

Missouri River Medical Center
Board of Trustees
October 31, 2017

A regular meeting of the Board of Trustees of the Missouri River Medical Center was held on October 31, 2017 in the Reach Education Room of MRMC. The meeting was called to order by Chairman, Mike O'Hara at 3:10 PM.

Members: Members present were Mike O'Hara, Nikki Stovall, Ross Rettig and Larry Bauer. Also present were Louie King, CEO; Janice Woodhouse, COO-DON; Shari Dolan, CFO; and Star Taylor, Recorder.

Guests: Connlee Gray from the River Press.

Minutes: Minutes of the September 26th meeting were reviewed.

MOTION: The MRMC Board of Trustees approve the minutes of the September 26, 2017 meeting as written. Motion was made by Ross Rettig, second by Nikki Stovall. Motion passed unanimously.

Foundation Report: Nikki has been doing some research into the use of the van for community transportation. It was discovered that the van belongs to the Foundation and they are willing to rent it out for community usage, along with assuming all of the expenses. However this is still in the talking stages, Nikki and Janice will work together on this project. We will need to purchase a handicap accessible van to be used by the facility as per the regulations.

Board Action Items:

- **Projects:** We are still working with CDBG and Wipfli for funding for Phase 2 of the expansion project. The Murdock and Lions grant will be decided by the end of the year.
- **Credentialing:**

MOTION: The MRMC Board of Trustees approves the Physician Credentialing and Privileging Agreement with Direct Radiology of Benefis as approved by our Medical Staff. Physicians are John Anderson, DO; John Arias, MD; Patricia Barnes, MD; Troy Belle, MD; John Boardman, MD; James Brull, DVM, DO; Lawrence Bub, MD; Gregory Galdino, MD; Dhawal Goradia, MD; Kristen Grubb,

MD; Mark Harshany, MD; Kyle Henneberry, MD; Perry Kaneriya, MD; Margaret Kang, MD; Brian McElaney, MD; Phillip Neely, MD; Mark Takaki, MD; and Scott Werden, MD. Motion was made by Nikki Stovall, second by Larry Bauer. Motion passed unanimously.

Nursing Service Report:

- In past years we have been awarded a Disaster grant that was used to purchase equipment. This year the grant is a regional grant. Janice will be working with Conrad, Shelby and possibly Choteau on the grant.
- With the help of Thad Axtman, Janice has been talking with local contractors about removing the rectory basement. None of the local contractors have the equipment necessary to do the removal. We will be working on a bid process for contractor outside our area to get the basement removed.
- Staffing is still a challenge. We are short 1 LPN for an undetermined time due to health reasons. We have hired a new RN, who will be working 1 day per week right now.
- The State will be here to certify the boilers next week.

Financial Services Report:

Shari stated that the audit is on hold while waiting on the Cost Report to be concluded.

- **Financial Statement** – Gross Operating Revenue for September was \$415,922 with Contractual Adjustments of \$157,617, Other Operating Revenue of \$1,909 and Operating Expenses of \$429,332 which resulted in a net operating loss of \$160,546. With the addition of tax subsidies and non-operating revenues & expenses, September ended with a net loss of \$135,524. Our year-to-date gain is \$178,386.
- **Outpatient & Inpatient Services:** Emergency Department visits were 31 for September. Physical Therapy visits were 220. Inpatient days were 7; Swing bed days were 54, Long-term Skilled Nursing days 574 for a total of 659 Patient days.
- **Clinic Services:** Benton Medical Center had 362 provider visits in September.
- **Lab & Radiology Services:** The lab conducted 1,937 tests and Rad conducted 58 tests. There were 16 CTs done.

CEO Report:

MOTION: The MRMC Board of Trustees approves going into executive session. Motion was made by Ross Rettig, second by Larry Bauer. Motion passed unanimously.

MOTION: The MRMC Board of Trustees approves coming out of executive session. Motion was made by Ross Rettig, second by Larry Bauer. Motion passed unanimously.

MOTION: The MRMC Board of Trustees approves the 1st amendment to the management contract with Benefis Health Systems, effect November 1, 2017. Motion was made by Nikki Stovall, second by Larry Bauer. Motion passed unanimously.

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

The next meeting is scheduled for Tuesday, December 5, 2017; at 3:00pm.

