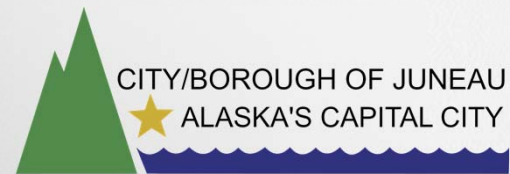




# Finance Committee

## October 9, 2019

**Bartlett**  
Regional Hospital



# Bartlett Regional Hospital

FINANCE COMMITTEE MEETING  
October 9, 2019 – 7:00 a.m.  
Bartlett Regional Hospital – Boardroom  
Agenda

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Mission Statement

Bartlett Regional Hospital provides its community with quality, patient-centered care in a sustainable manner.

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## CALL TO ORDER

## APPROVAL OF MINUTES – [September 20, 2019 Minutes](#)

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<u>Old or New</u>	<u>Desired Response</u>
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1. August 2019 Financial Statements Review

New

Action

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2. Other

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**Next Meeting: November 13 , 2019 @ 7:00 am in BRH Boardroom**

## Public Comment

## Committee member comments / questions

## ADJOURN

# Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 [www.bartletthospital.org](http://www.bartletthospital.org)

## Finance Committee Meeting Minutes BRH Boardroom – September 20, 2019

**Called to order at 7:01 a.m. by Finance Committee Chair, Dr. Bob Urata.**

**Finance Committee & Board Members:** Dr. Bob Urata (Chair), Mark Johnson, Deb Johnston, Kenny Solomon-Gross, Marshal Kendziorek, Rosemary Hagevig

**Staff:** Kevin Benson, CFO, Chuck Bill, CEO, Bradley Grigg, CBHO, Dallas Hargrave, HR Director, Blessy Robert, Director of Accounting, and Megan Rinkenberger, Executive Assistant

**Mr. Johnson made a MOTION to approve the minutes from the July 10, 2019 and August 14, 2019 Finance Committee Meetings. Dr. Urata noted no objections and they were approved.**

### July 2019 Finance Review – Kevin Benson, CFO

Mr. Benson explained that Bartlett Regional Hospital had an overall positive month financially in July 2019. Patient days and patient revenue were both above budget. Emergency department visits were above budget by 14%. Total was \$1.5M over budget, with a net revenue \$570K over budget. Expenses in almost all categories under budget, but total expenses were 1% over budget. Collections were strong in July, which produced a positive cash flow. Write-offs were low.

### Supplemental Appropriation FY19 – Kevin Benson, CFO

*Ordinance 2018-11(AT)* – The City Assembly had approved our budget, but FY2019 spending ended up \$2.2M over budget. This overage had to be approved by the assembly with an explanation of how the extra funding was accounted for. Documents from the city were presented to the finance committee showing \$1.7M came from FY2019's revenue generated, and the extra \$500K is to be covered by the Hospital Fund Balance.

*Ordinance 2018-11(AR)* – This ordinance appropriated \$2,176,791 as the state's FY19 on-behalf PERS benefit rate paid for BRH. This had no impact on BRH's finances.

Both ordinances are scheduled to be approved October 14, 2019.

**Mr. Johnson made a MOTION that the two ordinances (2018-11(AT) and 2018-11(AR)) presented be moved to the board for approval. Ms. Johnston seconded, and the motion passed.**

### Medicare Casemix Proposed Adjustment – Kevin Benson, CFO

CMS originally wanted to change the way reimbursement was calculated, by eliminating the casemix adjustment. Many objections were made by other hospital executives and administrators. The official's response at the time sounded unwavering. The adjustment rate that BRH receives is 30%, due to a greater acuity, and the elimination of this would have a tremendous impact on BRH and other hospitals. The American Hospital Association advocated on our behalf. One week ago, they reconsidered and added the casemix adjustment back in. Mr. Bill noted that legislators advocated on our behalf as well. The original bill didn't include a casemix adjustment, but they had implemented it over the last 14 years anyway. This most recent change in our favor has been officially included in the agreement now.

### **ASHNHA Legal Challenge – Chuck Bill, CEO**

ASHNHA and other organizations in the state challenged DHSS on how they were using the emergency clause to implement regulations, specifically the rate decrease starting in July. The judge denied the state's motion for summary dismissal. They were setting a date for a final hearing, until the state reached out to settle. They agreed to push the start date out to October 1<sup>st</sup>, giving BRH the first quarter of the year of full payment. This should amount to \$400K-\$500K depending on if inflation is added. Mr. Bill expressed concern that DHSS will then compensate at the beginning of the year by adjusting their rates.

### **Fire Alarm: Juneau Medical Center – Kevin Benson, CFO**

This \$137K upgrade was included in the capital budget, and therefore did not require action due to prior approval. This agenda item was brought to the committee as an informational point only.

**Next Meeting: October 9<sup>th</sup>, 2019 at 7:00 a.m. in BRH Boardroom**

### **Committee Member Comments**

Ms. Johnston expressed interest in hearing about Mr. Bill's experience at the *SE Conference* in Sitka, AK. Healthcare is a close second to tourism as a contributor to the economy in SE Alaska. Study shows that 530 RN's will be needed over the next five years due to turn over and growth. This year BRH hired 11 new nursing grads. Strategies will be produced from the study to address this. BRH has 650 employees and Sitka has 1200. The manager from Ketchikan announced that they're getting ready to renew or ask for RFP for hospital management, because their current agreement is coming to an end.

**Adjourned – 7:27 a.m.**

# Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

[www.bartletthospital.org](http://www.bartletthospital.org)

DATE: October 4, 2019  
TO: BRH Finance Committee  
FROM: Kevin Benson, Chief Financial Officer  
RE: August Financial Performance

August continued to be busy during the height of the busy tourist season. As a result, August was a strong month financially for the second consecutive month and a solid start to the fiscal year. Inpatient activity continued to see increased volumes and finished 5.0% greater than budget. This resulted in inpatient revenues that were 17% greater than budget. Outpatient volumes were also up for the month the Emergency Department which also increased lab and radiology volumes, which drove outpatient revenues to be 10% greater than budget. Total Gross Patient Revenue finished almost \$1.7 million greater than budget or 11.4%.

