

**HUMBOLDT GENERAL HOSPITAL**

**DISTRICT BOARD OF TRUSTEES**

**REGULAR BOARD MEETING**

**TUESDAY**

**JANUARY 22, 2019**

**5:30 P.M.**

**SARAH WINNEMUCCA CONFERENCE**  
**ROOM**

JoAnn Casalez - Chairman  
Michelle Miller – Secretary  
Bill Hammargren – Member  
Jennifer Hood - Member  
Gene Hunt - Member  
Ken Tipton - Member-Humboldt  
County Commissioner

**HUMBOLDT GENERAL HOSPITAL**  
118 EAST HASKELL STREET  
WINNEMUCCA, NEVADA 89445

**DISTRICT BOARD OF TRUSTEES MEETING AGENDA**

**MEETING DATE:** Tuesday January 22, 2019  
**MEETING TIME:** 5:30 pm  
**MEETING PLACE:** Sarah Winnemucca Conference Room  
Humboldt General Hospital  
118 E Haskell St, Winnemucca, Nevada  
**PLACES POSTED:** in Winnemucca, Nevada at:  
Humboldt General Hospital, 118 E Haskell Street  
Humboldt County Courthouse, 50 W Fifth Street  
Winnemucca City Hall, 90 W Fourth Street  
Humboldt County Library, 85 E Fifth Street  
United States Post Office, 850 Hanson Street  
[www.hghospital.org](http://www.hghospital.org) <https://notice.nv.gov>  
**PERSON POSTING:** Alicia Wogan

**A. CALL TO ORDER**

**B. PUBLIC COMMENT – 10 MINUTES (OR AS THE CHAIR DETERMINES)**

(This agenda item is designated to give the general public the opportunity to address the Hospital Board. No action may be taken upon a matter raised under this section until it is placed on an agenda for action. Public comment is generally limited to three (3) minutes per person.)

**C. MEDICAL STAFF-HOSPITAL DEPARTMENT REPORTS**

(These agenda items are designated to give the opportunity to report and update the Hospital Board on each group or department listed. No action may be taken upon a matter raised under this section until it is placed on an agenda for action.)

1. Medical Staff report – Chief of Staff – 3 minutes
2. Emergency Department services – ED Manager / DON – 3 minutes
  - a) Patient satisfaction survey results
  - b) Quality/Performance Improvement
3. Quality/Performance Improvement report - Quality Manager – 5 minutes
4. Nursing – 3 minutes
  - a) Long term care report - DON
5. Administration Department report – CEO – 10 minutes
  - a) Sleep Medicine program
  - b) Physician recruitment update

**D. CONSENT AGENDA – 2 minutes**

(The Board is expected to review, discuss and take action on this agenda item.)

1. Board meeting minutes November 27, 2018, November 28, 2018, December 5, 2018, December 18, 2018.
2. Medical Staff applications for appointments, reappointments, provisional and temporary privileges for: Vinh-Truyen Nguyen, M.D., Associate Staff-Hospitalist; Joanna Starratt, CRNA, Allied Health-CRNA.

**E. FINANCIAL REPORTS – 10 minutes**

(The Board is expected to review, discuss and take action on this agenda item.)

1. Warrants disbursed - Monthly expenditures
2. Hospital Utilization report
3. Budget timeline 2019

**F. BUSINESS ITEMS-OTHER REPORTS**

# DISTRICT BOARD OF TRUSTEES MEETING AGENDA

January 22, 2019

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(The agenda items in this section are for discussion and for possible action. The action may consist of approval, disapproval, acceptance, rejection, authorization, adoption, review, recommendation, referral to staff, or any other action as appropriate. The items may be heard in any order and at any time unless a time is specified; two or more items may be combined for consideration; an item may be removed from the agenda; or, discussion relating to an item may be delayed at any time.)

1. Hospital Administration-EMS / proposal to supply and install new flooring for the EMS station / EMS Director – 3 minutes
2. Hospital Administration-EMS / proposal to approve a memorandum of understanding with City of Winnemucca to use city property to provide rapid, short-term support and deployment of resources in response to a mass casualty incident or other incident requiring multiple air ambulance services aircraft / EMS Director – 3 minutes
3. Hospital Administration-Administration / proposal to adjust the call-pay fees payable to Bradford Granath, MD for OB call services / CFO-Administrator – 5 minutes
4. Hospital Administration-Human Resources / salary survey review / proposal to adjust wage and salary scales / HR Director – 5 minutes
5. Hospital Administration-Audit / auditor report of FY 17-18 expenses exceeding budget due to unbudgeted depreciation expenses and unplanned professional fees / proposal to prevent future budget report discrepancies by enhancing expenses monitoring / CFO-Administrator – 10 minutes
6. Hospital Administration-Finance / proposal to procure professional services to review charge master coding and descriptions and conduct pricing comparisons / CFO-Administrator – 10 minutes
7. Hospital Administration-EMR / proposal to adjust the budget and procure project manager professional services for the conversion to the Cerner EMR system / CFO-Administrator – 10 minutes
8. Hospital Administration-EMR / proposal to adjust the budget and procure additional electronic equipment to facilitate end user access and use of Cerner EMR system / CFO-Administrator – 10 minutes
9. District Administration / review and evaluation of the services of B. Leonard Perkinson, MD, as a District FPOB physician / proposals, terms and conditions of the continued employment or separation from employment of B. Leonard Perkinson, MD as a District FPOB physician, including, but not limited to, termination, suspension, reprimand, mentoring, retention, or “no action,” and authorization to execute any document relating to terms and conditions of the continued employment or separation from employment (a closed session may be held to consider character, alleged misconduct, professional competence, and physical or mental health pursuant to NRS 241.030) / Board of Trustees – 45 minutes

## **G. TRUSTEE COMMENTS-STAFF REPORTS – 10 minutes**

(This period is designated for receiving reports, information, department updates, board and committee updates and proposals by the board, administrator, chief financial officer, human resources director, director of nurses, and other staff upon request. No action may be taken upon a matter raised under this section until it is placed on an agenda for action.)

## **H. PUBLIC COMMENT – 15 minutes**

(This agenda item is designated to give the general public an opportunity to address the Hospital Board. No action may be taken upon a matter raised under this section until it is placed on an agenda for action. Public comment is generally limited to three (3) minutes per person.)

Notice: The Executive Assistant at the Administrator’s Office located at Humboldt General Hospital, 118 E. Haskell Street, Winnemucca, Nevada, telephone number 775-623-5222 extension 1123, is the designated person from whom a member of the public may request the supporting material for the meeting and the Administrator’s Office is the location where the supporting material is available to the public.

Notice: By law a public body may receive information from legal counsel regarding potential or existing litigation involving a matter over which the public body has supervision, control, jurisdiction, or advisory power and such gathering does not constitute a meeting of the public body.

Notice: Members of the public who are disabled and require special assistance or accommodations at the meeting are requested to notify in writing the Executive Assistant at the Administrator’s Office located at Humboldt General Hospital, 118 E. Haskell Street, Winnemucca, Nevada 89445, or by telephoning 775-623-5222 extension 1123, at least one (1) business day in advance of the meeting.

