

Missouri River Medical Center
Board of Trustees
March 28, 2017

A regular meeting of the Board of Trustees of the Missouri River Medical Center was held on March 28, 2017 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, Nikki Stovall, Mavis Engellant, Ross Rettig, and Larry Bauer. Also present were Louie King, CEO; Janice Woodhouse, COO-DON; Shari Dolan, CFO; Bryan Cartwright, IT; Shannon Walker, RN-ADON Infection Control; and Star Taylor, Recorder.

Guests: Bethany DeBorde, with the River Press; Heidi Brandt, with Douglas Wilson & Company PC; and Bruce Houlihan, Benefis Controller.

Final Audit Report: Heidi Brandt reviewed the FY16 audit with the board of trustees. She stated that there was a marked improvement from last year. There were a few things that were not being done such as reconciliations but that has been corrected.

Minutes: Minutes of the February 21, 2017 meeting were reviewed.

MOTION: The MRMC Board of Trustees approve the minutes of the February 21, 2017 meeting as presented. Motion was made by Larry Bauer, second by Nikki Stovall. Motion passed unanimously.

Foundation Report:

- Mike stated that there was not Foundation report at this time.

Board Action Items:

- *Projects:* CDBG: Bryan has been working with Larry on the Lions grant, which has been sent and received by national. Bryan and Larry met with one of the Great Falls Lions groups to promote our project and to ask for their support. Now that the financials are completed Bryan will begin working on the Murdock grant.
- The Amerisco Grant was approved.
- The new boiler is here and they are waiting for the ground to firm up before installing.
- The Chiller will be here May 1st and we have leased it for 7 months.

Infection Control Annual Report:

- Shannon gave a detailed report in December and just reviewed activity since then. We have not had any facility transferred infections.

Nursing Service Report:

- Janice reported that we just had a Life Safety Survey and we have not received the survey back. There were a couple of issues such as not having an emergency shut-off for the emergency generator and that we had too many tanks of O2 in the facility at one time. Since we need to have enough O2 on hand for all of our residents it was subjected that we have an outside storage area built.

MOTION: The MRMC Board of Trustees approves building out-side storage for extra O2 tank storage. Motion was made by Mavis Engellant, second by Larry Bauer. Motion passes unanimously.

- Janice, Cindy, and Sam attending QA training at the MHA Spring Summit. Janice commented that it was intense training and that OA is taking a lot of time away from other issues.

Financial Services Report:

- **Financial Statement** – Gross Operating Revenue for February were \$397,377 with Contractual Adjustments of -\$17,360, other deductions of \$194,337 and Operating Expenses of \$400,525 which resulted in a net operating loss of \$209,729. With the addition of tax subsidies and non-operating revenues, February ended with a net loss of \$205,451. Our year-to-date gain is \$441,720.
- **Outpatient & Inpatient Services:** Emergency Department visits were 35 for February. Physical Therapy visits in February were 222. Inpatient days were 1; Swing bed days were 47, Nursing Home days of 607 for a total of 655 Patient days. Lab saw 155 patients, Radiology did 39 tests, and 5 CTs were conducted.
- **Clinic Services:** Benton Medical Center had 351 provider visits in February.
- Medicare is conducted a Medicare Secondary Payer (MSP) Audit and found 5 issues. We have 30 days to respond
- MACo Health Insurance is raising 16.8% for this next year.

CEO Report:

- Louie requested to go into closed session.

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

MOTION: The MRMC Board of Trustees approve coming out of Executive Session. Motion made by Nikki Stovall, second by Mavis Engellant. Motion passed unanimously.

MOTION: The MRMC Board of Trustees approves adjourning this meeting. Motion made by Nikki Stovall, second by Mavis Engellant. Motion passed unanimously.

The next meeting is scheduled for Tuesday, April 25, 2017 at 3:00pm.