Respectfully Submitted,

Mike O'Hara, Chairman

Star Taylor, Recorder

Benefis Health System
Consolidated Balance Sheet
For month Ended October, 2017

	<u>OCT 17 Act</u>	<u>Oct 16 Act</u>	<u>Change</u>
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	\$580,210	\$285,496	\$294,714
Gross Patient Accounts Receivable	1,476,370	\$1,607,605	(131,235)
Less: Contractual Allowances	(823,476)	(\$624,194)	(199,283)
Other Receivables	204,358	\$66,097	138,261
Supplies Inventory	118,536	\$104,284	14,252
Other Current Assets	54,587	\$35,841	18,746
CURRENT ASSETS	1,610,584	1,475,128	135,456
<u>ASSETS WHICH USE IS LIMITED</u>			
Board Designated Cash and Investments	136,624	\$136,313	312
ASSETS WHICH USE IS LIMITED	136,624	136,313	312
<u>PROPERTY, PLANT, AND EQUIPMENT</u>			
Gross Property, Plant and Equipment	5,764,338	\$5,265,950	498,388
Less: Accumulated Depreciation	(4,271,599)	(\$4,199,606)	(71,993)
PROPERTY, PLANT, AND EQUIPMENT	1,492,739	1,066,344	426,395
<u>OTHER ASSETS</u>			
Other Assets	-	(\$121)	121
OTHER ASSETS	-	(121)	121
TOTAL ASSETS	3,239,948	2,677,664	562,283
<u>CURRENT LIABILITIES:</u>			
Accrued Compensation	296,177	\$294,148	2,029
Accounts Payable	87,068	\$240,785	(153,717)
Payable to Contractual Agencies	3,500	\$27,897	(24,397)
Other Current Liabilities	13,519	\$5,660	7,859
CURRENT LIABILITIES:	400,265	568,490	(168,225)
<u>LONG TERM DEBT</u>			
Long Term Debt	384,025	\$282,913	101,112
LONG TERM DEBT	384,025	282,913	101,112
Total Liabilities	784,290	851,403	(67,113)
<u>FUND BALANCES</u>			
UNRESTRICTED	2,455,658	\$1,826,261	629,396
FUND BALANCES	2,455,658	1,826,261	629,396
TOTAL LIABILITIES and FUND BALANCE	\$3,239,948	\$2,677,664	\$562,283

Missouri River Medical Center
Statement of Operations
For month Ended October, 2017

