

Missouri River Medical Center
Board of Trustees
March 31, 2016

A regular meeting of the Board of Trustees of the Missouri River Medical Center was held on March 31, 2016 in the Reach Education Room of MRMC. The meeting was called to order by Chairman, Mike O'Hara at 3:05 PM.

Members: Members present were Mike O'Hara, Mavis Engellant, Nikki Stovall, and Larry Bauer. Also present were Louie King, CEO; Janice Woodhouse, COO-DON; Shari Dolan, CFO; Shannon Walker, RN, IFC; and Star Taylor, Recorder.

Guests: Heidi Brandt, Douglas Wilson and Company, PC and Ross Rettig.

Minutes: Minutes of the February 25th meeting were reviewed.

MOTION: **The MRMC Board of Trustees approve the minutes of the February 25, 2016 meeting as written. Motion was made by Nikki Stovall, second by Mavis Engellant. Motion passed unanimously.**

Comments from the floor: Ross Rettig stated that he is looking forward to being part of the Board of Trustees.

Foundation Report:

- Ron Frey joined the meeting via the Reach Unit. He reviewed the progress on the planning study report of the Capital Campaign.
- There have been several tours of the facility and clinic of possible donors.

Board Action Items:

- *Projects:* Paul Tuss of Bear Paw Development states that we are doing everything that we can do right now to seek funding.
- *Improvements/equipment:* Shari and Janice continue to work on an Inter-cap loan for the purchase of the CT scanner. Fund raising for the new x-ray machine is still ongoing.
- *Steam boiler:* The old boiler system that we have been currently using is very iffy, one of the boilers is not functioning and the other is on its last leg. Louie stated that he is hesitant in waiting to purchase a new boiler at a price of \$84,000 to \$90,000 but would like the Board of Trustees to approve giving him permission to make an emergency purchase if the need should arise.

MOTION: The MRMC Board of Trustees approves giving Louie authorization to make an emergency purchase of a new boiler. Motion was made by Larry Bauer, second by Nikki Stovall. Motion passed unanimously.

- *Infection Control Annual Report:* Shannon Walker, RN reviewed the Annual Infection Control Report with the board.

Nursing Service Report:

- Janice reported that that we are receiving this years' portion of the Helmsley Grant of \$63,000. She is negotiating with them on the price since it is very expensive. Our providers use the service occasionally, with the Nurses using it more often.
- Dick Brown, President of MHA was here recently. He stated that there is a Lab Tech shortage all over and labs are finding it hard to replace staff.
- We are actively looking for a new nurse with one of our RNs looking at moving.

Financial Services Report:

- **Financial Statement** – Gross Operating Revenue for February was \$458,254 with Contractual Adjustments of \$(74,750), other deductions of \$38,800 and Operating Expenses of \$383,504 which resulted in a net operating gain of \$100,323. With the addition of non-operating revenues, tax subsidy revenue, and non-operating expenses January ended with a net gain of \$101,385. Our year-to-date gain is \$276,059.
- **Outpatient & Inpatient Services:** Emergency Department visits were 37 for February. Inpatient days were 21; Swing bed days were 21, and Nursing Home Bed days were 696 for a total of 738 patient days.
- **Clinic Services:** Benton Medical Center had 454 provider visits in February.
- **Draft Audited Financial Statement:** Heidi Brandt reviewed the findings of the financial audit and the areas that are still being worked on. There are several projects that will be financial improvements for the facility, with those being the conversion to a 25 bed CAH, the 340b Program that should be effective April 1st, and better collection of the co-pays at the time of service. The final draft should be complete soon and ready for the board approval.

CEO Report:

- Louie King called for Executive Session.

MOTION: The MRMC Board of Trustees approves going into Executive Session for personnel issues. Motion made by Nikki Stovall, second by Mavis Engellant. Motion passed unanimously.

MOTION: The MRMC Board of Trustees approves returning from Executive Session. Motion made by Nikki Stovall, second by Mavis Engellant. Motion passed unanimously.

MOTION: The MRMC Board of Trustees approves adjourning the meeting. Motion made by Larry Bauer, second by Nikki Stovall. Motion passed unanimously.

The next meeting is scheduled for Tuesday, April 26, 2016; at 3:00pm.

Respectfully Submitted,

Mike O'Hara, Chairman

Star Taylor, Recorder

**Missouri River Medical Center
Operating Statement
For month Ended Mar 31, 2016**

2 (YTD 2016)