**Emergency Department Quality Monitoring and Results**

- Miscalculated drug dosages are far too common in healthcare and can result in patients' receiving potentially fatal overdoses. This is particularly a more common occurrence when medication dosages are based off of the patient's weight. The pediatric population is a significant high risk for an error to cause a life threatening outcome; therefore we monitor to ensure that our patients that are 12 and under are getting weights documented in kilograms. **The benchmark goal is 92% and HGH ER averages 97%**
- In an effort to monitor, educate, and reduce the potential for dangerous outcomes for patients receiving controlled substances, all Nevada licensed providers are required to follow the guidelines of prescribing that are set forth by AB474. In order to improve compliance with this mandate the HGH ED has established monthly surveillance, RN/Provider feedback and staff education regarding compliance. It is the expectation that ED providers do as follows, and this also includes documentation: when prescribing a controlled substance a provider must, check the patients PMP, consider alternatives to controlled substances, counsel the patient on the risks for abuse, identify patient-specific limitations (no greater than a 14 day supply of controlled substance), complete legally valid prescription, review controlled substance consent with the patient and sign. The registered nurses responsibility in the emergency department is to ensure that the patient does indeed review and sign the controlled substance consent and that that document becomes part of the patient's permanent record. **For Dec 2018 provider compliance for December is 79%, nursing compliance is 95%**
- Patients with abnormal vital signs (temperature, blood pressure, heart rate, respiratory rate, and oxygen saturation) upon hospital discharge are more likely to be readmitted to the hospital or die within 30 days compared to patients without vital sign abnormalities. Therefore documentation and provider review of discharge vital signs within 30 minutes of discharge from the Emergency Department is a priority. **The benchmark goal is 92% and HGH ER averaged 94% for Q4 2018.**
- Rapid recognition of ST segment elevation myocardial infarction is the cornerstone of treatment for patient presenting with symptoms of myocardial infarction. This rapid recognition happens by the patient receiving an EKG within less than 10 minutes of presentation to the ED. **The national standard is less than 10 minutes and HGH ER averaged 2.67 minutes for 2018.**
- It is the goal that all HGH staff that do direct patient care in the Emergency Department (ED) do proper hand hygiene while they are caring for the patients in the ED. The compliance goal is 90%. The reason is that most germs that cause serious infections in healthcare are spread by people's action. Studies show that on average healthcare providers clean their hands less than half of the times they should. This contributes to the spread of healthcare-

associated infections that affect 1 in 25 hospital patient on any given day. **The goal for adequate hand hygiene is 90%, HGH ER was in compliance 82% of the time in December.**

- Early recognition and treatment of sepsis reduces mortality. Nurses are a critical part of the health care team that provide evidence-based care to prevent, identify, and promptly treat sepsis in the hospital setting. In a retrospective data review, of the patients with diagnosed sepsis, our emergency department have several areas that need improvement. These areas include: accurate weight on patients, adequate fluid resuscitation, blood cultures drawn, and antibiotics given. **Our goal is 100% compliance, for the month of December we had 3 sepsis patients and all 3 were weighed, blood cultures were drawn, adequate fluid resuscitation was given, but only 1 of the 3 patients was given antibiotics with 1 hour of arrival.**
- It is essential for proper communication and patient safety that when a patient is transferred from our hospital to another hospital that we ensure that proper communication, radiology studies, and documentation is transferred with the patient. **HGH ER was in 100% compliance with this process for Q4 2018.**



**Q: What is Qualitick?**

A: Qualitick is our new patient satisfaction survey system.

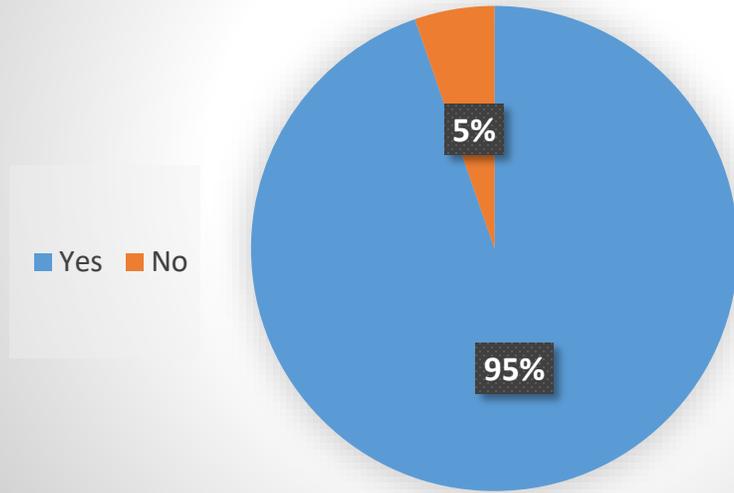
**Q: Who Qualifies to take the patient satisfaction survey in the Emergency Department?**

A: All patients that receive discharge paper work can take a survey.

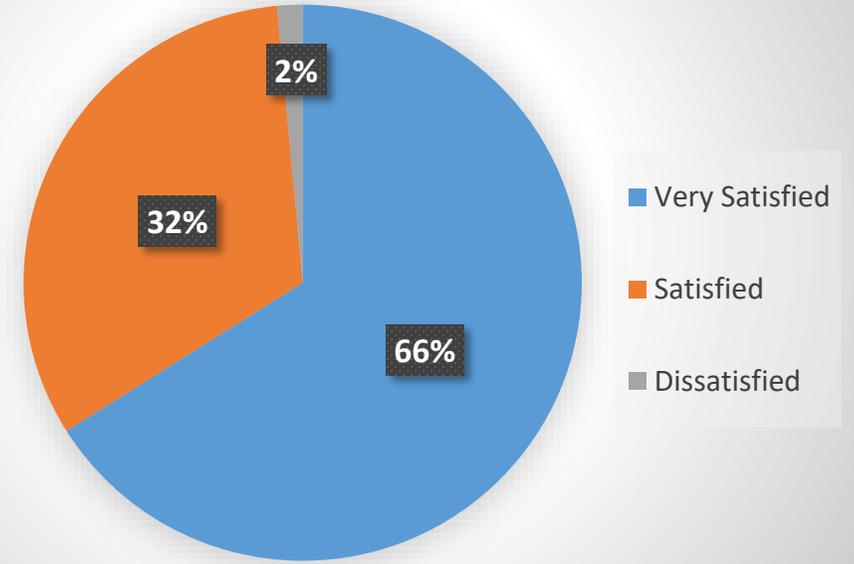
**Q: What does HGH do with this information?**

A: Results are instantly gathered and any issues needing to be addressed are sent to leadership immediately. Organizationally we utilize the gathered information to encourage overall growth, improve morale, and to address issues reported in real time.

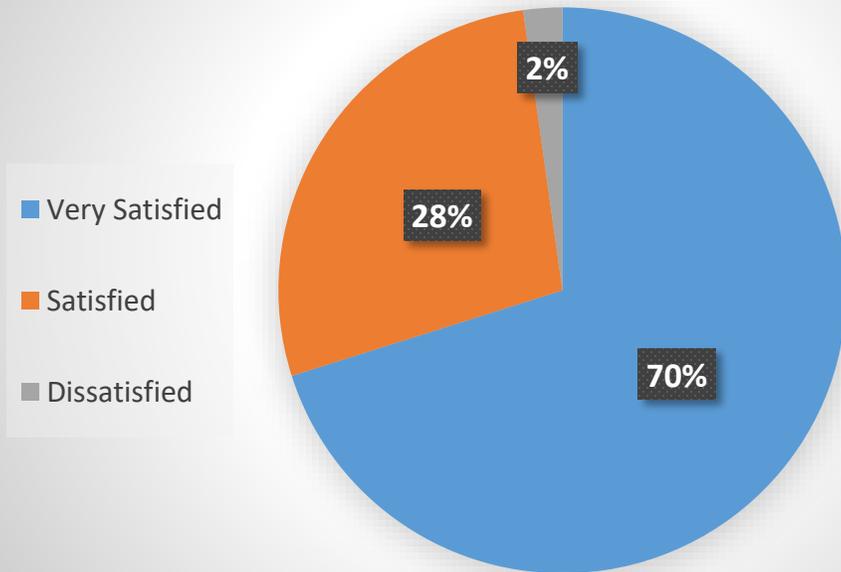
## Would you recommend our Emergency Department?