	Current Month				Year-to-Date				Prior Yr
	Act 17	Bud 18	Var	% Var	Act 17	Bud 18	Var	% Var	YTD Actual
Operating Revenues:									
In-Patient Revenue									
Acute	18,716.00	28,414.00	(9,698.00)	-34.1%	96,032.00	113,656.00	(17,624.00)	-15.5%	117,891.00
Skilled Swing Bed	46,998.00	38,428.00	8,570.00	22.3%	242,823.00	153,712.00	89,111.00	58.0%	122,325.00
Long Term Care	154,003.00	170,459.00	(16,456.00)	-9.7%	568,188.00	681,836.00	(113,648.00)	-16.7%	649,984.00
Out Patient Revenue	173,384.00	168,601.00	4,783.00	2.8%	701,477.00	674,404.00	27,073.00	4.0%	625,931.00
Clinic Revenue	64,827.00	67,377.00	(2,550.00)	-3.8%	258,542.00	269,508.00	(10,966.00)	-4.1%	247,313.00
Total Gross Service Revenues	<u>457,928.00</u>	<u>473,279.00</u>	<u>(15,351.00)</u>	-3.2%	<u>1,867,062.00</u>	<u>1,893,116.00</u>	<u>(26,054.00)</u>	-1.4%	<u>1,763,444.00</u>
Deductions from Revenue									
Contractual Allowances	93,228	32,697	(60,531)	-185.1%	308,883	130,788	(178,095)	-136.2%	(7,944)
Net Patient Revenue	<u>364,700</u>	<u>440,582</u>	<u>(75,882)</u>	-17.2%	<u>1,558,179</u>	<u>1,762,328</u>	<u>(204,149)</u>	-11.6%	<u>1,771,388</u>
Provisions for Bad Debt	<u>23,859</u>	<u>16,085</u>	<u>(7,774)</u>	-48.3%	<u>82,329</u>	<u>64,340</u>	<u>(17,989)</u>	-28.0%	<u>96,656</u>
Net Patient Revenue									
Less provisions for bad debt	340,841	424,497	(83,656)	-19.7%	1,475,850	1,697,988	(222,138)	-13.1%	1,674,732
Other Operating Revenue	<u>1,026</u>	<u>1,174</u>	<u>(148)</u>	-12.6%	<u>5,169</u>	<u>4,696</u>	<u>473</u>	10.1%	<u>4,584</u>
Total Operating Revenue	<u>341,867</u>	<u>425,671</u>	<u>(83,804)</u>	-19.7%	<u>1,481,019</u>	<u>1,702,684</u>	<u>(221,665)</u>	-13.0%	<u>1,679,316</u>
Operating Expenses:									
Salaries & Wages	236,966	239,643	2,677	1.1%	934,224	958,572	24,348	2.5%	894,562
Employee Benefits	53,988	56,192	2,204	3.9%	222,343	224,768	2,425	1.1%	176,797
Professional Fees	19,345	29,328	9,983	34.0%	107,767	117,312	9,545	8.1%	119,780
Supplies	29,948	46,720	16,772	35.9%	139,452	186,880	47,428	25.4%	168,236
Repair & Maintenance	9,016	13,233	4,217	31.9%	39,626	52,932	13,306	25.1%	42,814
Purchased Services	11,418	10,958	(460)	-4.2%	50,836	43,832	(7,004)	-16.0%	50,149
Clinic Expense	22,851	25,259	2,408	9.5%	95,100	101,036	5,936	5.9%	83,456
Depreciation	10,826	13,374	2,548	19.1%	32,478	53,496	21,018	39.3%	56,884
Interest & Amortization	6	1,086	1,080	99.4%	1,564	4,344	2,780	64.0%	6,040
Other Expenses	16,870	17,188	318	1.9%	81,674	68,752	(12,922)	-18.8%	104,592
Total Operating Expenses	<u>411,234</u>	<u>452,981</u>	<u>41,747</u>	9.2%	<u>1,705,064</u>	<u>1,811,924</u>	<u>106,860</u>	5.9%	<u>1,703,310</u>
Total Operating Revenue over Expenses	<u>(69,367)</u>	<u>(27,310)</u>	<u>(42,057)</u>	154.0%	<u>(224,045)</u>	<u>(109,240)</u>	<u>(114,805)</u>	105.1%	<u>(23,994)</u>
Non-Operating Revenue	4,295	10,808	6,513	60.3%	29,807	43,232	13,425	31.1%	89,302
Non-Operating Expenses	11,775	3,943	(7,832)	-198.6%	33,714	15,772	(17,942)	-113.8%	41,381
Tax Subsidy Revenue	26,313	45,433	19,120	42.1%	46,518	181,732	135,214	74.4%	15,408
Net Income (Loss)	<u>(50,534)</u>	<u>24,988</u>	<u>(75,522)</u>	-302.2%	<u>(181,434)</u>	<u>99,952</u>	<u>(281,386)</u>	-281.5%	<u>39,335</u>
Increase (Decrease) in UR Net Assets	<u>(50,534.00)</u>	<u>24,988.00</u>	<u>(75,522.00)</u>	-302.2%	<u>(181,434.00)</u>	<u>99,952.00</u>	<u>(281,386.00)</u>	-281.5%	<u>39,335.00</u>
Contractual allowances and charity as a percent of gross patient service revenue									
	20.4%	6.9%	-13.5%	-195.7%	16.5%	6.9%	-9.6%	-139.1%	-0.5%
Provisions for bad debt as a percent of gross patient service revenue									
	5.2%	3.4%	-1.8%	-52.9%	4.4%	3.4%	-1.0%	-29.4%	5.5%
Contractual allowances, charity and bad debt percent of gross patient service revenue									
	25.6%	10.3%	-15.3%	-148.5%	21.0%	10.3%	-10.7%	-103.9%	5.0%
Salaries and wages as a percent of total expenses									
	57.6%	52.9%	-4.7%	-8.9%	54.8%	52.9%	-1.9%	-3.6%	52.5%
Salaries, wages and benefits as a percent of total expenses									
	70.8%	65.3%	-5.5%	-8.4%	67.8%	65.3%	-2.5%	-3.8%	62.9%
Benefits as a percent of salaries									
	22.8%	23.4%	0.006	2.6%	23.8%	23.4%	-0.4%	-1.7%	19.8%
Operating Margin	-20.3%	-6.4%	-13.9%	217.2%	-15.1%	-6.4%	-8.7%	135.9%	-1.4%
Gross Profit	-14.8%	5.9%	-20.7%	-350.8%	-12.3%	5.9%	-18.2%	-308.5%	2.3%
Operating EBIDA %	-17.1%	-3.0%	-14.1%	470.0%	-12.8%	-3.0%	-9.8%	326.7%	2.3%