



BOARD OF DIRECTORS

Finance Committee Meeting

December 22, 2011

The meeting of the Finance Committee of the Board of Directors was called to order at 7:00 a.m. on Thursday, December 22, 2011 in the President's Office at Perry Memorial Hospital.

Board Present: Tony Sorcic Roger McCabe Tom Tester Rick Clary

Others Present: Rex Conger, President/CEO
Tricia Ellison, CFO/VP Financial Services
Jean Welte, Executive Assistant/recorder

November 2011 Financial & Statistical Report – Tricia Ellison, CFO/VP Financial Services

1) Ms. Ellison reviewed the November Financial & Statistical Reports, discussion included:

- The Hospital has a gain for the month and a gain year to date.
- The Committee discussed the current census and how the 25 bed CAH requirement is maintained. No one has been transferred due to the 25 bed limitation.

Mr. Clary entered the meeting.

- Surgical statistics were discussed and it was noted the orthopedic surgical numbers were the highest they've been since his start. Expenses for implants did increase due to the increase in surgeries.
- In discussion of Contractual Allowances, Ms. Ellison noted the Medicaid A/R continues to increase. We are getting paid but very little. The Committee also reviewed the State of Illinois employee insurances and struggles with collecting deductibles & co-pays from these patients.
- Ms. Ellison stated bad debt experience has improved by almost 5%. The Committee discussed the model and Ms. Ellison shared her perspective of bad debt.
- The change to BCBS for hospital employees was briefly discussed.
- Credit requested from the City for sewer usage & water use was received.
- Brief discussion of the engineer's findings in the MOB exterior.
- Amortization expense is lower due to Dr Chittivelu income guarantee which was budgeted incorrectly, there have been changes implemented to ensure this does not happen in the future.
- Accrued expenses jumped last year, Ms. Ellison did not have the specifics and will research this and report back to the Committee.
- In discussion of where the Hospital is for December, Ms. Ellison stated December looks to be maintaining the same statistics as November.
- The Committee asked to pass on their thank you for the improvements in the unbilled revenue.
- Ms. Ellison reviewed the insurance RFP stating we will be staying with Illinois Provider Trust (IPT) and Illinois Compensation Trust (ICT). We will be moving forward with the next RFP for insurance which expires May 1.

- Medicare interim cost report was received yesterday and in meeting with the auditors, Ms. Ellison was informed Mr. Weber will be leaving the area but staying with McGladry. His replacement will be coming to meet with Ms. Ellison & Mr. Conger. Ms. Ellison also shared the cost report details with the Committee, no changes will be made at this time.
- The Committee reviewed the CD's and the interest rates.

2) Bad Debt

On motion made by Mr. McCabe, second by Mr. Tester, the Finance Committee, acting on behalf of the Board of Directors, unanimously accepted the Bad Debt write-offs of:

\$138,780	PMH Active accounts receivable (bad debt)
\$109,137	Financial Assistance
\$ 54,739	IL Uninsured Discount Act
\$ 7,721	Orthopedic Clinic
\$ 4,425	Bankruptcy
\$ 376	Perry Home Medical

President/CEO Rex Conger's report included:

1. Review of repairs which will show up in December's financials.
2. CPOE letter from Dr Davis, Mr. Conger reviewed the plan the Hospital has put in place to address this concern. Mr. Conger, Ms. Jackson and Ms. Ellison reviewed this plan with Dr. Mestan. Ms. Ellison reported what they have learned from meeting with all the physicians who are using CPOE. Their biggest concern is finding the old information. To address this concern we are bringing back the old paper chart, the Committee recommends determining a period of time for the paper documents to be available as an alternative to physicians using the electronic records. The Committee also discussed the different physician's issues & concerns and the percentage of orders being entered electronically by each physician. The Committee asked to have the percentage of use by physician reported to the BOD along with a list of physician training completion.

Mr. Tester left the meeting

3. Update on the job descriptions for the Department of Surgery and for the Medical Director of Anesthesia.
4. Tax exemption update, Mr. Conger feels that eventually we will end with the Hospital being completely exempt but it appears we are going to have to work with the County Assessor in regards to the MOB. Mr. Sweeney would like to have the MOB not be tax exempt and then the Hospital would have to apply for exemptions for those areas the Hospital is using. Currently the MOB is 60% Hospital space and 40% leased and has been paying taxes on the leased spaces. Mr. Conger stated he will be working with the County Assessor on this issue.

