



the hospitals' reporting of surgical staff hours until they are able to review the task force's information.

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

- Corporate Compliance Officer search continues.
- New anesthesiologist starts on Friday, July 1<sup>st</sup>.
- IDPH was on site 6/23/11 for a Life Safety follow-up visit.
- PMH received 3 grants from ICAHN – Board Education, EMS Education & Equipment & Chronic Disease Prevention.
- Parking policy has been updated and is being communicated.
- Meaningful Use Committee has been implemented.
- July Joint Conference Committee meeting was cancelled. Should a need arise, the Committee would re-schedule.
- NY Times article regarding overuse of CT Scans was shared; 80% of CT scans are done once with contrast and once without contrast. Mr. Conger reviewed the PMH rates with the Radiology Department and found them to be well below the percentage quoted in the article. PMH's rates in 2009 were 28% and the current rate is 5%. The Board asked to have this information shared with the public.
- The Board discussed the drug shortage information which has been in the news recently. Ms. Jackson stated we have not been affected by the drug shortage.
- Mr. Conger briefly reviewed the Corporate Compliance quarterly report & Compliance FY12 work plan and answered questions from the Board.
- The Board reviewed the changes to the Corporate Compliance Program and Code of Conduct. On motion made by Mr. Sorcic, second by Mr. McCabe, the Board unanimously approved the updates to the Corporate Compliance Program & Code of Conduct.

## **NEW BUSINESS**

**Medical Staff Policy On-Call Responsibilities** – Dr. Davis led a discussion on procedure G of the policy suggesting the wording be changed from 'referring hospital' to 'network regional referral hospital' and motioned to have the policy approved with the change. The motion was seconded by Mr. Bruce and unanimously carried.

**Customer Service Report** – Ms. Russell reviewed the results from the 4<sup>th</sup> Quarter Customer Service Report. The Board recommended looking into offering incentives to increase the number of surveys returned.

**Board Bylaws Revision** – The Board reviewed the changes to Article II Section 2 which are recommended for consistency with City Code. Mr. McCabe motioned to approve the changes to the Board Bylaws, second by Mr. Bruce and unanimously carried.

## **CLOSED SESSION**

At 6:30 p.m. Mr. Bruce motioned to enter into closed session per Illinois Open Meetings Act, 5 ILCS 120/2 (c) (17), second by Mr. McCabe and unanimously passed by vote Yes (5)/No (0).

## **RECONVENTION IN OPEN SESSION**

At 6:55 p.m. a motion to re-enter open session was made by Mr. McCabe, second by Mr. Bruce 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 Initial Appointments, Reappointment, provisional upgrades and resignation.

**Medical Staff Initial Appointment – Dept of Medicine**

Eric M. Bugaieski, MD – Consulting / Radiology

**Medical Staff Initial Appointment – Dept of Surgery**

Oscar E. Fischer, M.D. – Active/Anesthesia

**Medical Staff Reappointment – Dept of Medicine**

H. Bob Smouse, M.D. – Consulting/Radiology (Reappt. Period of 08/27/2011-08/26/2013)

**Provisional Upgrade – Dept of Medicine**

Timothy A. Pratt, M.D. – Active/Family Medicine

Kevin M. Jeffries, M.D. – Courtesy/Family Medicine

David L. Porter, M.D. – Consulting/Radiology

Peter A. Williams, M.D. – Consulting/Radiology

Crystal L. Snider, M.D. – Courtesy/Family Medicine

**Provisional Upgrade – Dept of Surgery**

Horea A. Baila, M.D. – Consulting/Pathology

**Resignation**

Harbhajan Singh, M.D.

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

The Board questioned 3 lines on the Medicare Denial Log. Ms. Ellison reported this report is being updated to include more descriptive information regarding why the charge was denied.

Mr. McCabe thanked the Board for allowing his attendance at the IHA Small & Rural Meeting in June and briefly shared information he received from speakers at the meeting.

With no further business, a motion to adjourn was made by Mr. McCabe, second by Mr. Bruce and unanimously carried. Chairman Clary declared the meeting adjourned at 7:02 p.m.

Minutes submitted by: Jean Welte, Executive Assistant/Recorder

Approved by:

Tony J. Sorcic

Vice Chairman

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## BOARD OF DIRECTORS

Finance Committee Meeting  
July 21, 2010

**Chairman Tony Sorcic the meeting of the Finance Committee of the Board of Directors to order at 7:03 a.m. on Thursday, July 21, 2010 in the 4<sup>th</sup> Floor Multi Purpose Room at Perry Memorial Hospital.**

**Board Present:** Thomas Tester Roger McCabe Rick Clary  
Tony Sorcic

**Present via Phone:** Rex D. Conger, President & CEO

**Others Present:** Tricia Ellison, CFO/VP Financial Services; Karen Russell, Human Resource Director; Jean Welte, Executive Assistant/Recorder

