

**Mountainview Medical Center  
Board of Directors Meeting  
October 26, 2011**

Present: Bill Galt – Chair, Otto Ohlson, Bill Schendel, Chris Schlepp, Dave Wendt, Helen Hanson, Aaron Rogers – CEO, Tony Pfaff – Cypress Healthcare.

Absent: Shane Sereday, Rick Seidlitz, Lisa Gilbertson

Guests: Galusha, Higgins & Galusha – Deb Lawton, Wayne Hiatt

1. Call to Order

Bill called the meeting to order at 4 p.m.

2. Minutes

Request was made for any corrections or additions to last month's minutes. Otto moved to accept them as presented; Helen seconded the motion. **Motion Carried**

3. CEO Report

Audit Presentation by Galusha, Higgins & Galusha: Deb and Wayne reviewed the draft audit conducted for the fiscal year 2011. The draft was emailed to members prior to the meeting. It will not be finalized until Monday to allow for any changes to be made. There is already one change to foot note C, page 10. The mill levy number was changed from 8 to 28. Also on the same page, note B, the cost report information wording will be adjusted.

Pg. 1 Financial Highlights is a synopsis.

- \* Operating revenue was \$3,852,612 compared to last year of \$4,066,759. The change is because of fewer contributions received.
- \* Change in net assets was \$25,554 vs. \$72, 173.
- \* Working capital of \$1,502,879, which is good.
- \* Long term debt was \$156,498.
- \* Current ratio is 4.72.(very good)
- \* Days of net patient revenue in accounts receivable is 45 days, which is really good.
- \* Debt to net assets was 0.03. (very good)

Pg 2 Independent Auditor's Report is an "unqualified opinion". It states there were no problems or complications during the audit. Everything went smooth and they had a clean opinion. No information was withheld.

Pg 3 Assets. This is a balance sheet of financial position.

- \* Estimated 3<sup>rd</sup> party settlement is the payable to Medicare vs. a payback from Medicare. This has to do with timing, interim payments, change in reimbursement rates during the year, and based on the number of people being seen. MMC chose to take a 10% less per diem payment for the year and received \$84,000 lump sum adjustment in December. Making the payable to Medicare \$110,147 (cost report) for fiscal year 2011.
- \* Mill levy receivable from last year is money collected before year end.

- \* Agency funds (US Bank) was \$589,949 now \$648,333. This increase is the moving money into the fund to rebuild the account.
- \* Current liabilities are consistent with last year.
- \* Net assets: there is some money in temporarily restricted. This is funds from the Bair grant that are being held for computer EMR.
- \* The cash position is \$756,395 better meaning there was a gain of \$756,395 in cash.

Pg 4 Statement of Operations and Changes in Net Assets.

- \* Money coming in from net patient revenue is up over last year: \$3,801,121 vs. \$3,771,612.
- \* Other revenue was grant money that used.
- \* Expenses were down from the prior year: \$4,210,169 vs. \$4,269,698. Part of the decrease is locums not being used.
- \* Other income was \$259,572 vs. \$405,378. That is less money in grants.

Pg 6 Statement of Cash Flow - is the amount of money from operations, investing and financing. Last year's net cash from operating activities was a negative \$158,473. This year was \$894,841. Investing activities was \$118,733 vs. \$308,634 the prior year. Payments on long term debt was \$19,713.

Next pages are Notes. Deb gave a brief explanation of each note.

Bill asked in a net shell how we are doing. Deb commented that we have providers and expenses are down. People are coming due to the providers. Wayne stated we are moving in the right direction with a profit of \$26,000 for the year. Operations generated \$900k cash. Some was spent but were able to hold \$750k cash; this is a very good thing. Ratio's compared to others is excellent; stacked up against other hospitals we are doing well. Days in AR are one of the best numbers to look at to compare; 45 is excellent. Current ratio is assets to liabilities. 1 to 1 is the lowest; 4.72 to 1 is almost 5 times your ability to pay the liabilities. MMC is doing quite well; key ratios are very good.

Bill noted that once the final version is completed then audit can be accepted; which will probably be next month. It can't be distributed until it is finalized. The numbers won't change, but the wording can.