| | Current Month | | | Year to Date | | |
|---|--------------------|---------------------|-------------------|-------------------|---------------------|---------------------|
| | Actual | Prior Year | Variance | Actual | Prior Year | Variance |
| Operating Revenues: | | | | | | |
| Room & Board - Acute | \$ 6,150 | \$ 7,136 | \$ (986) | \$ 110,927 | \$ 90,092 | \$ 20,835 |
| Room & Board - Swing Bed | 16,975 | 5,319 | 11,656 | 139,749 | 25,413 | 114,336 |
| Room & Board - Snf | 164,645 | 156,790 | 7,855 | 1,496,660 | 1,628,658 | (131,998) |
| Room & Board - Pers Care | - | - | - | - | 8,215 | (8,215) |
| Ancillary - Inpt Svcs | 11,453 | 14,261 | (2,809) | 167,974 | 83,146 | 84,829 |
| Ancillary - Outpt Svcs | 136,267 | 83,941 | 52,325 | 975,320 | 733,357 | 241,963 |
| Ancillary - Snf | 84 | 3,132 | (3,048) | 5,135 | 47,256 | (42,120) |
| Emergency Room Clinics | 32,092 | 32,738 | (646) | 399,313 | 321,141 | 78,172 |
| | <u>67,271</u> | <u>51,888</u> | <u>15,383</u> | <u>637,076</u> | <u>463,317</u> | <u>173,760</u> |
| Gross Operating Revenue | <u>434,936</u> | <u>355,205</u> | <u>79,731</u> | <u>3,932,154</u> | <u>3,400,594</u> | <u>531,561</u> |
| Revenue Deductions: | | | | | | |
| Contractual Allowances | 22,691 | 19,988 | (2,703) | (98,825) | 122,586 | 221,412 |
| Other Deductions | 25,671 | 30,928 | 5,256 | 210,307 | 256,954 | 46,646 |
| Net Patient Revenue | 386,574 | 304,290 | 82,284 | 3,820,672 | 3,021,053 | 799,619 |
| Provision For Bad Debt | 10,427 | 13,478 | 3,050 | 109,770 | 107,879 | (1,891) |
| Net Patient Revenue less provisions for bad debt | 376,146 | 290,812 | 85,334 | 3,710,902 | 2,913,174 | 797,728 |
| Other Operating Revenue | 607 | 906 | (299) | 9,374 | 12,767 | (3,392) |
| Total Operating Revenue | 376,753 | 291,718 | 85,035 | 3,720,277 | 2,925,941 | 794,336 |
| Operating Expenses: | | | | | | |
| Gross Wages | 218,288 | 234,374 | 16,086 | 2,080,272 | 2,260,779 | 180,508 |
| Employee Benefits | 56,905 | 60,308 | 3,403 | 480,963 | 549,705 | 68,742 |
| Professional Fees | 53,377 | 32,753 | (20,624) | 322,929 | 363,593 | 40,664 |
| Supplies | 41,612 | 34,149 | (7,463) | 360,195 | 432,103 | 71,908 |
| Repair & Maintenance | 23,797 | 14,702 | (9,094) | 103,905 | 128,534 | 24,629 |
| Utilities | 14,111 | 13,348 | (763) | 105,281 | 127,149 | 21,868 |
| Insurance | 5,125 | 2,811 | (2,314) | 23,906 | 42,404 | 18,498 |
| Leases & Rentals | 891 | 994 | 103 | 8,350 | 5,890 | (2,460) |
| Clinics | 16,227 | 26,027 | 9,801 | 131,303 | 175,090 | 43,787 |
| Depreciation | 14,221 | 14,221 | - | 127,989 | 127,989 | - |
| Interest | 19 | 507 | 488 | 1,933 | 6,516 | 4,583 |
| Other Expenses | 27,635 | 14,195 | (13,440) | 109,398 | 147,094 | 37,697 |
| Total Operating Cost | <u>472,208</u> | <u>448,391</u> | <u>(23,817)</u> | <u>3,856,424</u> | <u>4,366,848</u> | <u>510,425</u> |
| Total Operating Revenue over Expenses | (95,455) | (156,673) | 61,218 | (136,147) | (1,440,908) | 1,304,760 |
| Non-Operating Revenue | 10,062 | 11,872 | (1,810) | 171,798 | 553,398 | (381,600) |
| Non-Operating Expenses | (54,077) | 5,431 | 59,508 | 23,472 | 129,102 | 105,630 |
| Tax Subsidy Revenue | 20,113 | 23,376 | (3,262) | 310,569 | 310,551 | 18 |
| Net Income (Loss) | <u>\$ (11,202)</u> | <u>\$ (126,856)</u> | <u>\$ 115,654</u> | <u>\$ 322,748</u> | <u>\$ (706,060)</u> | <u>\$ 1,028,808</u> |
| Contractual allowances and Other Deductions as a percent of gross patient service revenue | 11.1% | 14.3% | -3.2% | 2.8% | 11.2% | -8.4% |
| Provisions for bad debt as a percent of gross patient service revenue | 2.4% | 3.8% | -1.4% | 2.8% | 3.2% | -0.4% |
| Contractual allowances, charity and bad debt percent of gross patient service revenue | 13.5% | 18.1% | -4.6% | 5.6% | 14.3% | -8.7% |
| Salaries and wages as a percent of total expenses | 46.2% | 52.3% | -6.1% | 53.9% | 51.8% | 2.1% |
| Salaries, wages and benefits as a percent of total expenses | 58.3% | 65.7% | -7.4% | 66.4% | 64.4% | 2.0% |
| Operating Margin | -25.3% | -53.7% | 28.4% | -3.7% | -49.2% | 45.5% |
| Gross Profit | -3.0% | -43.5% | 40.5% | 8.7% | -24.1% | 32.8% |
| Operating EBIDA % | -21.6% | -48.7% | 27.1% | -0.2% | -44.6% | 44.4% |