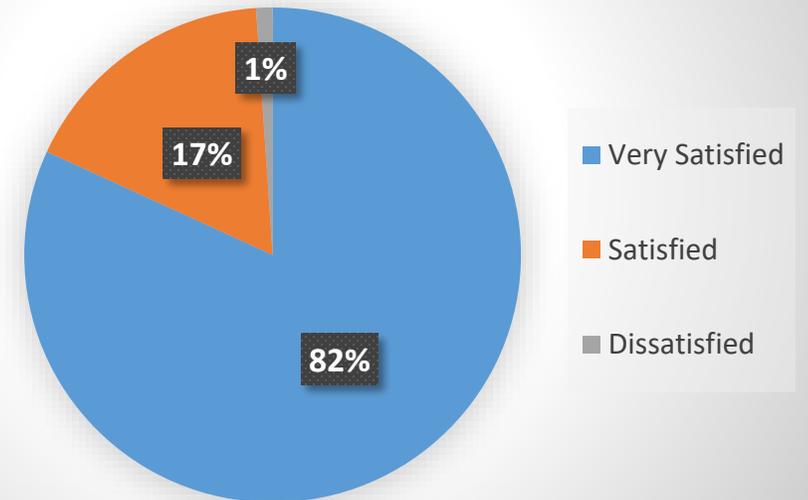
## Overall satisfaction



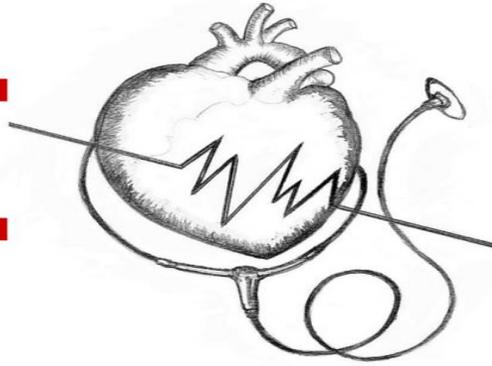
## How satisfied were you with the doctor?



## How satisfied were you with the nursing staff?



# TIME IS MUSCLE



*HGH ER Nursing Staff took charge and paved the path to incredibly low door to EKG times on patients experiencing chest pain.*

NATIONAL BENCHMARK = less than 10 minutes from arrival to EKG.

**HGH ER AVERAGE= 2.67 minutes for 2018.**



HUMBOLDT GENERAL HOSPITAL  
Quality Report Summary  
January 2019

The QAPI/Patient Safety Committee received reports from the following departments:

Nursing-Acute

Nursing-ED

Case Management/Discharge Planning

Nursing-OB

Nursing-SNF

EMS

Quality measures are tools that help measure or quantify healthcare processes, outcomes, patient perceptions, and organizational structure and/or systems that are associated with the ability to provide high-quality health care and/or that relate to one or more quality goals for health care. These goals include: effective, safe, efficient, patient-centered, equitable, and timely care. The Centers for Medicare & Medicaid Services (CMS) uses quality measures in its quality improvement, public reporting, and pay-for-reporting programs to improve the quality of healthcare for their beneficiaries.

MBQIP - As a Critical Access Hospital, it is difficult to keep up with the larger hospitals so in 2015, the Office of Rural Health developed the Medicare Beneficiary Quality Improvement Project (MBQIP) to capture the data of quality improvement activities of Critical Access Hospitals and compare this information with like hospitals.

LiCON – The LiCON Council has directed the Risk Managers Work Group members to follow quality indicators important and specific to Nevada rural hospitals. The newest indicator, opioid prescription compliance, was introduced in October 2018 to begin the monitor in the emergency room setting. The opioid prescribing requirements affect emergency, clinic, and acute discharge prescription writing. The current plan of action to improve compliance includes better communication and training for emergency room medical staff. ED nursing staff are monitoring real time for improved outcomes.

Patient Perspective - HGH has engaged JL Morgan for our Inpatient HCAHPS patient satisfaction survey. The satisfaction rate shown here is for October and November 2018. Eligible patients are called to answer scripted questions regarding

their inpatient stay at HGH. Patients reached for October and November is at 22% of eligible patients. The national benchmark is 27%.

Obstetrics – National measures to determine how many infants are fed only breastmilk while in the hospital; elective deliveries prior to recommended 39 weeks; newborn screening card filled out correctly and completely and received at the state laboratory in Reno within 24 hours of collection.

Blood Bank Utilization – Monitors how many units of blood are cross matched, transfused and wasted.

## HGH Clinical Dashboard

2018

Patient Safety Quality Measures	Oct-18	Previous Quarter	Year to Date	Benchmark
<b>MBQIP - REPORTED Quarterly</b>	<b>1Q18</b>	<b>4Q17</b>		
Aspirin at Arrival	75%	100%	D/E	95%
Median time to ECG	2 min	7 min	12 min	8 minutes
Median time to pain mgmt for long bone fracture	62 min	54 min	62 min	44 minutes
Influenza immunization - patients	95%	94%		90%
Median time from arrival to D/C for ED patients	106 min	134 min	116 min	108 minutes
Median time from ED arrival to provider contact	28 min	31 min	29 min	16 minutes
Median time from ED arrival to acute admit	264 min	237 min	251 min	196 minutes
Admit decision time to ED departure to acute	121 min	96 min	100 min	46 minutes
	<b>4Q18</b>	<b>3Q18</b>		
Emergency Department Transfer Communication	100%	100%	99%	81%

	CY2017	CY2016	CY2015	State Ave
Patient Left W/O Being Seen (reported annually)	1%	N/A	1%	7%

### LICON Clinical Quality Indicators

**4Q18**

Age appropriate vital signs w/i 20 minutes of discharge from ED	94%	95%	96%	92%
Phys compliance with Opioid Prescribing Requirement in ED - Plan of Action in place	57%	77%		92%
ED Physician Response Time	92%	95%	97%	92%
Sentinel Events	0%	0%	0%	0%

Patient Perspective	4Q18	Previous Quarter	Year to Date	Benchmark

### Satisfaction Surveys:

Emergency Department (December)	95.00%			
Rural Health Clinic				
Outpatient Services				
Inpatient (October/November)	61.71%	63.10%		90%
Outpatient Surgery				

Infection Control	Nov-18	Previous Month	Year to Date	Benchmark
Hospital Acquired Infections	0%	0%	0%	0%
Surgical Site Infections	0%	0%	0%	0%
Handwashing Surveillance	98%	98%	90%	90%