Respectfully Submitted,

Mike O'Hara, Chairman

Star Taylor, Recorder

**Missouri River Medical Center
Consolidated Balance Sheet
For month Ended March 31, 2017**

	<u>Mar 17 Act</u>	<u>Dec 16 Act</u>	<u>Change</u>
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	\$822,197	\$447,948	\$374,249
Net Patient Accounts Receivable	1,190,893	1,806,209	(615,317)
Less: Allowance For Bad Debts	(651,240)	(643,478)	(7,763)
Other Receivables	64,742	52,639	12,103
Supplies Inventory	104,284	147,082	(42,798)
Other Current Assets	52,099	21,249	30,850
CURRENT ASSETS	1,582,974	1,831,649	(248,676)
<u>ASSETS WHICH USE IS LIMITED</u>			
Board Designated Cash and Investments	136,425	136,350	75
ASSETS WHICH USE IS LIMITED	136,425	136,350	75
<u>PROPERTY, PLANT, AND EQUIPMENT</u>			
Gross Property, Plant and Equipment	5,684,332	5,562,950	121,382
Less: Accumulated Depreciation	(4,218,397)	(4,228,048)	9,651
PROPERTY, PLANT, AND EQUIPMENT	1,465,935	1,334,902	131,033
<u>OTHER ASSETS</u>			
Other Assets	-	(121)	121
OTHER ASSETS	-	(121)	121
TOTAL ASSETS	3,185,334	3,302,780	(117,446)
<u>CURRENT LIABILITES:</u>			
Accrued Compensation	285,199	335,028	(49,829)
Accounts Payable	102,248	394,146	(291,898)
Payable to Contractual Agencies	650	-	650
Other Current Liabilities	8,289	5,975	2,314
CURRENT LIABILITES:	396,387	735,149	(338,763)
<u>LONG TERM DEBT</u>			
Long Term Debt	413,619	(159,764)	573,383
LONG TERM DEBT	413,619	(159,764)	573,383
Total Liabilities	810,005	575,385	234,620
<u>FUND BALANCES</u>			
UNRESTRICTED	2,375,329	2,727,395	(352,066)
FUND BALANCES	2,375,329	2,727,395	(352,066)
TOTAL LIABILITIES and FUND BALANCE	\$3,185,334	\$3,302,780	(\$117,446)

**Missouri River Medical Center
Finance Report
March 2017 Financial Statements**

Statement of Operations

Revenue:

InPatient:

In Patients – 3	Total In Patient Days – 7
Skilled Swing Bed Patients - 3	Total SSB Days – 37
CAH LTC Patients – 21	Total SNF Days – 639

OutPatient:

PT – 235 visits
Lab – 175 patients – 2,258 tests
ER's – 39 visits
Clinic Visits – 428
Rad – 57 tests
CTs – 11 tests

Contractual Allowances – \$110,443

Medicare – \$4,501
Medicaid – \$46,347 (Medicaid SB - \$41,518)
Clinic - \$13,915
Other Insurance – \$44,677
Charity - \$552
Employee Discount - \$451

Provision for Bad Debt

Bad Debt Allowance and Write-Off - \$1,814
Bad Debt Recovered – (\$3,725)

Other Operating Revenue

Cafeteria - \$2,123
PT Svcs to the School - \$3,325

Expenses:

Will report anything that seems unreasonable.

Salaries: Down one provider – 3 Payroll month

Repair and Maintenance: Minimal repairs for month

Purchased Services (Utilities): Weather related

Clinic Expense: Extra payments to Benefis for Provider Svcs contract

Depreciation: Monthly entry change, based on FY16 audit and new Dep Schedule

Other Expenses (Insurance, Leases & Rentals, Travel, Educ, Postage, Dues): Watching and keeping to hat is necessary

Non-Operating Gain/Loss:

Non-Operating Revenue - \$241,154
Rent - \$1,080 (Eye Doctor and Trailer)
Interest - \$275
RH Navigator Grant - \$106
Comm Health Worker Grant - \$1,635
Helmsley Grant - \$36,460
Contributions (Strand) - \$200,000
HIIN Support - \$800
Discounts - \$33
Other - \$765

Non-Operating Expense - \$11,583
Tele ER - \$11,583

Balance Sheet

Assets:

Cash & Cash Equivalent – \$822,197
General Checking – \$800,338
Petty Cash - \$400
Credit Card – \$13,479
Data Bank Account - \$63
Patient Account - \$7,867
Patient Refunds - \$50

Net Patient Accounts Receivable – **Change in account charges, payments and contractual adjustments for the month.**

Other Receivables – \$64,742
Taxes Receivable - \$7,074
Employee Receivables – (\$1,365)
Other - \$59,032

Supply Inventory – **Change in supplies purchased for the month and supplies disbursed to departments for the month.**

