

**LEWIS COUNTY GENERAL HOSPITAL
EXECUTIVE/FINANCE COMMITTEE**

Date: October 19, 2020

Call to Order: 5:00 p.m.

Adjourn: 6:06 p.m.

Present: Mike Young, Richard Chartrand, Jennifer Jones, Donald Musnicki, Philip McDowell, Cheryl Steckly (left at 5:38), Jeff Hellinger, Jerry Cayer, Ryan Piche (entered at 4:09), Eric Virkler, Trista Mullin, Michele Prince (Recorder).

Excused: Marguerite Mastascusa

Absent: None

CALL TO ORDER

- ✓ Meeting was called to order by Board President, Mr. Young

FINANCIAL AND STATISTICAL REPORTS:

- ✓ Mr. Hellinger reviewed the September financials including an overview of the Executive Summary Sheet, Statement of Operations, Key Statistical Report, Balance Sheet and Cash Flow Sheet.
- ✓ Mr. Hellinger reviewed Dashboards which included statistical volumes, FTE's paid, cash flow activity, and use of overtime for the months of September. Mr. Hellinger shared several trend charts for areas of the Hospital including: Acute Admissions & Observation Visits, Nursing Home Occupancy, Total Surgeries, Total ER visits, Outpatient visits, Clinic visits (BR, SL, Harrisville), Clinic visits (all other) and Extended Hours visits reflecting trends.
- ✓ Mr. Hellinger reported a \$1,500,036 loss for the month of September versus a budgeted loss of \$200,343 directly related to the retroactive reduction in nursing home IGT. The YTD surplus is \$78,009 versus a budgeted surplus of \$261,423
- ✓ Mr. Hellinger reported that the Department of Health retro actively decreased the IGT funding from ~ \$190M to ~ \$120M. The retroactive award for the nursing home IGT is \$2.4M, a decrease of \$2.1M. Mr. Hellinger also stated that the original rules may be changing for the CARES act funding. This is very concerning and is being monitored.
- ✓ 2021 Budget – Mr. Hellinger and Mr. Cayer reviewed and discussed the 2021 Budget. They shared that the budget is fluid – a roadmap, and we evaluate it and make necessary adjustments to it on a monthly basis.

2021 Budget Assumptions

- Volume – may appear high as we had to consider the impact of COVID in 2020.
- Charge increase – there will be a 5% charge increase with the exception of the nursing home bed rate.
- Other revenue sources – SNF and Hospital IGT, 300B program and VAP (Vital Access Provider) funding.
- Wage increases - 3% union and exempt staff, 0-4% providers
- Health benefit contributions – employee contribution will remain at 25% of the premium. There will be an employer premium holiday totaling ~\$700K
- FTE's – 567 which is 6 more than last years budget. We have added positions that we did not use in the past, e.g. COVID screeners, 2nd IP, professional billers.
- Non payroll price inflation factor – 4%
- Capital purchases - \$2.5 M will be paid out of hospital operations
- Provider positions – employed providers have decreased to 4. 18 providers are now in the PLLC
- Special cash flow item – the 2022 retirement fund payment is included in Q4 2021.

2021 Volume Targets / Detail Volume Targets

- We project adult day care to reopen in July of 2021.

2021 Operating Statement

- We are budgeting net patient care revenue of \$75,266,100, IGT \$4.25 M and other revenue of \$5.3M.
- We will be relying less on extra funding opportunities.
- We are assuming that we will not be using as many travelers. With that being said, if we do have to use them, we will see an increase in purchased services.

2021 Capital

- We have budgeted \$2.5 M for direct patient care, IT, maintenance/renovations, and support services. We have also reserved \$185,000 in contingency items.

2021 Statement of Cash Flow

- Beginning cash balance of \$35,000,000. If we have to repay the MCR cash advance payment of \$7M we are budgeting an ending cash balance of \$28,046,598

2021 Balance Sheet - Mr. Hellinger reviewed the balance sheet.

2021 Ratios

- Our age of plant is 20.2 years which is higher than the benchmark, hence the reason for moving forward with the OR/Med Surg project is vital.
- Days cash on hand is better than the benchmark due to the \$7M advance MCR payment

Motion by Phil McDowell and seconded by Don Musnicki to move the 2021 budget to the full board of managers next week. Approved.

6 YES, 0 NO

CEO REPORT:

Mr. Cayer thanked Mr. Hellinger, Mrs. Mullin, Mrs. Prince, and the managers for all the work on the development of the FY21 budget.

- ✓ COVID-19 Update: Mr. Cayer reported that he, Dr. Harney, Ryan Piche and Ashley Waite are working with the 7 local school districts in effort to assist them in COVID activities. Mr. Cayer and Mrs. Waite submitted a joint application to the DOH requesting 300 Abbott COVID test kits to serve the schools per month as well as 300 for the general public. The DOH has not replied.
- ✓ Surgical Pavilion and MS Revitalization: Mr. Cayer reported that he, Mr. Hellinger, Mr. Pace and Rick Tague had a conference call with the CON unit at the DOH. They will be doing a preliminary review of our application this week. Once completed, the application will be forwarded to the member of their team that will be responsible for the full review. Because of the scope of the project, it will also require a review by the Public Health and Health Planning Council. The broader community will also have a chance to weigh in on our project. For that reason, Mr. Cayer will be reviewing our project with the CEO's at Samaritan Health System and Carthage Area Hospital.

Executive Session:

Motion by Jennifer Jones and seconded by Cheryl Steckly, the Committee entered executive session at 5:00 p.m. to discuss a personnel matter. Approved.

6 YES, 0 NO

Motion by Jennifer Jones and seconded by Don Musnicki, the Committee returned to regular session at 6:05 p.m. Approved.

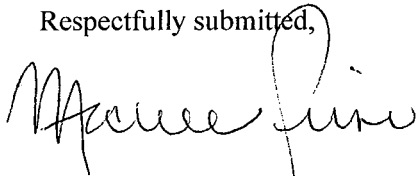
5 YES, 0 NO

Adjournment:

Motion by Jennifer Jones and seconded by Richard Chartrand, the Committee adjourned meeting at 6:06 p.m. Approved.

5 YES, 0 NO

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Michele Prince". The signature is written in black ink and is positioned above the printed name.

Michele Prince, COO