	2017/18	2016/17	2015/16	
Staff Influenza Immunization	99%	97%	76%	90%

## Obstetrics

Patient Safety Quality Measures	Oct-Dec 2018	Jul-Sept 2018	Year to Date FY 2019	Benchmark
Exclusive Breastfeeding in the Hospital	100%	69.30%	90.10%	State Ave - 77.9% Nat Ave - 82.8%
Elective Deliveries Less Than 39 Weeks	0%	0.00%	0.02%	< 3% of total deliveries
Metabolic Screening Demographic Errors	Oct 2018 11.11	16.34	15.03	Unit goal - 100% error free State Ave - 24.3
Metabolic Screening Transport Errors	Oct 2018 0	0	0	Unit goal - 100% error free State Ave - 2.35

## Blood Bank Utilization

### Blood Bank Utilization

	Units Crossmatched	Units Transfused	C/T Ratio	Units Wasted	Units Wasted Ratio
Goals			>or= 1.5%		less than 0.5%
Dec-18	38	24	1.60%	2	5.30%

HCAHPS

Category  
All

61.71 %

Desired Direction  


25

Survey Volume	
unit_name	Survey Volume
Total	25

Facility  
Humboldt General Hospital

10/1/2018 11/30/2018  


Shortened Question  
All

Unit  
All

Physician  
All

Category	
<b>Nursing Communication</b>	<b>72.19 %</b>
Nursing Courtesy and Respect	74.97 %
Nursing Listening	70.80 %
Nursing Explanation	70.80 %
<b>Doctor Communication</b>	<b>71.52 %</b>
Doctor Courtesy and Respect	77.20 %
Doctor Listening	65.20 %
Doctor Explanation	72.20 %
<b>Responsiveness of Staff</b>	<b>71.70 %</b>
Responsiveness to Call Button	84.91 %
Responsiveness to Bathroom Assistance	57.09 %
<b>Pain Management</b>	<b>46.30 %</b>
Pain Treatment	40.05 %
Pain Communication	52.55 %
<b>Communication Medications</b>	<b>78.30 %</b>
Medication Explanation	78.30 %
Medication Side Effects	78.30 %
<b>Cleanliness</b>	<b>69.20 %</b>
Cleanliness of Room and Bathroom	69.20 %
<b>Quietness</b>	<b>59.40 %</b>
Quietness at Night	59.40 %
<b>Discharge Instructions</b>	<b>74.39 %</b>
Discharge Help After Stay	72.21 %
Discharge Symptoms Information	76.56 %
<b>Overall Rating</b>	<b>50.17 %</b>
Overall Rating	50.17 %
<b>Would Recommend</b>	<b>42.33 %</b>
Recommendation	42.33 %
<b>Care Transition</b>	<b>34.78 %</b>
Care Transition Patient Preference	23.21 %
Care Transition Health Responsibilities	42.88 %
Care Transition Medication Purpose	37.50 %
<b>Total</b>	<b>61.71 %</b>

**HUMBOLDT GENERAL HOSPITAL  
DISTRICT BOARD OF TRUSTEES  
NOVEMBER 27, 2018 MEETING  
SARAH WINNEMUCCA CONFERENCE ROOM**

**BOARD PRESENT:**

JoAnn Casalez, Chairman  
Michelle Miller, Secretary  
Bill Hammargren, Member  
Jennifer Hood, Member  
Richard Cook, Member  
Ken Tipton, County Comm. Member

Kent Maher, Legal Counsel

**BOARD ABSENT:**

None

**MEDICAL STAFF PRESENT:**

B. Leonard Perkinson, M.D.

**STAFF PRESENT:**

Arthur Frable, CEO  
Darlene Bryan, CNO  
Sandi Lehman, CFO  
Rose Green, HR Director  
Sean Burke, EMS Director  
Lisa Andre, Quality Services Director  
Mike Bell, IT Director  
Alicia Wogan, Executive Assistant  
Mark Reyka, Anesthesia  
Penny Begay, HIM Manager  
Rick McComb, IT  
Bryn Echeverria, RAD Manager  
Robyn Dunckhorst, ER Manager  
Duane Grannis, Maintenance  
Shauna Barsanti, Business Office Manager  
Lorrie Meiron, OB Manager  
Robin Gillis, SNF Manager  
Guadalupe Diaz, Clinical Informatics  
Theresa Bell, MM Manager  
Tori Stephen, MM  
Jeanette Grannis, Business Office  
Kim Plummer, Controller  
Dave Simsek, Pharmacy Manager  
Fergus Laughridge, EMS

**GUESTS:**

Robin Monchamp, Ashley Maden (Humboldt Sun), Judy Adams (Auxiliary Member), Mille Custer, Susan Rorex (Auxiliary Member), Nicole Maher (Public Relations Director), Shaun Johnson (DZA), Andy Fisher (Cerner), Greg Gillis (Cerner), Gene Hunt and Lewis Trout.

**CALL TO ORDER:**

Board chairman Casalez called the November 27, 2018 board meeting to order at 5:33 p.m.

**PUBLIC COMMENT:**

Lewis Trout stated it would be helpful if the auditors could communicate which exempt positions are currently paid overtime.

Board chairman Casalez stated Matt McCarty, Great Basin College (GBC) Chief Development, Foundation Director, extended appreciation for the hospital district donation and advised the Pennington Foundation decided to fund an additional \$500,000 to the GBC building project.

**MEDICAL STAFF REPORT:**

B. Leonard Perkinson, M.D. stated medical staff has been relatively quiet. They initiated the peer review process again, reviewed some cases and are ready for the new bylaws.

**EMS UPDATE:**

EMS Director Burke gave an update of the November outreach activities, including: the extrication training, EMR-EMT-AEMT-Paramedic and Critical Care paramedic training, remote LZ familiarization, and an advanced burn life support training attended by 25 participants. Burke explained the EMS dashboard regarding scene times, intubation, cardiac events, readiness, personnel, apparatus, mental health and budget.

**ADMINISTRATION REPORT:**

Quality Services Director Andre explained the clinical dashboard. The Risk Managers Workgroup, started by NRHP in 2003, is working on updating the visitor's policy to deal with some recent security and other concerns with special interest groups conducting activities on public entity premises. The group also discussed late and incomplete charting, which includes risks to: safe patient care and treatment, continuity of care when patient is referred, and billing and financial concerns. Risk managers were reminded to take a look at patient charting to ensure patient safety. LICON is reviewing charting data to assess risk. Board member Miller asked about the security measures. Andre advised the recommendations include signage and removal of persons who have no business with the entity. Board chairman Casalez asked Legal Counsel Maher if there are legal concerns asking persons to leave; Maher stated it's being reviewed and addressed.

Administrator Frable reported: an orthopedics office area was created; he spoke with Shaun Johnson (DZA) and a revision of the contract with Synergy may be warranted; and, he is reviewing ER physician staffing alternatives. Medicas (ER physician provider) will be here in December to tour the facility and they also offer a service which allows the hospital to run its own emergency room. Northern Nevada Emergency Physicians (NNEP) offers all board certified physicians, but their costs are much higher than the hospital is currently paying. A proposal was requested from NNEP. Team Shoemaker declined to submit a proposal, however, they may piggyback with NNEP.