Other Current Assets - \$52,099
Prepaid Expenses – Insurance - \$26,276 Service Agreements - \$25,823

Board Designated Cash and Investments - \$136,399

Property, Plant and Equipment - \$1,465,935
Land - \$93,904
Buildings - \$2,731,805
Fixed Equipment - \$26,870
Moveable Equipment - \$2,273,624

EHR Software - \$287,542

Construction in Progress - \$270,589 – Building of new rectory and architectural drawings

Accumulated Depreciation – (\$4,218,397)

Liabilities:

Accrued Compensation – **This consists of Accrued Payroll, which is wages and benefits earned, but not paid, and accrued vacation and sick leave.**

Accounts Payable – **This is the amount paid for the current month’s liabilities, but the checks were written in the next month. Also, contains AP which has been entered into the system, but the checks have not been written.**

Payable to Contractual Agencies – **This consists of In Patient Bed Tax Payable, which has accrued, but has not been paid yet. These payments are made annually to the State of MT for the IP Bed Tax**

In Patient - \$650.00 Annual payment made in December

Other Current Liabilities – \$8,289

Security Deposit Rental - \$500

Employee Patient Accounts – (\$78)

Resident Cash Payable - \$7,867

Long Term Debt – Intercap Loans - \$417,515, Medicare Payable – (\$3,896)

Fund Balances – **This is only adjusted at the time of the audit, as it takes into account the revenue on hand at the beginning of the fiscal year, plus revenues received during the year, less expenses equal ending fund balance. The Ending Fund Balance becomes the Beginning Fund balance in the next fiscal year.**

Missouri River Medical Center
Statement of Operations - Budget Comparison
For month Ended March 31, 2017