With no further business, a motion to adjourn was made by Mr. McCabe, second by Mr. Clary and unanimously carried. Mr. Sorcic declared the meeting adjourned at 8:00 a.m.

Minutes submitted by: Jean Welte

Minutes approved by:

Tony J. Sorcic
Finance Committee Chairman



**BOARD OF DIRECTORS
Regular Meeting
November 28, 2011**

The Perry Memorial Hospital Board of Directors regular meeting was called to order at 6:00 p.m. on Monday, November 28, 2011 in the White Oak Classroom by Rick Clary, Chairman of the Board.

Board Present: Rick Clary Thomas Tester Gary Bruce
 Roger McCabe Gregg Davis, M.D. Linda
Gustafson
 Tony Sorcic

Others Present: Rex D. Conger, President & CEO; Robert Mestan, M.D., Chief of Staff; Tricia Ellison, CFO, VP Financial Services; Denise Jackson, CNE, VP Clinical Services; Karen Russell, Human Resources Director; Jean Welte, Executive Assistant/Recorder; Bob Warren, City Commissioner; Celia Goers, Care Management Director; Mark Williams, MD

CLOSED SESSION

At 6:00 p.m. Dr. Davis motioned to enter into closed session per Illinois Open Meetings Act, 5 ILCS 120/2 (c) (1), (17), second by Mr. Tester and unanimously carried by vote Yes (6)/No (0).

Mr. Warren & Ms. Goers left the meeting.

RECONVENTION IN OPEN SESSION

At 6:23 p.m. a motion to re-enter open session was made by Mr. McCabe, second by Ms. Gustafson and unanimously carried. Chairman Clary declared the meeting in open session.

Dr. Williams left the meeting and Mr. Warren & Ms. Goers returned to the meeting

BOARD EDUCATION - Tabled

CONSENT AGENDA

On motion made by Mr. Sorcic, second by Mr. Bruce, the Board unanimously approved the following items from the consent agenda:

- Regular Board Meeting Minutes – October 24, 2011
- Regular Board Meeting Closed Session Minutes – October 24, 2011
- Joint Conference Committee Minutes – October 24, 2011
- Privileges
 - Sengstaken Blakemore tube insertion – removed
 - Pleural Biopsy – removed as individual form
 - Thoracoscopy
 - Peripheral vessel stenting
- Medical Staff Policies
 - Record Retention
- Board Policies
 - Pledge Accounts

APPROVAL OF MINUTES

Mr. Sorcic motioned to approve the November Finance Minutes, second by Mr. Tester and unanimously carried.

REPORTS

Board Chair's Report – no report

City Commissioner's Report – City has hired a search firm for the City Manager opening with hopes to have this position filled by the end of February. Mr. Warren also reported that the off site lagoon work is progressing with hopes to have this completed summer of 2012.

Chief of Staff's Report – no report

Auxiliary President's Report – not present

CFO's Financial Report – Ms. Ellison reviewed the financial results for October 2011 and answered questions from the Board. Mr. McCabe motioned to approve the October Financial report, second by Mr. Bruce and unanimously carried. Ms. Ellison also discussed decrease in ED visits, charity care, coding, Form 990 Schedule H, and the results of the CMS final cost report.

VP Clinical Services' Report – Ms Jackson reported that Meaningful Use is on schedule and new hardware is being installed on the second floor, surgery and emergency department.

PMH President/CEO's Report - **Mr. Conger's report included discussion of:**

- **Christmas wish program.**
- **Property tax update. Mr. Conger stated that he has a meeting scheduled with Mr. Sweeney, the County Assessor, to review the areas of the Hospital which are taxable. As a municipality, the only items which the Hospital is liable for taxes are those areas which are being rented/leased to for profit groups, such as physician offices. After discussion, the Board requested Mr. Conger to encourage Mr. Sweeney to communicate the Hospital's tax responsibilities publicly.**
- **Maintenance of the Medical Office Building exterior.**
- **Hospital was informed that we will receive a 6% reduction in costs after completion of the IPT REAP assessment.**
- **\$10,000 donation from the Martha Brousek estate.**
- **Surgery volumes.**
- **Urology request for assistance with recruiting a new Urologist and discussion of current contract with the Urology group.**
- **Search for new Corporate Compliance Officer. Mr. Conger will serve as interim CCO until a new CCO is hired.**
- **FY13 Strategic plan draft is completed and should be presented to BOD in January.**
- **Press Ganey award recipient of top improver award. Board recognized the Hospital for a great job.**

Mr. Warren left the meeting.