The reduced cost lab panels will be offered on the first and third Friday of each month. On Friday November 16, seven panels were performed. Physician recruitment is ongoing. The district is waiting on a contract for the residency clinic to be able to provide Walk In Clinic service. Dr. Wesley is anticipated to start in January to provide pain management services. Dr. Thorp, an FPOB, will be on site next Friday to tour the facilities. Effective January 1, CMS requires hospitals to post costs on the internet; staff is working to comply with the requirement.

**CONSENT AGENDA:**

Motion by board member Hammargren and second by board member Hood to approve the consent agenda board meeting minutes for October 30, 2018 meeting. The motion carried unanimously.

**FINANCIAL REPORTS:**

Kim Palmer, CPA, formerly with Drake Rose Associates, was introduced as the new Controller.

CFO Lehman presented and explained the September and October financial reports. The operations account balance was increased with funds from the savings account to save account fees.

Motion by board member Hammargren and second by board member Cook to approve the September and October financials. The motion carried unanimously.

## **BUSINESS ITEMS-OTHER REPORTS:**

### **1. Hospital Administration / Hospital District fiscal year 2017-2018 financial audit and budget report / Administrator–CFO-Dingus Zarecor & Associates**

Administrator Frable introduced Sean Johnson, DZA Partner, who gave a history of the firm and explained the audit and financial statements. Johnson said the audit issued a clean report, with no findings and no noncompliance. Johnson discussed the financial indicators and the management letter, noting no significant comments, only suggestions. There were no material audit adjustments and no disagreements with management. Johnson discussed the cost report and the reimbursement rates.

Motion by board member Miller and second by board member Cook to approve the fiscal year 2017-2018 audit and budget report as presented. Motion carried unanimously.

### **2. Hospital Administration / licenses, solutions, hardware, services and terms and conditions of proposal from Cerner Corporation for an electronic medical records system / Administrator**

Administrator Frable stated after performing due diligence, administration recommends Cerner be selected to provide the medical records system. The recommendation is based on the ability and experience of Cerner, its reputation in hospitals that are currently using their systems, the common data base format, and the cost as compared to other options. Lupe Diaz, Clinical Informatics, and Director of Nursing Darlene Bryan explained the review and selection process.

Andy Fisher, Cerner representative, explained the staff due diligence process, and the cost of ownership over a ten year period. Greg Gillis, Cerner representative, thanked the staff and the community and explained the cost reduction and spreading the capital costs over a period of time. November 2019 is the anticipated “go live” date.

CFO Lehman explained the cost of continuing with MedHost (\$9,419,000) and the cost for the new Cerner system (\$9,076,046) and the revenue cycle comparison. Cerner is willing to help with billing and coding comparison. Frable passed out an overview of service groupings.

Cerner representative Fisher gave a background of the company and the proposed system for the hospital. Board member Miller said her concerns with the patient experience will be addressed by the portals for billing and payment, the kiosk check-in and the ability to message physicians and view patient records. Board member Hammargren asked about the aged accounts receivables and if Cerner will work with those patients. Fisher suggested the hospital should get the accounts paid down as much as possible. Lehman said Cerner will honor the hospital policy. Frable suggested the proposed contract be reviewed by a law firm that specializes in such matters. The cost will be \$5,000. Legal Counsel Maher agreed with the recommendation. Fisher stated the review can take two weeks to six months.

Lorrie Meiron, OB Nurse Manager, stated she is impressed with the Cerner system based on her site visit and supports acquiring the Cerner system. Meiron noted other facilities said that training should not be cut short.

Shauna Barsanti, Business Office Manager, and Penny Begay, HIM Manager, also went on a site visit and participated in the conference calls. Both were impressed with the ease of using the accounts and the amount of information the system provides. Begay said she spoke with Pagosa Springs and they are happy with the system. Medical records can be viewed in other hospitals using the same system.

Rick McComb, IT, stated he went to Citrix conference and learned Cerner is heavily used and there is less burden on the IT staff with managing the system.

Robyn Dunkhorst, ER Manager, visited the Mammoth, California facility. They were transparent with the issues, having converted from MedHost to Edis. Dunkhorst said over all she liked the program. There was discussion about the ability of records to follow patients. Fisher advised that 90% of acute hospitals are joining the initiative to share information.

Robin Gillis, SNF Manager, saw some of the system demonstrations and made some phone calls to other users. MedHost has never worked for long term care and from what she has seen from Cerner, she is pleased with the system. She believes it will make her staff and Dr. Grant much happier.

Dr. Perkinson said he saw some of the demonstrations and noted doctors generally dislike whatever EMR system is used. Transferring records is essential to caring for the patient. He believes Cerner will be the least difficult system to use.

Motion by board member Hammargren and second by board member Miller to approve entering into a contract with Cerner as presented, subject to attorney review and approval of the contract. Motion carried unanimously.

The Board thanked the staff and Cerner for all the hard work.

**3. Hospital Administration / report and guideline for charitable giving efforts through the HGH Community Giving Committee and HGH / Committee**

Tabled until next regular board meeting.

**TRUSTEE COMMENTS-STAFF REPORTS:**

Board chairman Casalez and board member Miller thanked staff, Cerner and the administration for their commitment and feedback.

**PUBLIC COMMENT:**

Gene Hunt, board member elect, stated he had the opportunity to meet with Cerner and noted the protection of the price for five years is a positive indicator. Hunt commented on possible purchasing alternatives and use of the purchase funds.

Board chairman Casalez adjourned the November 27, 2018 meeting of the Humboldt County Hospital District Board of Trustees at 8:14 p.m.

**APPROVED:**

**ATTEST:**

\_\_\_\_\_  
JoAnn Casalez, Board Chairman

\_\_\_\_\_  
Alicia Wogan, Executive Assistant

**HUMBOLDT GENERAL HOSPITAL  
DISTRICT BOARD OF TRUSTEES SPECIAL MEETING  
NOVEMBER 28, 2018 MEETING  
SARAH WINNEMUCCA CONFERENCE ROOM**

**BOARD PRESENT:**

JoAnn Casalez, Chairman  
Michelle Miller, Secretary  
Bill Hammargren, Member  
Jennifer Hood, Member  
Ken Tipton, County Comm. Member

Kent Maher, Legal Counsel

**BOARD ABSENT:**

Richard Cook, Member

**MEDICAL STAFF PRESENT:**

B. Leonard Perkinson, M.D.

**STAFF PRESENT:**

Arthur Frable, CEO  
Darlene Bryan, CNO  
Sandi Lehman, CFO  
Rose Green, HR Director  
Sean Burke, EMS Director  
Lisa Andre, Quality Services Director  
Mike Bell, IT Director  
Alicia Wogan, Executive Assistant  
Mark Reyka, Anesthesia  
Duane Grannis, Maintenance  
Lorrie Meiron, OB Manager  
Theresa Bell, MM Manager  
Tori Stephen, MM  
Tom Stephen, EMS  
Kim Plummer, Controller  
Jeanette Grannis, Business Office  
Dave Simsek, Pharmacy Manager

**GUESTS:**

Robin Monchamp, Ashley Maden (Humboldt Sun), Judy Adams (Auxiliary Member), Mille Custer, Susan Rorex (Auxiliary Member), Nicole Maher (Public Relations Director), Lewis Trout, Shanna Cummings and Gene Hunt.

**CALL TO ORDER:**

Board chairman Casalez called the November 28, 2018 board meeting to order at 5:34 p.m.