Deductions were greater than budget by \$325,000 or 4.8% as a result of increased revenues. Of the \$1.7 million increase in revenue over budget, \$1.0 million was from the commercial insurances. This reduced the discount percentage to 41.5%. After Deductions and Other Revenue, Total Operating Revenue was \$1,518,000 greater than budget.

Expenses exceeded budget by \$427,000 or 4.9%. This variance was driven by increased staff costs again due to increased patient activity. This resulted in an Operating Income of almost \$1,135,000 or a 10.9% Margin. After Non-Operating Income the final Net Income is \$1,673,000 or a Net Income percent of 16.2%.

#### Other Significant Items:

- BOPS year to date activity and revenue has increased significantly with revenues over budget of \$145,000 or 37%. Revenues over the prior year were \$287,000 or 115%.
- Infusion Therapy Revenues are running 40% greater than budget and 62% greater than the prior year.
- On-Behalf payments made by the State of Alaska on behalf of BRG are made on a monthly basis. In prior years this funding was recorded at the end of the fiscal year as results in a significant entry. This funding is now being recorded on a monthly basis and reflects an increase in of \$95,000 of Benefit Costs and an offsetting amount to Non-Operating Revenue.
- Accounts Receivable decreased by \$980,000 in spite of the past two months of high revenue.

**Bartlett Regional Hospital  
Dashboard Report for Aug 2019**

Facility Utilization:	CURRENT MONTH					YEAR TO DATE			
	Actual	Budget	% Over (Under) Budget	Prior Year	Prior Month (June)	Actual	Budget	% Over (Under) Budget	Prior Year
<b>Hospital Inpatient: Patient Days</b>									
Patient Days - Med/Surg	434	426	2%	447	496	930	852	9%	409
Patient Days - Critical Care Unit	93	92	1%	108	108	201	184	9%	93
Patient Days - Swing Beds	0	0	0%	0	0	0	0	-100%	0
Avg. Daily Census - Acute	17.0	16.7	2%	18	19.5	18.2	16.7	9%	8.1
Patient Days - Obstetrics	91	69	32%	89	61	152	138	10%	91
Patient Days - Nursery	64	62	3%	78	56	120	124	-3%	85
<b>Total Hospital Patient Days</b>	<b>682</b>	<b>649</b>	<b>5%</b>	<b>722</b>	<b>721</b>	<b>1,403</b>	<b>1,298</b>	<b>8%</b>	<b>678</b>
Births	27	34	-21%	34	28	55	68	-19%	34
<b>Mental Health Unit</b>									
Patient Days - Mental Health Unit	235	299	-21%	290	251	486	598	-19%	302
Avg. Daily Census - MHU	7.6	9.6	-21%	9.4	8	7.8	9.6	-19%	4.9
<b>Rain Forest Recovery:</b>									
Patient Days - RRC	285	343	-17%	300	333	618	686	-10%	319
Avg. Daily Census - RRC	9	11.1	-17%	9.7	11	10	11.1	-10%	5.1
Outpatient visits	21	19	11%	7	22	43	38	13%	33
<b>Inpatient: Admissions</b>									
Med/Surg	101	72	40%	90	92	193	144	34%	75
Critical Care Unit	49	41	20%	46	57	106	82	29%	43
Obstetrics	30	28	7%	33	29	59	56	5%	34
Nursery	27	30	-10%	34	29	56	60	-7%	35
Mental Health Unit	38	38	0%	43	38	76	76	0%	40
<b>Total Admissions - Inpatient Status</b>	<b>245</b>	<b>209</b>	<b>17%</b>	<b>246</b>	<b>245</b>	<b>490</b>	<b>418</b>	<b>17%</b>	<b>227</b>
<b>Admissions - "Observation" Status</b>									
Med/Surg	50	59	-15%	70	35	109	118	-8%	62
Critical Care Unit	37	34	9%	37	11	76	68	12%	42
Mental Health Unit	4	2	0%	3	0	5	4		0
Obstetrics	24	19	26%	18	16	39	38	3%	12
Nursery	0	1	-100%	0	0	1	2	-50%	0
<b>Total Admissions to Observation</b>	<b>115</b>	<b>115</b>	<b>0%</b>	<b>128</b>	<b>62</b>	<b>230</b>	<b>230</b>	<b>0%</b>	<b>116</b>
<b>Surgery:</b>									
Inpatient Surgery Cases	70	50	40%	69	54	124	100	24%	46
Endoscopy Cases	84	100	-16%	111	63	147	200	-27%	100
Same Day Surgery Cases	95	91	4%	106	94	189	182	4%	62
<b>Total Surgery Cases</b>	<b>249</b>	<b>241</b>	<b>3%</b>	<b>286</b>	<b>211</b>	<b>460</b>	<b>482</b>	<b>-5%</b>	<b>208</b>
Total Surgery Minutes	19,319	18,907	2%	18,907	14,907	34,226	25,236	36%	12,618
<b>Outpatient:</b>									
Total Outpatient Visits (Hospital)									
Emergency Department Visits	1,278	1,255	2%	1,373	1,426	2,704	2,510	8%	1,520
Cardiac Rehab Visits	86	77	12%	80	82	168	154	9%	61
Lab Visits	256	297	-14%	268	263	519	594	-13%	241
Lab Tests	10,629	9,601	11%	10,067	11,175	9,320	19,202	-51%	9,320
Radiology Visits	791	869	-9%	897	798	1,589	1,738	-9%	821
Radiology Tests	2,797	2,610	7%	2,670	2,810	2,727	5,220	-48%	2,727
Sleep Study Visits	29	23	26%	20	27	56	46	22%	20
<b>Physician Clinics:</b>									
Hospitalists	164	212	-23%	225	201	365	424	-14%	186
Bartlett Oncology Clinic	102	84	21%	86	84	186	168	11%	33
Behavioral Health Outpatient visits	383	396	-3%	239	380	763	792	-4%	542
Bartlett Surgery Specialty Clinic visits	254	325	-22%	265	260	514	650	-21%	301
	903	1,017	-11%	815	925	1,828	2,034	-10%	1,062
<b>Other Operating Indicators:</b>									
Dietary Meals Served	30,117	26,027	16%	26,119	28,882	58,999	52,054	13%	23,359
Laundry Pounds (Per 100)	409	408	0%	418	396	805	816	-1%	386