### **McGladry & Pullen –Ryan Weber & Tony Cawiezell**

1. The auditors presentation to the Board covered:
  - a. Great cooperation from Ms. Ellison & the Finance staff.
  - b. Final draft is ready for approval.
  - c. Draft cost report ready but pending finalization of the new forms by CMS.
  - d. Review of required communications.
  - e. Summary of significant accounting estimates which includes the liability for PMH employee's retirement plan and expected timeframe for finalizing the payment.
  - f. Impact of audit adjustments and discussion of IMRF & Pension payables.
  - g. Summary of Uncorrected misstatements.
  - h. Review of material weaknesses, control deficiencies and other operational matters.
    - i. Discussion of nonstandard journal entries/account reconciliations.
    - ii. Retirement plan reconciliation, while not required it is recommended to audit the PMH retirement plan.
    - iii. Recommendation to replace CCO
    - iv. Creating a malpractice reserve was discussed and Ms. Ellison stated she is already working on this with IPT.
    - v. Significant improvement in cash collections and commendation to Ms. Ellison and her staff for taking on this process.
  - i. The review of Auditor's report included:
    - i. The balance sheet.
    - ii. Revenue, expenses and changes in net assets.
    - iii. Stable cash flow and improvement seen from upfront collection of receivables.

- iv. IMRF retirement plan contribution rates and schedule of funding progress.
  - v. Restatement of prior years for PMH retirement and other post-employment benefit plans.
  - vi. Discussion of the decrease in the Foundation balances.
  - vii. Employee health insurance increase which contributed to the (\$1.3M) bottom line.
  - j. Cost Report discussions included:
    - i. History of payment rates.
    - ii. Changes to current rate effective 4/30/11.
    - iii. A new cost report is ready to be filed but this is pending CMS approval of new forms and may not occur until October.
    - iv. PMH retirement account correction and working with Medicare to determine how this could be claimed on the Cost Report.
  - k. Review of ratio analysis
  - l. Focused on estimates which remain conservative, reviewed compliance reporting with changes in this area and looked closely at the retirement plan contribution estimates.
  - m. Finance Committee discussion with Auditors without management.
  - n. Mr. Weber & Mr. Cawiezell left the meeting.
2. Ms. Ellison reviewed the work plan for the FY11 deficiency, recommendation and answered questions from the Committee.

## **June 2011 Finance Report – Tricia Ellison, CFO/VP Financial Services**

### **1. Statistical Data**

- a. The Hospital is 15.5% under budget for inpatient census for the month and 12.5% under budget year to date. Swing Bed is over budget by 39.5% for the month and 34.3% over budget year to date. Emergency Department visits are 1.2% over budget for the month and 3.8% under budget year to date. Surgery visits are 1.4% over budget for the month and 4.3% over budget year to date, Special Procedure visits are 1.5% over budget for the month and 15.6% under budget year to date, and lastly Respiratory visits are 19.8% over budget for the month and are 49.0% over budget year to date.

### **2. Financial Reports**

- a. The Hospital has a gain for the month and a gain year to date. For the month, gross revenue was .6% over budget and 1.0% over budget year to date. Total expenses were under budget by 9.2% for the month and 7.8% under budget for the year.
- b. Deductions are .1% under budget for the month compared to 1.8% under budget in May. Medicare is 13.3% over budget for the month. The Medicare days increased from 38 days in May to 42 days in June. Financial assistance is 12.8% over budget for the month and 4.8% over budget for the year. Bad debt expense is 36.1% under budget for the month and 31.1% under budget for the year.
- c. Group Health Insurance is under budget by 24.3% for the month and 37.8% under budget year to date. One stop loss payment for \$487 was received. Total claim expense for the month was lower this month.

- d. Medical supplies are over budget by 4.9% for the month and 4.7% over budget for the year. This is due to an increase in the cost of drugs for extra doses of red & white blood cell drugs and surgical medical supplies.
- e. Other supplies and expenses are under budget by 11.7% for the month and 8.7% under budget year to date. Departments are continuing to review the priority of supplies prior to purchasing and delaying the purchase if possible without compromising patient care.
- f. Travel and education is under budget by 88.3% for the month and 60.2% under budget year to date. Travel and education are being reviewed prior to authorization.
- g. Purchase services are under budget by 6.1% for the month and 3.3% under budget year to date. Financial services budgeted for some audit costs in June. this expense will not be seen until future periods.
- h. Amortization is under budget by 42.4%. This budget item was adjusted and the actual expense and budget will end in the same month instead of the budget item being spread over the full year.
- i. Interest expense is under budget by 51.5%.

3. Investments

- a. No activity for the month.

4. Accounts Receivable.

- a. Accounts Receivable days increased from 53 days in May to 55 days in June.

5. Additional Discussion

- a. Brief update on employee health benefits option; BCBS goal of November 1, 2011 for changing over health insurance.
- b. Bond re-financing status.

1. Adjournment

2. Chairman Sorcic adjourned the meeting at 8:12 a.m.

Minutes submitted by: Jean Welte

Minutes approved by:

Tony J. Sorcic  
Finance Committee Chairman