**PUBLIC COMMENT:**

Lewis Trout stated that the board member elect is present and hopes he will be included in the discussion to comment on his observations.

**BUSINESS ITEMS-OTHER REPORTS:**

- 1. District Administration / review and evaluation of: (i) the performance of Arthur H. Frable as hospital administrator and chief executive officer; and, (ii) the progress of Arthur H. Frable in meeting the established goals and objectives of the hospital administrator and chief executive officer position / proposals, terms and conditions of the continued employment or separation from employment of Arthur H. Frable as hospital administrator and chief executive officer, including modification of the employment agreement with the administrator-chief executive officer, adjustment of the salary, eligibility to receive periodic cost of living salary increase, extension of employment or separation from employment pursuant to the terms of the administrator-chief executive officer employment agreement, and authorization to execute any document relating to terms and conditions of the**

### **administrator-chief executive officer continued employment or separation from employment / Board of Trustees**

Board Chairman Casalez stated they will discuss and evaluate the performance of Administrator Frable in meeting the Board established goals and objectives. Casalez said she forwarded to the Board the self-evaluation information that was received from Frable and asked for questions or comments from the board.

Board member Hammargren stated he appreciated the feedback Frable provided on the self-evaluation. Hammargren suggested that most people in attendance understood the process required to get to the point of hiring a new CEO. At the six month review of Frable, Hammargren had mixed feelings about the progress in meeting the goals and now at this point he feels the relationship is not what he hoped it would be. He has had a lot of questions that cause him concern. Hammargren thinks HGH is on the cutting edge and needs leadership who not only looks at where things are going to be in six months, but who has a five year vision, a ten year vision and a fifteen year vision. He doesn't feel that is where we are at. A lot of good stuff came out of the strategic planning meeting, but Hammargren believes for Frable the board directives were not a priority and currently we are not on the right path.

Board member Tipton stated he believes Frable has tried but that some of the tough things that should be his responsibility he has come back to the board with. The board should be able to focus on the vision and should not have to tell the administrator to go do those things; Tipton felt he was blown off on some of the things he asked for.

Board member Hood stated in the beginning she felt Frable was knitting things back together, but at some point it seemed like he turned a corner and was fixated on the things that were important to him instead of concentrating on the bigger picture. She was concerned that Frable was micromanaging and concentrating on the smaller things instead of the bigger things. Some of the personnel matters she spoke with him about were not addressed and were completely dropped; they were significant and important. She commented on his inability to let others take the lead and handle things. She said she believes he is an excellent person, but she doesn't see the cohesiveness she had hoped for and believes that he is not paying off for the organization.

Casalez stated when she looks back to the board vision and CEO goals, there were things that were being overlooked, such as EmCare and HRG. She also felt that the business with looking at Athena (for the EMR system) took up unnecessary time. There were other things, such as the emails from Frable expressing his view that he was over sharing information with the board when in fact there were numerous things she did not know about and should have known about. The NRHP and Licon meeting information should have been shared with the board, but it was not. When she learned about some of things that happened at the hospital, she was shocked that it had not been shared with the board. Physician recruitment was listed on the board goals and part of the plan for the CEO, thus it was very clear what the board wanted, yet he brought the topic of physician recruitment back to the board at the August meeting. It should not have been brought back to the board for confirmation that recruitment is what they wanted to do.

Board member Miller went through the financial goals and said she would like someone who brings problems to the board's attention with a plan in place to resolve the problem. She is also concerned about the contract review process which did not happen as directed.

Frable said he would not argue about his management style regarding (lack of) delegation, because that's how he knows what's going on. He said he doesn't believe at this facility he could know what is going on unless he was involved. He confirmed the board's perception of what they want is correct. He commented

that he didn't have to be here (employed as CEO), he is here because he wants to be here. In terms of the NRHP matter, the study was done in anticipation of the upcoming survey the facility would undergo, and he felt the issues should be understood to learn what we needed to do to address them (for the upcoming survey). He said there were problems, but he was not overly concerned about them. Frable said he maintains everyone should have success and he will not argue about the board's perception, but he believes there were things accomplished: the auditor noted he has never seen a hospital with the statistics this hospital has; he thinks there has been a cultural change which has taken place with the community and the staff; we are still waiting for the 340B money to start; he provided a list of the contracts earlier this year that were reviewed, but it is a never ending process; regarding the August board meeting, he is well aware of the goals regarding physician recruitment, but he felt he needed the board to state it was their plan, it needed to be said for everyone; there are still a lot of things in process, such as the UNR contract; he has been at work seven days a week for a year, not all day on weekends, because that is the kind of attention this place needs; he sent the EMR recommendation to Ely, it was a good decision; the reduced lab prices have been accomplished, it's more complicated than it sounds; we are in the process of the pharmacy remodel; he said he is proud of what he's done this year and he is ready to move on with a clear conscious.

Chairman Casalez called for a response from the board. There was none.

Motion by board chairman Casalez and second by board member Hammargren to terminate services and end the CEO contract with Arthur Frable immediately without cause. Motion carried unanimously.

**PUBLIC COMMENT:**

Lewis Trout commended Frable for his community outreach, and how he encouraged people to come back to the hospital, noting his comment about improving morale is true.

Jeremy Hurst stated he supports Frable and believes he has been a fantastic administrator, and while he is not privy to what the board may know, he believes he has done a great job.

Dr. Gaulin stated from a general surgery point of view things have changed over the past year, things that were irritating are no longer irritating, and he believes Frable is responsible for that.

Robin Mochamp stated she thinks there is a lack of communication from the board. She suggested it was the board's job to help him. Good communication is the board's job. She believes Frable was approachable and thanked him for the job he did. The board needs to pull together.

Susan Rorex on the behalf of Auxiliary said she and Judy (Adams) are pleased with the reception they received from Frable, he looked at them as an important part of the hospital.

Darlene Bryan thanked Frable. She understands the board has an obligation and she appreciates that; she wishes the board would have gotten input from the staff. She doesn't know that the staff expected this. Hopefully we can learn as a board and as an organization how this may be different. She appreciates the difficult position the board is in, and thinks the way it came about could have been different with employee input, even though the outcome may not have been different.

Sean Burke stated Frable has been a pleasure to work with and is the most decent man he has ever worked with.

Dr. Grant stated she agrees with the other comments that have been made and whatever the failure, the board has a part in this. She hopes there is a plan. The fact that med staff didn't go out of control is credited to Frable. She feels bad for the patients in the community.

Robert Johnson stated Frable has been personable to work with. His recruitment of quality physicians has not been recognized; he's not sure how we are going to recruit now.

Dr. Perkinson said it has been an honor to get to know Frable. They have had differences of opinions but he never felt they couldn't be worked out. There should have been better communication with all involved. He fears for the hospital moving forward and hopes there is a plan in progress. He urged the board to engage medical staff and the hospital staff. He asked that the board not go a year without an administrator. Things are not going to go away with Frable not being here, it may make it more difficult. Suggested the board move forward with haste, purpose, and direction. As a community member that relies on services of the hospital, he urged that the board doesn't take so many steps backward that we can't recover.

Frable said he hopes the community continues to support this hospital, this is a good facility with good people. He reminded there are physicians looking to come here. Frable wished the board well.

Board chairman Casalez adjourned the November 28, 2018 meeting of the Humboldt County Hospital District Board of Trustees at 6:17 p.m.