**Bartlett Regional Hospital  
Dashboard Report for Aug 2019**

Facility Utilization:	CURRENT MONTH				YEAR TO DATE			
	Actual	Budget	% Over (Under) Budget	Prior Year	Actual	Budget	% Over (Under) Budget	Prior Year
<b>Financial Indicators:</b>								
Revenue Per Adjusted Patient Day	4,968	4,256	16.7%	4,389	5,072	8,513	-40.4%	8,534
Contractual Allowance %	39.0%	41.1%	-5.2%	39.6%	40.7%	41.1%	-1.0%	40.1%
Bad Debt & Charity Care %	2.4%	2.9%	-16.9%	3.7%	2.8%	2.9%	-4.8%	3.4%
Wages as a % of Net Revenue	43.9%	46.2%	-5.0%	45.4%	45.1%	46.2%	-2.5%	46.7%
Productive Staff Hours Per Adjusted Patient Day	23.9	22.6	5.8%	21.0	24.3	45.2	-46.2%	43.7
Non-Productive Staff Hours Per Adjusted Patient Day	3.6	3.1	18.4%	3.4	3.7	6.1	-39.1%	6.7
Overtime/Premium % of Productive	4.55%	2.80%	62.3%	5.20%	5.26%	2.80%	87.6%	5.47%
Days Cash on Hand	116	124	-5.9%	148	119	124	-4.1%	149
Board Designated Days Cash on Hand	151	160	-5.9%	148	154	160	-4.1%	148
Days in Net Receivables	46.8	47	0.0%	41	46.8	47	0.0%	41
					<b>Actual</b>	<b>Benchmark</b>	<b>% Over (Under)</b>	<b>Prior Year</b>
Total debt-to-capitalization (with PERS)					63.6%	33.7%	88.8%	45.1%
Total debt-to-capitalization (without PERS)					20.2%	33.7%	-40.0%	20.1%
Current Ratio					8.99	2.00	349.7%	6.07
Debt-to-Cash Flow (with PERS)					4.26	2.7	57.9%	8.98
Debt-to-Cash Flow (without PERS)					1.36	2.7	-49.8%	4.00
Aged A/R 90 days & greater					45.6%	19.8%	130.3%	
Cash Collections					97.6%	99.4%	-1.8%	
POS Cash Collection					4.1%	21.3%	-80.8%	
Cost of Collections (Hospital only)					4.2%	2.8%	50.0%	
Charity Care Write off					0.2%	1.4%	-85.7%	
Bad Debt Write off					0.8%	0.8%	0.0%	
Discharged not Final Billed (DNFB)					10.5%	4.7%	123.4%	
Unbilled & Claims on Hold (DNSP)					10.5%	5.1%	105.9%	
Claims final billed not submitted to payor (FBNS)					0.0%	0.2%	-100.0%	