Aaron thanked them for an outstanding job. Staff makes a lot of calls and they are always willing to help. It is easier to call and ask ahead of time rather than book items wrong for the year and then have to correct them. Wayne noted that it is good because it means that the monthly financials presented are good. The Board should be happy.

The other required letters were passed out. There are no changes from the prior year and nothing has changed on how items are accounted. There were no significant findings or issues.

All Staff Meeting: was held last Wednesday, 29 employees attended. It was about an hour long with Aaron discussing roughly 15-20 topics that ranged from policy to any items needing clarification to employee concerns. Some things from the employee survey were

discussed. Overall it went well and everyone was given the opportunity to comment or question. These meetings will be held quarterly unless participation drops off; then it will go to twice a year.

#### 4. Financials

Christina gave an overview of the September financials:

- § General checking balance (Bank of the Rockies) as of September 31<sup>st</sup>:  
\$1,029,392.
- § US Bank account: \$654,295
- § Net patient revenue: \$251,324.
- § Net loss: \$87,176
- § Cash collected: \$337,264
- § Days in AR: 48.3. Christina stated that the number is now an average of 90 days, rather than figured by month, due to fluctuations of the number.
- § Checking balance as of yesterday was \$694,451. The drop in funds is to do a transfer of \$250,000 to Dutton State Bank into a savings, money market performance account and \$50,000 to US Bank. Next month the report will show both cash and investments. The reason of moving \$250k was due to FDIC insurance. We have less risk of funds not insured in an interest bearing account.

Christina then noted a wording correction in the audit.

Aaron commented on the operating and income statement, that for the year we are currently down \$19k but last year at this time we were down \$199k; three months into the year.

#### 5. DON Report for September:

- ER visits: 41
- Acute days: 4
- Observation days: 3
- Skilled days: 33
- Intermediate days: 455
- New hires: 4 CNAs
- Shifts by travelers in September: 32. Pearl noted that this was expected with the loss of CNAs and now we are fully staffed again.
- One patient survey was returned.

Trauma designation: Pearl and Leigh gave an overview of what it takes for MMC to become trauma designated. Leigh has been an ER nurse for 22 years. She has worked level II critical care to the bush of Alaska.

There are a number of documents that are required and a process to complete that is approved and governed by the State. Leigh answered questions and stated the goal and point of having a trauma designation is to give the best possible care in the shortest amount of time. There will be chart reviews conducted. The whole County will be part of the process: EMTs, Sheriff, Search & Rescue. Ben Shaver is the

trauma registrar. Forms were emailed for the board to review. The state will visit the facility and make suggestions before we are granted the designation.

Aaron stated the designation is a pat on the back of the nurses. All our nurses will be trauma certified along with the providers. Leigh stated that there will be meetings that will take participation from all entities. Part of the designation will be community education. Most of all she needs a signature from the Board agreeing to support the designation. Motion was made by Helen, seconded by Chris. **Motion Carried.**

#### Information Items

New Employee Representative: Doug has served his term; Rodney Browning has signed up. He was the only employee to complete an application; so no election was necessary. He comes highly recommended by Doug. Bill asked Doug if it was worth doing. Doug stated it was a good experience; it gave him more of an understanding of what goes on. He also had to be a neutral representative. His biggest item was the employee survey. He hopes Rodney can do more.

Haunted House: the 2<sup>nd</sup> annual haunted house will be Sunday night the 30<sup>th</sup> and Monday the 31<sup>st</sup> from 7-9. We are looking to have 30 adults working it. Bret Williams is the ring leader and has already accomplished a lot. Please let Aaron know if you want to help. Approximately 267 people went through last year and hope for more this year.

Bath house: 99% complete and after the meeting is adjourned Aaron would like to have all the members see it. Maintenance staff did all the work led by Scott. Bill also noted that Scott also did the grading of the parking lot and helipad. It has gotten great reviews from the pilots. Safety measures are great.

Public Comment – none

Motion to adjourn made by Chris, Helen seconded. Motion carried; meeting adjourned at 4:55 p.m.