**APPROVED:**

**ATTEST:**

\_\_\_\_\_  
JoAnn Casalez, Board Chairman

\_\_\_\_\_  
Alicia Wogan, Executive Assistant

**HUMBOLDT GENERAL HOSPITAL  
DISTRICT BOARD OF TRUSTEES  
DECEMBER 5, 2018 SPECIAL MEETING  
SARAH WINNEMUCCA CONFERENCE ROOM**

**BOARD PRESENT:**

JoAnn Casalez, Chairman  
Michelle Miller, Secretary – by phone  
Bill Hammargren, Member  
Jennifer Hood, Member  
Richard Cook, Member  
Ken Tipton, County Comm. Member

Kent Maher, Legal Counsel

**BOARD ABSENT:**

None

**MEDICAL STAFF PRESENT:**

None

**STAFF PRESENT:**

Darlene Bryan, CNO  
Sandi Lehman, CFO  
Rose Green, HR Director  
Sean Burke, EMS Director  
Lisa Andre, Quality Services Director  
Mike Bell, IT Director  
Alicia Wogan, Executive Assistant  
Mark Reyka, Anesthesia  
Bryn Echeverria, RAD Manager  
Duane Grannis, Maintenance  
Shauna Barsanti, Business Office Manager  
Lorrie Meiron, OB Manager  
Robin Gillis, SNF Manager  
Kim Plummer, Controller  
Becky Tissue, Flight  
Melissa Lopez, HR Assistant  
Debi Bell, RHC  
Dave Simsek, Pharmacy Manager  
Diana Castillejos, RHC  
Jeanette Grannis, Business Office

**GUESTS:**

Robin Monchamp, Ladonna Reyka, Ashley Maden (Humboldt Sun), Mille Custer, Nicole Maher (Public Relations Director), and Gene Hunt.

**CALL TO ORDER:**

Board chairman Casalez called the December 5, 2018 board meeting to order at 7:01 p.m.

**PUBLIC COMMENT:**

No public comment.

**BUSINESS ITEMS-OTHER REPORTS:**

- 1. District Administration / proposals to provide hospital district interim or temporary basis administrative management services in the absence of an administrator-chief executive officer and to implement a plan to obtain a replacement for the administrator-chief executive officer position / appropriate and desirable experience, qualifications and criteria to be considered for selection and possible employment or appointment of an administrator-chief executive officer for the hospital district to serve on an interim or temporary basis until such time as a permanent administrator-chief executive officer may be selected and employed / selection and possible employment or appointment and terms, conditions and compensation of interim administrator-chief executive**

**officer for the hospital district to serve on an interim or temporary basis until such time as a permanent administrator-chief executive officer may be selected and employed / Board of Trustees**

Board Chairman Casalez said B.E. Smith, a company the district had previously contacted to provide recruitment services, was again contacted to assist with providing placements for both temporary and permanent chief executive officer services. Smith said they will use the same contract that was previously offered (a copy was provided to the Board). Casalez proposed using their services, since they can have a CEO onsite next week. Board member Miller noted they had been vetted and were the Board's second choice the last time they selected a recruitment firm. Smith proposes to provide an employed person as an interim CEO and they will recruit for a fulltime CEO. Board member Tipton asked what the options are if the interim person is not a good fit. Smith will provide a replacement. There was further discussion about the proposal.

Motion by board chairman Casalez and second by board member Miller to use the services of B.E. Smith per the proposed contract for CEO services and recruitment. The motion carried unanimously.

**PUBLIC COMMENT:**

Gene Hunt commented on the housing terms of the B.E. Smith contract about providing short term accommodations while looking for long term accommodations, noting most leases are for six months and if the person doesn't stay that long the district may be stuck paying the lease for the term.

Board chairman Casalez adjourned the December 5, 2018 meeting of the Humboldt County Hospital District Board of Trustees at 7:13 p.m.

**APPROVED:**

**ATTEST:**

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JoAnn Casalez, Board Chairman

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Alicia Wogan, Executive Assistant

# Financial Narrative

## Period Ending November 30, 2018

### **FISCAL YTD BALANCE SHEET**

**Current Assets** increased 21% of current assets from this time last year. The majority of this is related to an increase in cash held in the Operating Fund. Restricted Assets (cash designated for Capital and special projects) report at 36% higher than last year with an increase in cash of approximately \$4.8m. Property, Plant and Equipment (Net of Depreciation) report at 6% less than last year or \$4.4m. Overall, **TOTAL ASSETS** report above last year by \$3.7m, or 4%, attributed to the increase in Current Assets, Restricted Assets and Deferred Outflows (Pension), net of the decrease in Property Plant and Equipment.

**Current Liabilities:** Overall, Current Liabilities post below last year this period by 27%, or \$1m. This shift in the decrease of current liabilities is mainly due to a decrease in accounts payable and retainage payable related to construction in the prior year. **TOTAL LIABILITIES** decreased from this time last year by 5% or \$1.6m. **Total Liabilities and Fund Balances Combined** report 4% above this time last year, or \$3.7m.

### **FISCAL YTD PROFIT & LOSS STATEMENT**

**Room & Board Revenues** for the current month fell below budget projections by \$151k, a variance of 16%. **Ancillary Revenues** were lower than budgeted projections by \$1.5m, or 24%. **Total Year to Date Gross Revenue from Services to Patients** was \$34.1m, below the budget projection of \$36.6m, a decrease of \$2.5m or 7%. **Contractual Adjustments to Revenues** posted below budget by \$797k, or 5%. **GRAND TOTAL OPERATING REVENUES** (inclusive of "Other" Revenues) came in under budget projections at a variance of 9%, with actuals posting at \$20.2m as compared to a budget projection of \$22.2m, or \$1.9m.

**Operating Expenses** posted below budgeted appropriations for fiscal year-to-date with an under budget variance of 4%, or \$957k. **Operating Revenues over (under) Expenses (Operating Profit)** reflect an Operating – Actual – loss of (\$2.6m) as compared to an Operating – Budget – loss of (\$1.5m), a 39% unfavorable variance, or \$1.0m. **Non-Operating Revenue (Tax Revenue & Interest Earnings)** post above budgeted projections by 48%, or approximately \$955k. The receipt of Ad Valorem Property, Consolidated (Sales), and Net Proceeds (Mines) tax revenues will fluctuate from month to month and are posted when received through Humboldt County's monthly tax revenue distribution. **The Change in Net Assets** (actual) reflects positive earnings fiscal year-to-date of \$384k, as compared to budgeted earnings of \$443k.

(m = millions of dollars) (k - thousands of dollars)

## **FISCAL YEAR-TO-DATE REVENUE PAYOR MIX**

The **November 2018** revenue payer mix posted as follows: Medicare 33.2% (decrease of 4.6%), Medicaid 24.9% (increase 4.3%), Insurance 29.3% (decrease of .3%), Private Pay 8.8% (increase of .8%), and All Other 3.8% (same as prior month).

## **ANCILLARY VISITS**

For the month of **November**, total Ancillary visits were 4,119, or 689 visits less than the 4,808 reported in October. A breakdown of the **November** ancillary visits are as follows: Hospital (Lab, Radiology, Other, etc.) = 1,713; Telemedicine = 12; Dr. Perkinson = 338; Dr. Li = 376 Jeremy Hurst = 109, Echo Mathews = 189; Resident(s) & Dr. Westling Clinic = 185; and the Walk-In Clinic = 586. The Emergency Room took care of 567 patients during the month of November, an increase of 5 patients over the 562 patients seen in October.