BARTLETT REGIONAL HOSPITAL  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE MONTH AND YEAR TO DATE OF AUG 2019

MONTH ACTUAL	MONTH BUDGET	MO \$ VAR	MTD % VAR	PR YR MO		YTD ACTUAL	YTD BUDGET	YTD \$ VAR	YTD % VAR	PRIOR YTD ACT	PRIOR YTD % CHG
					Gross Patient Revenue:						
\$5,311,553	\$4,525,980	\$785,573	17.4%	\$4,645,529	1. Inpatient Revenue	\$10,423,052	\$9,051,963	\$1,371,089	15.1%	\$9,100,716	14.5%
\$1,172,133	\$1,002,903	\$169,230	16.9%	\$1,055,338	2. Inpatient Ancillary Revenue	\$2,291,358	\$2,005,806	\$285,552	14.2%	\$1,985,520	15.4%
\$6,483,687	\$5,528,883	\$954,803	17.3%	\$5,700,867	3. Total Inpatient Revenue	\$12,714,410	\$11,057,769	\$1,656,641	15.0%	\$11,086,237	14.7%
\$9,390,541	\$8,517,494	\$873,047	10.3%	\$8,897,663	4. Outpatient Revenue	\$18,750,158	\$17,034,983	\$1,715,175	10.1%	\$17,048,205	10.0%
\$15,874,228	\$14,046,377	\$1,827,850	13.0%	\$14,598,530	5. Total Patient Revenue - Hospital	\$31,464,569	\$28,092,752	\$3,371,817	12.0%	\$28,134,442	11.8%
\$296,529	\$377,863	-\$81,334	-21.5%	\$289,729	6. RRC Patient Revenue	\$645,643	\$755,721	-\$110,078	-14.6%	\$635,706	1.6%
\$287,617	\$194,824	\$92,793	47.6%	\$103,035	7. BHOPS Patient Revenue	\$534,946	\$389,653	\$145,293	37.3%	\$248,113	115.6%
\$795,460	\$866,303	-\$70,843	-8.2%	\$728,969	8. Physician Revenue	\$1,569,596	\$1,732,604	-\$163,008	-9.4%	\$1,470,782	6.7%
\$17,253,834	\$15,485,367	\$1,768,466	11.4%	\$15,720,262	9. Total Gross Patient Revenue	\$34,214,754	\$30,970,730	\$3,244,024	10.5%	\$30,489,042	12.2%
					Deductions from Revenue:						
\$3,443,114	\$3,185,445	-\$257,669	-8.1%	\$3,307,057	10. Inpatient Contractual Allowance	\$7,223,361	\$6,370,889	-\$852,471	-13.4%	\$6,287,450	14.9%
-\$308,333	-\$308,333	\$0		-\$308,333	10a. Rural Demonstration Project	-\$616,667	-\$616,666	\$0		-\$616,666	
\$2,988,752	\$3,075,299	-\$86,547	2.8%	\$2,955,121	11. Outpatient Contractual Allowance	\$6,322,673	\$6,150,602	-\$172,071	-2.8%	\$5,850,221	8.1%
\$602,522	\$412,706	-\$189,816	-46.0%	\$269,270	12. Physician Service Contractual Allowance	\$990,502	\$825,411	-\$165,091	-20.0%	\$714,144	38.7%
\$14,875	\$16,577	-\$1,702	10.3%	\$13,829	13. Other Deductions	\$26,804	\$33,154	-\$6,350	19.2%	\$30,719	0.0%
\$32,608	\$126,202	-\$93,594	74.2%	\$182,330	14. Charity Care	\$63,548	\$252,403	-\$188,855	74.8%	\$251,154	-74.7%
\$389,975	\$330,374	-\$59,601	-18.0%	\$401,008	15. Bad Debt Expense	\$897,104	\$660,746	-\$236,358	-35.8%	\$799,682	12.2%
\$7,163,513	\$6,838,270	-\$325,243	-4.8%	\$6,820,282	16. Total Deductions from Revenue	\$14,907,324	\$13,676,539	-\$1,230,785	-9.0%	\$13,316,703	11.9%
39.0%	43.1%			41.5%	% Contractual Allowances / Total Gross Patient Revenue	40.7%	43.1%			42.2%	
2.4%	2.9%			3.7%	% Bad Debt & Charity Care / Total Gross Patient Revenue	2.8%	2.8%			3.4%	
41.5%	44.2%			43.4%	% Total Deductions / Total Gross Patient Revenue	43.6%	44.2%			43.7%	
\$10,090,321	\$8,647,097	\$1,443,223	16.7%	\$8,899,980	17. Net Patient Revenue	\$19,307,430	\$17,294,191	\$2,013,239	11.6%	\$17,172,339	12.4%
\$247,578	\$172,233	\$75,345	43.7%	\$143,335	18. Other Operating Revenue	\$387,667	\$344,465	\$43,202	12.5%	\$274,542	41.2%
\$10,337,899	\$8,819,330	\$1,518,569	17.2%	\$9,043,315	19. Total Operating Revenue	\$19,695,096	\$17,638,656	\$2,056,440	11.7%	\$17,446,880	12.9%
					Expenses:						
\$3,877,755	\$3,653,456	-\$224,299	-6.1%	\$3,403,728	20. Salaries & Wages	\$7,553,409	\$7,306,886	-\$246,523	-3.4%	\$6,793,005	11.2%
\$269,491	\$283,035	-\$13,544	4.8%	\$289,216	21. Physician Wages	\$623,104	\$566,070	-\$57,034	-10.1%	\$567,803	9.7%
\$281,820	\$58,323	-\$223,497	-383.2%	\$347,578	22. Contract Labor	\$523,904	\$116,646	-\$407,258	-349.1%	\$662,571	-20.9%
\$2,103,699	\$1,823,417	-\$280,282	-15.4%	\$1,406,668	23. Employee Benefits	\$3,945,308	\$3,646,858	-\$298,450	-8.2%	\$3,078,568	28.2%
\$6,532,765	\$5,818,231	-\$714,534	-12.3%	\$5,447,190		\$12,645,725	\$11,636,460	-\$1,009,265	-8.7%	\$11,101,947	13.9%
63.2%	66.0%			60.2%	% Salaries and Benefits / Total Operating Revenue	64.2%	66.0%			63.6%	
\$62,542	\$79,816	-\$17,274	21.6%	\$83,690	24. Medical Professional Fees	\$111,782	\$159,632	-\$47,850	30.0%	\$155,229	-28.0%
\$189,348	\$209,493	-\$20,145	9.6%	\$204,252	25. Physician Contracts	\$450,492	\$418,984	-\$31,508	-7.5%	\$448,207	0.5%
\$134,174	\$181,233	-\$47,059	26.0%	\$178,071	26. Non-Medical Professional Fees	\$297,486	\$362,472	-\$64,986	17.9%	\$320,103	-7.1%
\$881,874	\$1,080,125	-\$198,251	18.4%	\$1,041,238	27. Materials & Supplies	\$1,922,399	\$2,160,254	-\$237,855	11.0%	\$1,876,925	2.4%
\$108,696	\$132,225	-\$23,529	17.8%	\$100,638	28. Utilities	\$234,639	\$264,447	-\$29,808	11.3%	\$160,448	46.2%
\$426,457	\$333,846	-\$92,611	-27.7%	\$334,818	29. Maintenance & Repairs	\$717,368	\$667,692	-\$49,676	-7.4%	\$652,221	10.0%
\$64,933	\$56,718	-\$8,215	-14.5%	\$52,918	30. Rentals & Leases	\$106,906	\$113,438	-\$6,532	5.8%	\$103,959	2.8%
\$48,496	\$50,600	-\$2,104	4.2%	\$39,469	31. Insurance	\$87,148	\$101,202	-\$14,054	13.9%	\$89,379	-2.5%
\$582,553	\$668,310	-\$85,757	12.8%	\$608,511	32. Depreciation & Amortization	\$1,148,204	\$1,336,618	-\$188,414	14.1%	\$1,213,980	-5.4%
\$52,453	\$52,780	-\$327	0.6%	\$53,777	33. Interest Expense	\$104,905	\$105,561	-\$656	0.6%	\$107,554	-2.5%
\$118,603	\$112,373	-\$6,230	-5.5%	\$81,447	34. Other Operating Expenses	\$234,666	\$224,736	-\$9,930	-4.4%	\$139,274	68.5%
\$9,202,893	\$8,775,750	-\$427,144	-4.9%	\$8,226,019	35. Total Expenses	\$18,061,718	\$17,551,496	-\$510,224	-2.9%	\$16,369,225	-10.3%
\$1,135,006	\$43,580	\$1,091,426	2504.4%	\$817,296	36. Income (Loss) from Operations	\$1,633,378	\$87,160	\$1,546,218	1774.0%	\$1,077,655	51.6%
\$100,738	\$108,500	-\$7,762	-7.2%	\$29,461	37. Interest Income	\$204,224	\$217,000	-\$12,776	-5.9%	\$59,640	242.4%
\$437,760	\$162,158	\$275,602	170.0%	\$151,752	38. Other Non-Operating Income	\$588,576	\$324,320	\$264,256	81.5%	\$303,671	93.8%
\$538,497	\$270,658	\$267,839	99.0%	\$181,213	39. Total Non-Operating Revenue	\$792,800	\$541,320	\$251,480	46.5%	\$363,312	118.2%
\$1,673,503	\$314,238	\$1,359,265	-432.6%	\$998,510	40. Net Income (Loss)	\$2,426,178	\$628,480	\$1,797,698	-286.0%	\$1,440,967	-68.4%
10.98%	0.49%			9.04%	Income from Operations Margin	8.29%	0.49%			6.18%	
16.19%	3.56%			11.04%	Net Income	12.32%	3.56%			8.26%	