- **Review of ads run by competitors in the Bureau County Republican.**
- **FY12 Strategic Plan updates.**
- **Physician letter of recommendation article and discussion of how the hospital completes verification letters received for PMH physicians.**
- **Mr. Conger addressed a question from the BOD regarding ACO's stating that at some point we may join an ACO. Everything we've seen indicates that starting an ACO is not a good idea for us from a financial and financial risk perspective.**

NEW BUSINESS

Environment of Care Report – The Board had no questions regarding the Environment of Care Report.

Board Self Assessment – Mr. Clary led a brief discussion on the results of the Board Self Assessment.

2012 Board Meeting Schedule – The Board reviewed the 2012 Board meeting schedule and asked Ms. Welte to send an updated schedule out to the Board Members.

Quarterly Quality Report – Ms. Goers reviewed the Quarterly Quality Report and answered questions from the Board. Ms. Goers also gave an update on process improvement teams and the safety fair held in October. The Board recognized Ms. Goers for the progress that is being made in quality and for the proactive working being done to prevent falls & pressure ulcers.

CLOSED SESSION

At 7:28 p.m. Mr. McCabe motioned to enter into closed session per Illinois Open Meetings Act, 5 ILCS 120/2 (c) (17), second by Mr. Sorcic and unanimously carried by vote Yes (6)/No (0).

RECONVENTION IN OPEN SESSION

At 7:32 p.m. a motion to re-enter open session was made by Mr. Tester, second by Mr. McCabe and unanimously carried. Chairman Clary declared the meeting in open session.

Medical Staff Credentialing & Privileging Approval - After a credentialing discussion in closed session and on recommendation from the MEC, Dr. Davis motioned to approve the following Medical Staff Credentialing & Privileging requests.

Medical Staff Initial Appointment – Department of Medicine

Alejandro Pulido, MD – Consulting/Emergency Medicine

Daniel E Hurst, DO – Consulting/Radiology

Terrence M Brady, MD – Consulting/Radiology

James L Swischuk, DO – Consulting/Radiology

Provisional Upgrade

R. Benjamin Johnston, MD – Consulting/Emergency Medicine

Allied Health Practitioner Reappointment

Carrie Jones, NP – w/Dr Vukov

The motion was seconded by Mr. Tester and unanimously carried.

All initial appointments are given a Provisional status which is reviewed by the MEC in approximately six months or as provided in the PMH Medical Staff Bylaws.

Mr. Conger & Ms. Welte briefly reviewed the changes to the OMA & FOIA which will go into affect January 1, 2012.

Rex D. Conger, Robert Mestan, M.D. Tricia Ellison, Denise Jackson Karen Russell, and Jean Welte

The Board of Directors met to discuss the annual review of the President/CEO, Rex Conger.

With no further business, a motion to adjourn was made by Mr. McCabe, second by Mr. Tester and unanimously carried. Chairman Clary declared the meeting adjourned at 8:06 p.m.

Minutes submitted by: Jean Welte, Executive Assistant/Recorder

Approved by:

Linda Gustafson



BOARD OF DIRECTORS

Finance Committee Meeting

January 19, 2012

The meeting of the Finance Committee of the Board of Directors was called to order at 7:00 a.m. on Thursday, January 19, 2012 in the President's Office at Perry Memorial Hospital.

Board Present: Tony Sorcic Roger McCabe Tom Tester Rick Clary

Others Present: Rex Conger, President/CEO
Tricia Ellison, CFO/VP Financial Services
Jean Welte, Executive Assistant/recorder

December 2011 Financial & Statistical Report – Tricia Ellison, CFO/VP Financial Services

3) Ms. Ellison reviewed the December Financial & Statistical Reports, discussion included:

- The Hospital has a gain for the month and a gain year to date.
- Swing Bed capacity and ED volumes were briefly discussed.
- Medicaid - we have been receiving payment for physician professional services but not for hospital expenses. Ms. Ellison explained how reserves are calculated.
- Employee Health change to Blue Cross was discussed and committee stated we would probably have to push Blue Cross to process claims and release payments. Mr. Conger & Ms. Ellison stated they are not expecting this account to increase above accrued amounts.
- Professional fees were reviewed; they are under budget for the month and over budget year-to-date.
- Ms. Ellison clarified the increase for implants and injections which are impacting the Medical Supplies account. We are continuing to track the reimbursement for injections.
- Amortization is 0 due to the completion of the Internal Medicine Physicians loan forgiveness period being complete.
- Ms. Ellison reviewed projects for how FY12 should end if everything remains consistent. The Committee shared their approval of the staff's control of expenses and thanked them for their efforts.
- Ms. Ellison reviewed the A/R days and the department's excitement for the electronic medical record. Once the Hospital is 100% on the EMR it will be quicker for A/R to bill. Currently outpatient orders are not electronic so we are unable to process records for billing until they are signed by the physician. Once outpatient services are included in CPOE, the billing will speed up.
- Our IDPH Grant application for Capital Investments in the amount of \$370,015 has been deemed complete. This is federal monies and will be used for Meaningful Use. The

Committee discussed how the federal government has changed their review of grants and the importance of completing documentation for the grant.

- FY13 Budget process has begun. We will be using the CPSI budgeting system and we have been receiving positive feedback.
- Ms. Ellison shared an example of the new PMH statement. We are also including an envelope for returning payment.
- The mid-month report included data on physician use of CPOE. This information was also shared with the medical staff and they indicated the percentages were incorrect. Ms. Ellison & the IT department have worked with CPSI to research their concerns and did find there are errors in this reporting. We are working with CPSI on a patch to correct this error. The Committee suggested we be prepared to answer medical staff concerns or trust in the whole system when we report this reporting is corrected.
- The Committee discussed CPSI and the physicians concerns and dislikes of the system. Mr. Conger shared he has worked with three different systems and he is not aware of any system that works perfectly. He continued to share that each system has good points, CPSI is very user friendly for the nursing piece.
- Ms. Ellison reviewed the status of meeting stage 1 of meaningful use. Our goal is to begin counting May 1. The Committee asked to see the meaningful use report at the May board meeting.
- Upfront collections were discussed based on a physician concern. The physician feels upfront co-payments are hurting his business at PMH. Ms. Ellison reviewed statistics which do not reflect a decrease and summarized how upfront collections have had a positive financial impact on the hospital. Mr. Conger shared information from a single patient complaint that was received. Ms. Ellison also shared scripting which staff is using for upfront collections and the Business Office Director will be adding a follow-up call to patients who decide not to schedule or delay their procedure. Mr. Conger is asking for specific instances where problems are reported so follow-up can be completed with the patient and staff member.
- With the FY13 budget process starting, the Committee reviewed department specific data for profitability and the impact we would have if we chose not to offer certain services. The majority of the Committee did not want to eliminate services at this time.

4) Bad Debt

On motion made by Mr. Tester, second by Mr. McCabe, the Finance Committee, acting on behalf of the Board of Directors, unanimously accepted the Bad Debt write-offs of:

\$188,283	PMH Active accounts receivable (bad debt)
\$ 97,075	Financial Assistance
\$ 56,034	IL Uninsured Discount Act
\$ 6,249	Orthopedic Clinic
\$ 3,302	Bankruptcy
\$ 0	Perry Home Medical

President/CEO Rex Conger's report included:

- 1) We have been notified Dr. Penmatcha has sold his practice and will no longer be coming to PMH.
- 2) IRS notification has been received giving us the OK to move forward with corrections to the Perry Pension Plan.
- 3) Negotiations for the Aramark agreement continue and the current contract has been extended while we finish the negotiations.
- 4) Mr. Conger reviewed the role & responsibilities of the Anesthesiologist and the CRNA's.
- 5) Mr. Conger reviewed the status of the CCO position and changes that are being made to the CCO position job requirements.
- 6) The Committee asked if the Foundation could report to the BOD on a regular basis. Ms. Ellison reviewed how the Auxiliary is handled and stated McGladry will be reviewing the accounts to determine if this should be included with the Hospital audit.

With no further business, a motion to adjourn was made by Mr. McCabe, second by Mr. Clary and unanimously carried. Mr. Sorcic declared the meeting adjourned at 8:25 a.m.

Minutes submitted by: Jean Welte

Minutes approved by:

Tony J. Sorcic
Finance Committee Chairman

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