

Hospital Board Summary – April 2015

Executive Committee summary

- Kabetogama requested having a seat on the Board of Directors – Recommendation by the Executive Committee to accept, motion passed by the Board of Directors. John Stegmeir, former Regional Forester from Orr, appointed by the Board to be the Kabetogama representative, term to be up for election in 2018
- Minnesota Legislature passed Nursing Home Payment reform, signed into law by Governor Dayton. Cook Hospital will receive additional \$275k annually starting in 2016 based on 2014 billings
- Minnesota Legislature passed Medicaid payment reimbursement for Critical Access Hospitals. Medicaid payments were frozen, then reduced starting in the early 2000's and currently are 55% of audited cost. Beginning in 2016 there will step increases to 85%. In 2014 Medicaid accounted for 12.2% of the Hospital's revenue (hospital only, not C&NC)
- Our Nursing Home PIP (Performance Improvement Project) has been selected for continuation for the next 2 years. Increases the Nursing Home reimbursement rate
- Hospital is investigating tele-cardiology as an expansion for our telemedicine services.
- Dr. Holmes performed 14 procedures in April – limited by Hospital ability to provide support staff. Investigating means to provide additional staff.

Regular Board Meeting

- Leiding Township had a guest attendee who presented a list of questions from their township's annual meeting that have not been answered:
 - o Why are we levied on our taxes for the hospital?
 - o What are the ramifications if we don't want to be levied?
 - o What are our township's benefits?
 - o What about the proposed remodel of nursing home rooms?
 - o What about the rumored bond issue?
 - o If the hospital is \$946k in the red, where is the increased revenue?
- Combined input from Board Trustees will be presented to Leiding Township

Financials

- Cash \$4.76m cash on hand
 - o 105 days COH operations
 - o 144 days COH all funds vs 167.2 MLLP Rural average
- Current Liabilities \$1.18m
- Long Term Debt \$5.08m
- Patient Service Revenue \$7k under budget
 - o Patient days 40% under budget
 - o Outpatient revenue 6.7% over budget

- Nursing Home revenue 13.5% over budget
- Bad debt was a negative \$51k
 - 3 large bills that were more than 120 days overdue were paid – a large percentage of these bills were required to be listed as bad debt due to not being paid.
- Total Bad Debt & Charity Care \$54k vs \$143k YTD 2014
- Other Operating Revenue \$5k over budget
- Expenses \$59k over budget
 - Salaries & Benefits \$28k over budget due to overtime (new hires not yet certified)
 - Accounting Fees for Annual Audit and Medicare Cost Report \$27k
 - Nursing Home Financial analysis \$7k
- Operating Margin (\$78.7k) vs (\$51.2k) budget YTD (\$355k) vs (\$257k) budget, (\$379k) 2014
- Net Income \$175k YTD vs \$187k budget & \$5k 2015
- Days in AR 44.8 s 55 day goal

Miscellaneous

- Discussion whether to publish Hospital Board Minutes on the hospital web site. Currently minutes are available only by requesting by mail or at the hospital front desk. Motion to publish carried