**Bartlett Regional Hospital  
Aug 2019 Financial Operating Summary**

Financial Group	In-Pt Aug	Aug Budget	Out-Pt Aug		Physician Division Aug		BRH Total Aug	
			Actual	Aug Budget	Actual	Aug Budget	Actual	Aug Budget
Aetna	356,877	459,264	1,706,771	1,405,591	140,319	131,977	2,203,968	1,996,832
Blue Cross	814,700	496,565	1,555,562	1,417,103	232,391	192,105	2,602,653	2,105,773
Comm	464,598	197,975	430,831	355,636	140,554	180,503	1,035,983	734,114
MCD	2,174,061	2,020,046	1,558,225	1,835,072	268,317	173,030	4,000,602	4,028,148
MCR	2,718,001	2,379,450	3,080,814	2,606,665	206,284	292,723	6,005,100	5,278,838
Other	41,526	71,666	322,369	228,199	9,637	17,860	373,532	317,725
SEARHC	8,538	35,196	133,581	124,695	1,595	4,904	143,714	164,795
Self	33,835	89,575	270,437	203,152	34,819	9,816	339,092	302,543
VA/Cham	145,094	141,077	216,138	253,727	44,475	51,781	405,707	446,585
Worker's	22,985	9,992	115,814	92,596	4,685	6,287	143,484	108,875
<b>Grand Total</b>	<b>6,780,215</b>	<b>5,900,806</b>	<b>9,390,541</b>	<b>8,522,436</b>	<b>1,083,077</b>	<b>1,060,986</b>	<b>17,253,832</b>	<b>15,484,228</b>
Commercial	1,659,160	1,163,796	3,808,978	3,270,926	517,950	510,872	5,986,087	4,945,594
Government	5,087,220	4,647,435	5,311,126	5,048,358	530,308	540,298	10,928,654	10,236,091
Self Pay	33,835	89,575	270,437	203,152	34,819	9,816	339,092	302,543
<b>Total Charges</b>	<b>6,780,215</b>	<b>5,900,806</b>	<b>9,390,541</b>	<b>8,522,436</b>	<b>1,083,077</b>	<b>1,060,986</b>	<b>17,253,832</b>	<b>15,484,228</b>

% of Hospital Charges	29%	30%	31%	33%	3%	3%	63.3%	66.1%
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**Prior Month**

Commercial	1,646,497	1,163,793	3,498,635	3,270,923	374,971	510,877	5,520,103	4,945,593
Government	4,875,942	4,647,436	5,526,653	5,048,353	629,806	540,296	11,032,400	10,236,085
Self Pay	57,399	89,575	334,329	203,153	16,689	9,817	408,417	302,545
<b>Total Charges</b>	<b>6,579,838</b>	<b>5,900,804</b>	<b>9,359,616</b>	<b>8,522,429</b>	<b>1,021,465</b>	<b>1,060,990</b>	<b>16,960,920</b>	<b>15,484,223</b>

% of Hospital Charges	29%	30%	33%	33%	4%	3%	65.0%	66.1%
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Type	Description	Aug Actual	Aug Budget	<u>Aug Actual</u> <u>(Over) / Under</u> Budget
6010	Mgrs & Supervisors	469,253	443,694	(25,559)
6020	Techs & Specs	696,723	729,543	32,820
6030	RN's	838,498	887,034	48,536
6040	Clerical & Admin	369,068	364,953	(4,115)
6060	Clinical - Other	265,948	322,063	56,115
6070	Non-Clinical - Other	241,519	227,791	(13,728)
6100	Overtime	163,460	117,710	(45,750)
6110	Call Back	53,149	8,436	(44,713)
6120	Shift Differentials	127,095	110,432	(16,663)
6130	On-Call	32,057	18,265	(13,792)
6090	Non Productive	507,385	423,535	(83,850)
6105	Premium Pay	-	-	-
6190	Bonuses	113,600	-	(113,600)
	Grand Total	<u>3,877,755</u>	<u>3,653,456</u>	<u>(224,299)</u>
6050	Physicians	269,491	283,035	13,544
6500	Contract Labor	281,819	58,323	(223,496)
	Physician Contracts	<u>551,311</u>	<u>341,358</u>	<u>(209,953)</u>

