

**Mountainview Medical Center
Board of Directors Meeting
October 27, 2010**

Present: Bill Galt – Chair, Rick Seidlitz, Bill Schendel, Woodie Jarvis, Shane Sere day, Otto Ohlson, Lisa Gilbertson, Chad Evans, Aaron Rogers – CEO, Tony Pfaff – Cypress Healthcare.

Absent: Chris Schlepp

Guests: Debra Lawton, Wayne Hiett – Galusha, Higgins & Galusha

1. Call to Order

Bill called the meeting to order at 7:00 p.m.

2. Minutes

Correction or additions to the minutes of 9/29/10 were requested. Otto moved to approve the minutes as presented, seconded by Bill Schendel. **Motion Carried**

3. CEO report

Aaron directed the members to the spreadsheets provided in their binders. The finance committee discussed having a report that has statistics on a daily basis. They liked the Cypress report that shows census – hospital, skilled swing and intermediate; E.R. visits – by day; clinic visits - by day and provider; and ER admits. The finance committee is interested in having this so they can track numbers for utilization. The report will be in the binders every month.

At last month's board meeting, John Dracon handed out a spreadsheet with audit comparisons. Some of the numbers were not accurate, so Aaron has compiled a new sheet that includes the audits since 2003. That is also in the binders for their review.

4. Financials

Christina gave the summary of financials for the month of September.

- Net patient revenue \$257,101
- Net loss \$53,942
- AR days were 53
- Current cash as of today \$69,277.81

Aaron added that we still have not received the cost report reimbursement from Medicare; they have requested a finalized audit.

Fiscal Year 2010 Audit – Presentation by Debra and Wayne from Galusha Higgins & Galusha. Deb has been on-site the last 3 years. She is an active part in our audit, doing interviews, collecting reports, etc. Wayne is the partner on the job. Deb went through the complete audit page by page explaining the numbers and verbiage.

- Operating Revenues \$4,066,759
- Change in Net Assets \$72,173
- Current Ratio 4.85 (which is good)

- Days in AR: 37 (really good)
- Long term debt to Net Assets 0.03
- Independent Auditors Report statement was read, giving a clean opinion, it was the best you can get
- Assets: \$1,662,014
- Liabilities \$519,857
- Total net \$5,969,929
- Total income \$4,066,759
- Expenses – largest is salaries. Total \$4.2 million
- Change in net assets -increase of \$72,173
- Cash and Equivalents end of year 623, 410
- Long term debt \$177,244 (Harmon Trust pays this loan)
- Function expenses: healthcare services \$2.8 million; fiscal and administrative \$1.3 million; total expenses \$4.2 million
- Management contract - paid \$221, 183 and \$211,572 for last 2 years
- Malpractice liability coverage - no claims
- Review of payor mix: Medicare 22%; Medicaid 6%; Blue Cross, Blue Shield 4%; Third party 18%; Private Pay 50%
- New this year is subsequent events (if took out new debt) - MMC didn't have anything material reported.

It was asked if there were any questions. Marcy (public) asked how much was paid out to Cypress over the last 2 years. Deb gave the numbers again: 2010 -\$221,184 and 2009- \$211,872. She asked if this included Mr. Rogers' (CEO) salary – yes.

The letters of standard reporting were distributed to members. Wayne reviewed the letter and communication between the auditors and board. This letter relays the responsibility of the auditing company and the Board. The timing and scope of the audit is determined by them (auditors), also how much they are going to look at. This is done so management can't steer them in a certain direction. There have been no changes in the accounting policies or their application (management did not change anything in the past 2 years). There were no significant difficulties in dealing with management during the audit. All adjustments to financials attached to the letter were corrected. Wayne noted that it is acceptable to not post all the adjustments they find, if they are not material. MMC did post all findings, no disagreements over anything. A representation letter was signed; all consultations with other accountants were responded to truthfully, nothing was hidden. There were no other significant findings or issues that need to be addressed with the board. It was a good and clean audit. Deb and Wayne then distributed their cards to board members; to call if they have questions.

5. Medical Staff

A meeting was held on October 12th between nursing, lab, medical records, radiology, physical therapy, and the 3 providers. This is a routine meeting to touch base and make sure everything is going well.

6. DON Report

October numbers:

40 ER visits

13 Acute days

12 skilled days

448 intermediate days

1 new NA hire

3 CNA traveler shifts

Quality and Infection Control monthly meeting was held. CNA classes are in process with 7 NA's in the class. We should be well staffed November. Two satisfaction surveys came back with good results. A thank you card was read: without MMC they may not have survived, excellent facility in our community. In November, two RN's are scheduled for an interview, their references are good.

7. Information Items

Brett Williams and Dave Wendt have decided to build a haunted house for the kids here at the facility. There will be quite a few people working on it. There will be some expense to it; but it is a nice thing to do and will be warm for the kids. There will be no charge; but donations are accepted. It is from 7-9 p.m. on both Sat and Sun.

November Board meeting date is set for the 24th which is the day before Thanksgiving. Question was asked if anyone had a conflict. Everyone is fine with the 24th.

Doug Leibel – Employee Representative, has visited with Aaron. He hopes employees will feel involved; and more will be interested after the first year. His goal for the year is to do an employee survey. Other staff will be involved and possibly some board members. A survey hasn't been done since Katharine Ann was here. He would like to set it up so it is not an expense to the facility. Question was asked of what he needed; Doug will initially have a meeting with the employees to find out what they want in it. He is still in the planning stages and will let members know when he needs help.

Finally, Aaron wanted to formally thank Cheryl Seibel. After 30 years of services, she is retiring. We appreciate all she has done; she will be missed. She has seen a lot of changes in the last 30 years.

8. Public Comment

John Dracon – had two comments. First he asked if the audit report was now available for the public. Bill noted that it has not been accepted by the board yet. It will be reviewed by the Finance Committee and a recommendation will be made at the next board meeting. Second, on the 13th the newly formed Meagher County Hospital District Board met with the public. 23 people attended. He asked to clarify a comment made by Otto regarding Cypress and the figure of 4 million dollars. Otto didn't recall making any statement to that effect.

Adjourn – Motion made by Woodie, seconded by Rick; meeting adjourned at 7:35 p.m.