	Current Month				Year-to-Date				Prior Yr
	Act 17	Bud 17	Var	% Var	Act 17	Bud 17	Var	% Var	YTD Actual
Operating Revenues:									
In-Patient Revenue									
Acute	\$25,853	\$29,106	(\$3,253)	-11.2%	\$261,495	\$261,954	(\$459)	-0.2%	\$0
Skilled Swing Bed	\$40,128	\$13,983	\$26,145	187.0%	\$365,100	\$125,847	\$239,253	190.1%	\$0
Long Term Care	\$146,575	\$171,421	(\$24,846)	-14.5%	\$1,413,805	\$1,542,789	(\$128,984)	-8.4%	\$0
Out Patient Revenue	173,408	142,163	31,245	22.0%	1,398,698	1,279,467	119,231	9.3%	1,374,632
Clinic Revenue	\$66,858	\$68,345	(\$1,487)	-2.2%	\$563,780	\$615,105	(\$51,325)	-8.3%	\$637,076
Total Gross Service Revenues	452,822	425,018	27,804	6.5%	4,002,878	3,825,162	177,716	4.6%	1,374,632
Deductions from Revenue									
Contractual Allowances	110,443	2,964	(107,479)	-3626.1%	322,942	26,676	(296,266)	-1110.6%	111,482
Net Patient Revenue	342,379	422,054	(79,675)	-18.9%	3,679,936	3,798,486	(118,550)	-3.1%	1,263,150
Provisions for Bad Debt	(1,910)	13,059	14,969	114.6%	183,823	117,531	(66,292)	-56.4%	109,770
Net Patient Revenue									
Less provisions for bad debt	344,289	408,995	(64,706)	-15.8%	3,496,113	3,680,955	(184,842)	-5.0%	1,153,380
Other Operating Revenue	5,448	1,001	4,447	444.3%	14,853	9,009	5,844	64.9%	9,374
Total Operating Revenue	349,737	409,996	(60,259)	-14.7%	3,510,966	3,689,964	(178,998)	-4.9%	1,162,754
Operating Expenses:									
Salaries & Wages	224,359	237,643	13,284	5.6%	2,032,432	2,138,787	106,355	5.0%	2,080,272
Employee Benefits	46,484	54,554	8,070	14.8%	428,535	490,986	62,451	12.7%	480,963
Professional Fees	49,488	68,686	19,198	28.0%	274,150	618,174	344,024	55.7%	322,929
Supplies	35,959	38,041	2,082	5.5%	357,413	342,369	(15,044)	-4.4%	360,195
Repair & Maintenance	11,585	10,856	(729)	-6.7%	95,550	97,704	2,154	2.2%	103,905
Purchased Services	15,568	12,273	(3,295)	-26.8%	105,979	110,457	4,478	4.1%	105,281
Clinic Expense	23,503	11,633	(11,870)	-102.0%	175,838	104,697	(71,141)	-67.9%	131,303
Depreciation	8,408	16,681	8,273	49.6%	75,675	150,129	74,454	49.6%	127,989
Interest & Amortization	214	389	175	45.0%	7,963	3,501	(4,462)	-127.4%	1,933
Other Expenses	17,220	18,733	1,513	8.1%	180,379	168,597	(11,782)	-7.0%	141,654
Total Operating Expenses	432,788	469,489	36,701	7.8%	3,733,914	4,225,401	491,487	11.6%	3,856,424
Total Operating Revenue over Expenses	(83,051)	(59,493)	(23,558)	39.6%	(222,948)	(535,437)	312,489	-58.4%	(2,693,670)
Non-Operating Revenue	241,154	22,759	(218,395)	-959.6%	588,496	204,831	(383,665)	-187.3%	(46,943)
Non-Operating Expenses	11,583	9,139	(2,444)	-26.7%	74,329	82,251	7,922	9.6%	
Tax Subsidy Revenue	17,344	53,065	35,721	67.3%	314,365	477,585	163,220	34.2%	
Net Income (Loss)	163,864	7,192	156,672	2178.4%	605,584	64,728	540,856	835.6%	(2,740,613)
Increase (Decrease) in UR Net Assets	\$163,864	\$7,192	\$156,672	2178.4%	\$605,584	\$64,728	\$540,856	835.6%	(\$2,740,613)
Contractual allowances and charity as a percent of gross patient service revenue									
	24.4%	0.7%	-23.7%	-3385.7%	8.1%	0.7%	-7.4%	-1057.1%	8.1%
Provisions for bad debt as a percent of gross patient service revenue									
	-0.4%	3.1%	3.5%	112.9%	4.6%	3.1%	-1.5%	-48.4%	8.0%
Contractual allowances, charity and bad debt percent of gross patient service revenue									
	24.0%	3.8%	-20.2%	-531.6%	12.7%	3.8%	-8.9%	-234.2%	16.1%
Salaries and wages as a percent of total expenses									
	51.8%	50.6%	-1.2%	-2.4%	54.4%	50.6%	-3.8%	-7.5%	53.9%
Salaries, wages and benefits as a percent of total expenses									
	62.6%	62.2%	-0.4%	-0.6%	65.9%	62.2%	-3.7%	-5.9%	66.4%
Benefits as a percent of salaries									
	20.7%	23.0%	0.023	10.0%	21.1%	23.0%	1.9%	8.3%	23.1%
Operating Margin	-23.7%	-14.5%	-9.2%	63.4%	-6.4%	-14.5%	8.1%	-55.9%	-231.7%
Gross Profit	46.9%	1.8%	45.1%	2505.6%	17.2%	1.8%	15.4%	855.6%	-235.7%
Operating EBIDA %	-21.3%	-10.3%	-11.0%	106.8%	-4.0%	-10.3%	6.3%	-61.2%	-220.5%

Missouri River Medical Center
Statement of Operations - Prior Year Comparison
For month Ended March 31, 2017