BARTLETT REGIONAL HOSPITAL  
BALANCE SHEET  
August 31, 2019

	<u>August-19</u>	<u>July-19</u>	<u>June-19</u>	<u>CHANGE FROM PRIOR FISCAL YEAR</u>
<b>ASSETS</b>				
Current Assets:				
1. Cash and cash equivalents	32,359,804	32,215,546	31,749,707	610,097
2. Board designated cash	37,721,028	37,721,028	37,721,028	-
3. Patient accounts receivable, net	14,100,938	15,265,204	15,616,989	(1,516,051)
4. Other receivables	1,718,121	2,021,084	2,209,849	(491,729)
5. Inventories	3,031,730	2,717,246	2,684,316	347,414
6. Prepaid Expenses	1,046,478	1,124,280	1,013,343	33,135
7. Other assets	28,877	28,877	28,877	-
8. Total current assets	90,006,976	91,093,265	91,024,109	(1,017,134)
Appropriated Cash:				
9. CIP Appropriated Funding	4,224,426	4,224,426	4,224,426	-
Property, plant & equipment				
10. Land, bldgs & equipment	150,265,568	150,141,907	149,447,695	817,873
11. Construction in progress	904,500	933,516	867,758	36,742
12. Total property & equipment	151,170,068	151,075,422	150,315,453	854,615
13. Less: accumulated depreciation	(98,781,444)	(98,282,277)	(97,716,627)	(1,064,817)
14. Net property and equipment	52,388,624	52,793,145	52,598,826	(210,202)
15. Deferred outflows/Contribution to Pension Plan	8,564,873	8,564,873	8,564,873	-
16. Total assets	155,184,899	156,675,708	156,412,234	(1,227,335)
<b>LIABILITIES &amp; FUND BALANCE</b>				
Current liabilities:				
17. Payroll liabilities	875,521	2,541,033	1,964,340	(1,088,820)
18. Accrued employee benefits	3,636,255	3,620,043	3,878,920	(242,664)
19. Accounts payable and accrued expenses	2,566,044	2,299,911	1,852,367	713,677
20. Due to 3rd party payors	2,513,087	2,166,167	1,819,247	693,840
21. Deferred revenue	(656,720)	(223,970)	208,781	(865,501)
22. Interest payable	68,072	-	340,359	(272,287)
23. Note payable - current portion	845,000	845,000	845,000	-
24. Other payables	160,109	407,877	1,220,621	(1,060,512)
25. Total current liabilities	10,007,368	11,656,061	12,129,635	(2,122,267)
Long-term Liabilities:				
26. Bonds payable	18,130,000	18,130,000	18,130,000	-
27. Bonds payable - premium/discount	1,379,700	1,395,319	1,410,938	(31,238)
28. Net Pension Liability	62,996,347	62,996,347	62,996,347	-
29. Deferred In-Flows	9,841,533	9,841,533	9,841,533	-
30. Total long-term liabilities	92,347,580	92,363,199	92,378,818	(31,238)
31. Total liabilities	102,354,948	104,019,260	104,508,453	(2,153,505)
32. Fund Balance	52,829,951	52,656,448	51,903,780	926,170
33. Total liabilities and fund balance	155,184,899	156,675,708	156,412,234	(1,227,335)

