we receive 57 cents per dollar billed
  - FY 2016 we received 48.83 cents per dollar and contractual percent was 51.17%
- ▣ Our top 3 referral insurances
  - Medicare, Blue Cross, and Workmans Comp
    - FY 2016 our top referrals were from Medicare, followed by Medicaid

# Current Prices of Most Charged Items

- ▣ Evaluation: \$309
- ▣ Gait Training: \$113.00
- ▣ Therapeutic Exercise: \$132.00
- ▣ Therapeutic Activity: \$150.00
- ▣ Manual Therapy: \$120.00
- ▣ Massage: \$111.00
- ▣ Electric Stimulation: \$74.00
- ▣ Ultrasound: \$74.00
- ▣ Paraffin Bath: \$63.00
- ▣ Iontophoresis: \$154.00
- ▣ Patient Education for Self Management: \$146.00
- ▣ Average charge of \$350 per visit
  - With exception of Medicaid patients

# Plans to Improve Revenue

- ▣ No contracted positions expected for FY 2018
  - We now have 4 physical therapists with doctorates on staff
  - One contracted position on average costs \$2800 per week
  - Employee instead of contracted saves about \$3200 per month per employee
  
- ▣ Working on obtaining an occupational therapist
  - This will increase benefits Medicare patients can receive locally
  - Improve wait time
  - Improve specific therapy to patients

MAYERS MEMORIAL HOSPITAL DISTRICT  
BOARD OF DIRECTORS

**RESOLUTION 2017-11**

WHEREAS, the Governing Board of Directors is responsible for the preparation and adoption of a final budget, which provides a financial plan, including estimated revenues, expenditures and reserves, for operation during the fiscal year July 1 through June 30.

WHEREAS, the budget submitted is required by law to be a balanced operating budget for year July 1, 2017 through June 30, 2018; Total Net Patient Revenue \$23,900,112.00 with a bottom line of \$3,760,900.00.

NOW, THEREFORE, the undersigned certifies and attests that the above resolution was approved at a regular meeting of the Board of Directors, Burney, California, the 28th day of June 2017.

PASSED AND ADOPTED on June 28, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Michael Kerns, President  
Board of Directors  
Mayers Memorial Hospital District

\_\_\_\_\_  
Date

\_\_\_\_\_  
Abe Hathaway, Secretary  
Board of Directors  
Mayers Memorial Hospital District

**FISCAL YEAR July 1, 2017- June 30, 2018  
BUDGET**

**APPROVED AND ADOPTED AT THE BOARD OF DIRECTORS' REGULAR  
MEETING THIS 28th DAY JUNE 2017.**

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**Michael Kerns, President  
BOARD OF DIRECTORS  
MAYERS MEMORIAL HOSPITAL DISTRICT**

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**Abe Hathaway, Secretary  
BOARD OF DIRECTORS  
MAYERS MEMORIAL HOSPITAL DISTRICT**

**Budget Prepared By:**

**MAYERS MEMORIAL HOSPITAL DISTRICT**

**(Attachment: FY2018 Operating Budget)**