	Current Month				Year-to-Date			
	Act 17	Act 16	Var	% Var	Act 17	Act 16	Var	% Var
Operating Revenues:								
In-Patient Revenue								
Acute	\$25,853	\$17,603	\$8,250	46.9%	\$261,495	\$278,901	(\$17,406)	-6.2%
Skilled Swing Bed	\$40,128	\$16,975	\$23,153	136.4%	\$365,100	\$139,749	\$225,351	161.3%
Long Term Care	\$146,575	\$164,729	(\$18,154)	-11.0%	\$1,413,805	\$1,501,795	(\$87,990)	-5.9%
Out Patient Revenue	173,408	168,359	5,049	3.0%	1,398,698	1,374,632	24,066	1.8%
Clinic Revenue	66,858	67,271	(413)	-0.6%	563,780	637,076	(73,296)	-11.5%
Total Gross Service Revenues	452,822	434,937	17,885	4.1%	4,002,878	3,932,153	70,725	1.8%
Deductions from Revenue								
Contractual Allowances	110,443	48,363	(62,080)	-128.4%	322,942	111,482	(211,460)	-189.7%
Net Patient Revenue	342,379	386,574	(44,195)	-11.4%	3,679,936	3,820,671	(140,735)	-3.7%
Provisions for Bad Debt	(1,910)	10,427	12,337	118.3%	183,823	109,770	(74,053)	-67.5%
Net Patient Revenue								
Less provisions for bad debt	344,289	376,147	(31,858)	-8.5%	3,496,113	3,710,901	(214,788)	-5.8%
Other Operating Revenue	5,448	607	4,841	797.5%	14,853	9,374	5,479	58.4%
Total Operating Revenue	349,737	376,754	(27,017)	-7.2%	3,510,966	3,720,275	(209,309)	-5.6%
Operating Expenses:								
Salaries & Wages	224,359	218,288	(6,071)	-2.8%	2,032,432	2,080,272	47,840	2.3%
Employee Benefits	46,484	56,905	10,421	18.3%	428,535	480,963	52,428	10.9%
Professional Fees	49,488	53,377	3,889	7.3%	274,150	322,929	48,779	15.1%
Supplies	35,959	41,612	5,653	13.6%	357,413	360,195	2,782	0.8%
Repair & Maintenance	11,585	23,797	12,212	51.3%	95,550	103,905	8,355	8.0%
Purchased Services	15,568	14,111	(1,457)	-10.3%	105,979	105,281	(698)	-0.7%
Clinic Expense	23,503	16,227	(7,276)	-44.8%	175,838	131,303	(44,535)	-33.9%
Depreciation	8,408	14,221	5,813	40.9%	75,675	127,989	52,314	40.9%
Interest & Amortization	214	19	(195)	-1026.3%	7,963	1,933	(6,030)	-312.0%
Other Expenses	17,220	33,651	16,431	48.8%	180,379	141,654	(38,725)	-27.3%
Total Operating Expenses	432,788	472,208	39,420	8.3%	3,733,914	3,856,424	122,510	3.2%
Total Operating Revenue over Expenses	(83,051)	(95,454)	12,403	-13.0%	(222,948)	(136,149)	(86,799)	63.8%
Non-Operating Revenue	241,154	10,062	231,092	2296.7%	588,496	171,798	416,698	242.6%
Non-Operating Expenses	11,583	(54,077)	65,660	-121.4%	74,329	23,472	50,857	216.7%
Tax Subsidy Revenue	17,344	20,113	(2,769)	-13.8%	314,365	310,569	3,796	1.2%
Net Income (Loss)	163,864	(11,202)	175,066	-1562.8%	605,584	322,746	282,838	87.6%
Increase (Decrease) in UR Net Assets	\$163,864	(\$11,202)	\$175,066	-1562.8%	\$605,584	\$322,746	\$282,838	87.6%
Contractual allowances and charity as a percent of gross patient service revenue								
	24.4%	11.1%	-13.3%	-119.8%	8.1%	2.8%	-5.3%	-189.3%
Provisions for bad debt as a percent of gross patient service revenue								
	-0.4%	2.4%	2.8%	116.7%	4.6%	2.8%	-1.8%	-64.3%
Contractual allowances, charity and bad debt percent of gross patient service revenue								
	24.0%	13.5%	-10.5%	-77.8%	12.7%	5.6%	-7.1%	-126.8%
Salaries and wages as a percent of total expenses								
	51.8%	46.2%	-5.6%	-12.1%	54.4%	53.9%	-0.5%	-0.9%
Salaries, wages and benefits as a percent of total expenses								
	62.6%	58.3%	-4.3%	-7.4%	65.9%	66.4%	0.5%	0.8%
Benefits as a percent of salaries								
	20.7%	26.1%	0.054	20.7%	21.1%	23.1%	2.0%	8.7%
Operating Margin	-23.7%	-25.3%	1.6%	-6.3%	-6.4%	-3.7%	-2.7%	73.0%
Gross Profit	46.9%	-3.0%	49.9%	-1663.3%	17.2%	8.7%	8.5%	97.7%
Operating EBIDA %	-21.3%	-21.6%	0.3%	-1.4%	-4.0%	-0.2%	-3.8%	1900.0%