**Bartlett Regional Hospital  
Accounts Receivable  
8/31/2019**

Aging by Fin Grp	Unbilled A/R	0-30	31-60	61-90	91-120	121-150	151+	A/R Total	Billed & Unbilled	Billed & Unbilled
									8/31/2019	July 31, 2019
Aetna	\$204,567	\$286,058	\$372,551	\$58,753	\$87,944	\$68,172	\$310,884	\$1,184,363	\$1,388,930	\$1,309,904
Blue Cross	\$265,540	\$540,434	\$443,985	\$68,639	\$109,025	\$1,678	\$186,177	\$1,349,938	\$1,615,478	\$1,360,701
CB	0	0	0	0	0	0	0	\$0	\$0	\$0
Com	\$274,802	\$294,738	\$281,041	\$65,748	\$36,205	\$3,304	\$254,658	\$935,695	\$1,210,497	\$1,158,822
Medicaid	\$943,996	\$1,211,583	\$414,657	\$343,588	\$103,693	\$288,861	\$1,463,857	\$3,826,240	\$4,770,235	\$6,064,988
Medicare	\$1,259,332	\$2,053,200	\$58,764	\$225,715	\$173,500	\$32,205	\$3,209	\$2,546,593	\$3,805,924	\$4,685,486
Medicare Rep	\$25,463	\$427,973	\$238,015	\$82,775	\$20,526	\$0	\$22,624	\$791,914	\$817,377	\$444,179
Other	\$12,027	\$35,007	\$35,474	\$195,315	\$0	\$0	\$81,539	\$347,335	\$359,362	\$179,209
SEARHC	\$7,392	\$27,351	\$41,118	\$34,662	\$1,399	\$3	\$61,098	\$165,630	\$173,022	\$153,176
Self	\$39,839	\$51,221	\$269,683	\$323,590	\$160,823	\$123,795	\$2,410,785	\$3,339,896	\$3,379,735	\$3,016,711
VA	\$104,598	\$93,838	\$108,884	\$66,701	\$17,849	\$0	\$264,154	\$551,426	\$656,024	\$631,666
Worker's	0	\$29,936	\$0	\$11,686	\$0	\$0	\$1,642	\$43,264	\$43,264	\$13,328
<b>in-patient Total</b>	<b>\$3,137,555</b>	<b>\$5,051,340</b>	<b>\$2,264,172</b>	<b>\$1,477,173</b>	<b>\$710,964</b>	<b>\$518,018</b>	<b>\$5,060,626</b>	<b>\$15,082,293</b>	<b>\$18,219,849</b>	<b>\$19,018,169</b>
Aetna	\$551,285	\$843,778	\$449,600	\$177,322	\$128,258	\$73,471	\$267,413	\$1,939,842	\$2,491,127	\$2,324,284
Blue Cross	\$400,419	\$751,214	\$457,428	\$102,619	\$103,592	\$49,593	\$79,000	\$1,543,445	\$1,943,864	\$1,808,484
CB	0	0	0	0	0	0	0	\$0	\$0	\$0
Com	\$79,701	\$238,108	\$320,600	\$132,972	\$68,237	\$35,767	\$110,253	\$905,937	\$985,638	\$1,116,503
Medicaid	\$432,255	\$376,433	\$119,503	\$154,738	\$109,384	\$72,817	\$449,758	\$1,282,633	\$1,714,888	\$2,246,289
Medicare	\$788,416	\$1,195,357	\$165,506	\$73,426	\$63,115	\$56,049	\$165,431	\$1,718,885	\$2,507,300	\$2,722,116
Medicare Rep	-\$725	\$82,027	\$68,364	\$57,217	\$0	\$0	\$33,977	\$241,585	\$240,860	\$182,476
Other	\$30,487	\$156,733	\$231,400	\$95,522	\$8,202	\$26,993	\$29,788	\$548,638	\$579,125	\$644,593
SEARHC	\$39,094	\$85,850	\$95,048	\$26,891	\$4,275	\$2,304	\$14,091	\$228,460	\$267,554	\$179,083
Self	\$25,876	\$217,895	\$478,524	\$398,485	\$348,495	\$307,041	\$5,000,457	\$6,750,897	\$6,776,773	\$6,450,072
VA	\$131,041	\$219,198	\$172,700	\$57,549	\$33,515	\$1,232	\$189,244	\$673,437	\$804,479	\$821,565
Worker's	\$12,180	\$81,582	\$88,542	\$60,684	\$38,617	\$23,376	\$76,677	\$369,478	\$381,659	\$380,185
<b>out-patient Total</b>	<b>\$2,490,030</b>	<b>\$4,248,175</b>	<b>\$2,647,215</b>	<b>\$1,337,424</b>	<b>\$905,691</b>	<b>\$648,643</b>	<b>\$6,416,089</b>	<b>\$16,203,238</b>	<b>\$18,693,268</b>	<b>\$18,875,650</b>
Aetna	\$755,853	\$1,129,836	\$822,152	\$236,075	\$216,202	\$141,643	\$578,296	\$3,124,205	\$3,880,057	\$3,634,188
Blue Cross	\$665,959	\$1,291,648	\$901,413	\$171,258	\$212,617	\$51,270	\$265,177	\$2,893,383	\$3,559,342	\$3,169,184
CB	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Com	\$354,503	\$532,846	\$601,641	\$198,720	\$104,442	\$39,071	\$364,911	\$1,841,632	\$2,196,135	\$2,275,325
Medicaid	\$1,376,251	\$1,588,016	\$534,160	\$498,325	\$213,078	\$361,678	\$1,913,615	\$5,108,873	\$6,485,124	\$8,311,277
Medicare	\$2,047,747	\$3,248,557	\$224,270	\$299,142	\$236,615	\$88,254	\$168,640	\$4,265,477	\$6,313,224	\$7,407,602
Medicare Rep	\$24,738	\$510,000	\$306,380	\$139,991	\$20,526	\$0	\$56,601	\$1,033,499	\$1,058,237	\$626,655
Other	\$42,514	\$191,740	\$266,874	\$290,837	\$8,202	\$26,993	\$111,327	\$895,973	\$938,487	\$823,802
SEARHC	\$46,486	\$113,201	\$136,166	\$61,553	\$5,674	\$2,307	\$75,188	\$394,090	\$440,576	\$332,258
Self	\$65,715	\$269,117	\$748,207	\$722,075	\$509,317	\$430,836	\$7,411,242	\$10,090,793	\$10,156,508	\$9,466,784
VA	\$235,640	\$313,036	\$281,584	\$124,250	\$51,364	\$1,232	\$453,398	\$1,224,863	\$1,460,503	\$1,453,231
Worker's	\$12,180	\$111,518	\$88,542	\$72,370	\$38,617	\$23,376	\$78,319	\$412,742	\$424,923	\$393,513
<b>Grand Total</b>	<b>\$5,627,585</b>	<b>\$9,299,515</b>	<b>\$4,911,387</b>	<b>\$2,814,597</b>	<b>\$1,616,655</b>	<b>\$1,166,662</b>	<b>\$11,476,715</b>	<b>\$31,285,531</b>	<b>\$36,913,116</b>	<b>\$37,893,819</b>

Aged Balance excludes Credit Balances

	August-19	July 31, 2019
Aging	\$31,285,531	\$32,254,685
Unbilled	\$5,627,585	\$5,639,135
Total	\$36,913,116	\$37,893,819

**August 2019 Write Offs - Bartlett Regional Hospital**

One Time PPD Ins		
Timely Filing		
Compliance/Risk/Adminstrative	\$135.26	1
SP Prompt Pay Disc	\$19,808.77	
Timely RRC-BOPS/LABS		
Demographic Informaiton		
Auth Denials	\$67,047.16	5
Denied Appeals		
Provider Enrollment BH		
Mental Health BD Adj		
	\$86,991.19	

**Collections**

One Time Ins PPD	\$0.00	
Collections SPPPD	\$106,757.35	157
	\$106,757.35	

# Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

[www.bartlethospital.org](http://www.bartlethospital.org)

DATE: October 4, 2019  
TO: BRH Finance Committee  
FROM: Kevin Benson, Chief Financial Officer  
RE: Medicaid Settlement

ASHNA and the State of Alaska have reached a settlement regarding the implementation of the 5% reimbursement reduction (See attached press release).

According to the settlement the state will reimburse providers the 5% reduction as well as a 1% inflation factor for Medicaid services from July 1<sup>st</sup> to September 30<sup>th</sup>. This payment is to be made no later than April 1<sup>st</sup> of 2020. The agreement states the accounts that will be included in the reimbursement are for Medicaid covered services for the quarter that are submitted by December 1<sup>st</sup>. The Revenue Cycle committee reviewed the agreement and are making the timely and accurate filing of these claims a priority to maximize the settlement payment.

Review of BRH's Medicaid services for that time frame indicates BRH is conservatively estimated to be owed \$425,000. The financial statements through August do not reflect this windfall.





**For Immediate Release**

**ASHNHA and State reach settlement over cost containment regulations**

**October 2, 2019 (Anchorage, AK)** – The Department of Health and Social Services (DHSS) and Alaska State Hospital and Nursing Home Association (ASHNHA) have settled the pending litigation related to cost containment regulations. The regulations sought to reduce Medicaid reimbursement rates for certain providers for fiscal year 2020.

The regulations were originally filed as emergency regulations that DHSS intended to make permanent. Emergency regulations can be adopted and implemented prior to any public notice and comment process, but can only become permanent if the process is followed. ASHNHA filed a lawsuit challenging both the emergency and permanent regulations. A preliminary order from the court indicated the judge was inclined to agree with ASHNHA on its challenge to the emergency regulations but not on the permanent regulations. In light of where the court seemed to be headed and to avoid unnecessary litigation, the parties met and were able to reach agreement.

“I think this is a fair result for both parties,” said Commissioner Adam Crum, Department of Health and Social Services. “Instead of spending more time in a court room, both sides sat down to see if there was a path forward. This settlement provides the process ASHNHA feels providers need, while also recognizing the current finances of the State.”

“We appreciate the state’s good faith efforts to resolve this lawsuit,” said ASHNHA CEO Becky Hultberg. “Because of the complexity of health care, it is important to ensure adequate public process when the state makes difficult decisions about health care coverage, access or reimbursement. This settlement recognizes the importance of that public process, while ultimately enacting the rate cut planned by the state.”

This settlement will allow Medicaid providers who were affected by the emergency regulations to request a settlement payment. Providers will be notified via the weekly remittance advice regarding how to request a settlement. This remittance advice will go out within five days of the court signing off on the settlement agreement.

This settlement relates only to the emergency regulations. DHSS will continue the process of making the regulations permanent as of Oct. 1, 2019, with an exception of Oct. 31 for physicians mental health clinic providers, at which point these cost containment measures will be effective for the remainder for the fiscal year.

The parties’ settlement is in the spirit of compromise and the mutual desire to avoid future litigation, and neither party has made any admissions or concessions regarding their respective legal positions taken in the case. The settlement does not impact administrative rights to

challenge permanent regulations. The settlement is a final resolution of the litigation and the court's order approving the settlement will not be subject to appeal.

CONTACT:

For the state: Assistant Attorneys General Stacie Kraly or Lael Harrison at (907) 465-3600

For ASHNHA: Scott Kendall at (907) 274-0666

# # #

**Department Media Contact:** Senior Assistant Attorney General Cori Mills at (907) 465-2132 or [cori.mills@alaska.gov](mailto:cori.mills@alaska.gov).



# Team Project Task Board

smartsheet

Task Name	Duration	Start	Finish	Predecessors	Assigned To	% Complete	Status
1 Access Layer switch replacements	111d	01/07/19	06/10/19		Completed	100%	Completed
2 Telcor	101d	02/18/19	07/08/19		Completed	100%	Completed
3 ISlat	110d	03/01/19	08/01/19		Completed	100%	Completed
4 Natus EEG Virginia Mason Project	201d	12/07/18	09/13/19		Completed	100%	Completed
5 Core Replacement	106d	05/24/19	10/18/19		Delayed	60%	Delayed
6 Access eForms	149d	04/02/19	10/25/19		Delayed	60%	Delayed
7 Unitrends 2nd appliance install	85d	07/29/19	11/22/19		Delayed	25%	Delayed
8 Philips Intellispace OB Module	86d	08/01/19	11/28/19		Delayed	20%	Delayed
9 - Windows 10 Deployment	290d	03/18/19	04/24/20		On Hold	15%	Delayed
10 Pending Delivery from Dell							
11 RESTful API - HIE integration	198d	01/02/19	10/04/19		In Progress	95%	In Progress
12 Chrome Browser Migration	25d	09/02/19	10/04/19		In Progress	80%	In Progress
13 Cyberason	91d	06/07/19	10/11/19		In Progress	85%	In Progress
14 SecurLink	62d	07/18/19	10/11/19		In Progress	90%	In Progress
15 Dragon Medical One	76d	07/05/19	10/18/19		In Progress	90%	In Progress
16 Physical department moves	45d	08/26/19	10/25/19		In Progress	80%	In Progress
17 Telehealth	70d	08/01/19	11/06/19		In Progress	20%	In Progress
18 Duo Security (Multi-Factor Auth)	140d	05/06/19	11/15/19		In Progress	50%	In Progress
19 UPS for Datacenter	60d	08/26/19	11/15/19		In Progress	40%	In Progress
20 Dietary DFM Module	195d	03/04/19	11/29/19		In Progress	50%	In Progress
21 Imaging Acceptable Use Criteria	101d	08/02/19	12/20/19		In Progress	20%	In Progress
22 Smart Pumps	216d	03/01/19	12/27/19		In Progress	65%	In Progress
23 MU3	261d	01/01/19	12/31/19		In Progress	75%	In Progress
24 VxBlock Project	138d	08/24/18	02/10/20	UPS for Datacenter	Delayed	60%	In Progress
25 API Upgrade (4 versions)	143d	08/01/19	02/17/20		In Progress	15%	In Progress
26 MEDITECH Expense Upgrade	165d	09/15/19	04/30/20		In Progress	20%	In Progress
27 Philips Monitoring	228d	08/01/19	06/15/20		In Progress	40%	In Progress
28 MEDITECH Web Ambulatory	208d	09/15/19	06/30/20		In Progress	15%	In Progress
29 Certificate Server	10d	09/30/19	10/11/19		Not Started	15%	Not Started
30 MEDITECH Migration to VxBlock	10d	12/02/19	12/13/19	VxBlock Project	Not Started	0%	Not Started
31 Rapid7 Managed Services	56d	10/11/19	12/27/19		Not Started	50%	Not Started
32 Citrix Gateway (final cleanup)	55d	10/14/19	12/27/19		Not Started	75%	Not Started
33 DNS Migration	36d	11/15/19	01/03/20	VxBlock Project	Not Started	10%	Not Started
34 3rd Party Apps Migration to VxBlock	80d	10/14/19	01/31/20	VxBlock Project	Not Started	0%	Not Started
35 Security Awareness Update	75d	10/21/19	01/31/20		Not Started	0%	Not Started
36 PACS Upgrade(s) Migration	126d	11/01/19	04/24/20	VxBlock Project	Not Started	15%	Not Started
37 Philips IECG	146d	10/28/19	05/18/20		Not Started	10%	Not Started