**Humboldt County Hospital District**

**STATISTICAL REPORTING**

Report Period: NOVEMBER 30 2018, FY 2019

**NOVEMBER 2018**

**FISCAL YEAR 2018**

\*  
\* DAYS IN  
\* PERIOD: 30  
\*  
\*  
\*

HGH Stats, Period Ending 11/30/18:

	BEDS	ADMIT	DISCH.	TOTAL	AVERAGE		FACILITY	
	AVAIL.	#'S	#'S	PATIENT	DAILY	%%	LENGTH	MONTH
PATIENT DAY RECAPS:				DAYS	CENSUS	OCCUPY	OF STAY	DEATHS
			(Includes					
			Deaths)					
SERVICE CLASSIFICATIONS:								
AC02 MEDICAL/SURGICAL	16	43	40	147	4.90	30.63%	3.68	1
AC03 OBSTETRICS	6	23	25	40	1.33	33.33%	1.60	0
AC04 NEWBORN NURSERY	6	23	25	40	1.33	22.22%	1.60	0
AC05 INTENSIVE CARE UNIT	3	4	4	12	0.40	20.00%	3.00	1
<b>TOTAL ACUTE CARE:</b>	<b>25</b>	<b>93</b>	<b>94</b>	<b>239</b>	<b>7.97</b>	<b>36.21%</b>	<b>2.54</b>	<b>2</b>
( # of beds do not include Nursery)								
Monthly Average Length of Stay							2.76	
AC01 NURSING HOME / MEMORY CARE	42	3	1	958	31.93	106.44%		0
<b>FACILITY GRAND TOTALS:</b>	<b>67</b>	<b>96</b>	<b>95</b>	<b>1197</b>	<b>39.90</b>	<b>76.73%</b>		<b>2</b>
		ckd	ckd	ckd				ckd

	Nov-18		Nov-17		CURRENT		PRIOR	Y-T-D
	CURRENT		MONTH		FY 2019		FY 2018	Amount
<u>OUTPATIENT/EMERGENCY ROOM STATS:</u>	<u>MONTH</u>		<u>PRIOR YR</u>		<u>Y-T-D</u>		<u>Y-T-D</u>	<u>Inc. (Dec.)</u>
ADMITTS FROM EMERGENCY ROOM	33		44		142		165	-14%
SHORT OBSERVATION	25		24		142		135	5%
TRANSFERS FROM EMERGENCY ROOM	28		41		155		175	-11%
DEATHS, EMERGENCY ROOM	1		1		5		2	150%
DOA'S (Dead on Arrival)	0		0		0		0	#DIV/0!
AMA'S / ELOPEMENTS	10		4		41		30	37%
LEAVE WITHOUT BEING SEEN	3		7		22		24	-8%
*****	*****		*****		*****		*****	*****
EMERGENCY RM VISITS	567		586		2,995		3,092	-3%
OUTPATIENT VISITS (All Other)	1,713		2,132		9,024		10,083	-11%
CLINIC - DR. LI	376		482		2,150		2,549	-16%
CLINIC - WALK IN CLINIC	586		644		3,165		3,030	4%
CLINIC - RESIDENT CLINIC	185		315		1,223		1,580	100%
CLINIC - JEREMY HURST	109		263		558		1,217	100%
CLINIC - ECHO MATHEWS	189		278		1,003		1,310	100%
CLINIC - DR. PERKINSON	338		403		1,694		2,184	-22%
CLINIC - DR. BECKMAN	38		0		141		0	#DIV/0!
CLINIC - ROBERT JOHNSON	6		0		45		0	#DIV/0!
TELEMEDICINE	12		18		99		71	39%
<b>TOTAL EMERGENCY/OUTPATIENTS:</b>	<b>4,119</b>		<b>5,121</b>		<b>22,097</b>		<b>25,116</b>	<b>-12%</b>

	Nov-18	Nov-17	CURRENT	PRIOR	Y-T-D
	CURRENT	MONTH	FY 2019	FY 2018	Amount
ACUTE/SKILLED NURSING STATISTICS:	MONTH	PRIOR YR	Y-T-D	Y-T-D	Inc. (Dec)
<b>PATIENTS ADMITTED:</b>					
ADULTS & PEDIATRIC	70	73	352	358	-2%
NEWBORNS	23	17	97	97	0%
SNF / MEMORY CARE	3	1	16	15	7%
<b>TOTAL PATIENTS ADMITTED:</b>	<b>96</b>	<b>91</b>	<b>465</b>	<b>470</b>	<b>-1%</b>
<b>PATIENTS DISCHARGED:</b>					
ADULTS & PEDIATRIC	69	77	335	356	-6%
NEWBORNS	25	19	98	97	1%
SNF / MEMORY CARE	1	1	10	16	-38%
<b>TOTAL PATIENTS DISCHARGED:</b>	<b>95</b>	<b>97</b>	<b>443</b>	<b>469</b>	<b>-6%</b>
<b>TOTAL PATIENT DAYS:</b>					
ADULTS & PEDIATRIC	199	270	1,057	1,096	-4%
NEWBORNS	40	33	167	163	2%
<b>TOTAL ACUTE PATIENT DAYS:</b>	<b>239</b>	<b>303</b>	<b>1,224</b>	<b>1,259</b>	<b>-3%</b>
<b>TOTAL SNF / MEMORY CARE PATIENT DAYS:</b>	<b>958</b>	<b>735</b>	<b>4,442</b>	<b>3,807</b>	<b>17%</b>
<b>TOTAL FACILITY PATIENT DAYS:</b>	<b>1,197</b>	<b>1,038</b>	<b>5,666</b>	<b>5,066</b>	<b>12%</b>
<b>TOTAL FACILITY DEATHS:</b>					
ACUTE HOSPITAL	2	2	7	7	0%
SNF / MEMORY CARE	0	0	1	5	-80%
<b>TOTAL FACILITY DEATHS:</b>	<b>2</b>	<b>2</b>	<b>8</b>	<b>12</b>	<b>-33%</b>

	Nov-18		Nov-17		CURRENT		PRIOR	Y-T-D
	CURRENT		MONTH		FY 2019		FY 2018	Amount
<b>SURGICAL OPERATIONS PERFORMED:</b>	MONTH		PRIOR YR		Y-T-D		Y-T-D	Inc. (Dec)
General	27		14		142		102	39%
Gynecological	6		0		12		1	1100%
C-Sections	4		4		16		27	-41%
Orthopedic	20		19		102		94	9%
Podiatry	6		0		6		12	-50%
Ophthalmology	0		12		32		20	60%
ENT	0		0		0		0	0%
Plastic	0		0		0		0	0%
Oral	0		0		0		0	0%
Urology	0		0		0		0	0%
Other	0		7		0		39	-100%
<b>TOTAL SURGERY:</b>	<b>63</b>		<b>56</b>		<b>310</b>		<b>295</b>	<b>5%</b>

	Nov-18		Nov-17		CURRENT		PRIOR	Y-T-D
	CURRENT		MONTH		FY 2019		FY 2018	Amount
<b>SURGICAL PROCEDURES PERFORMED:</b>	MONTH		PRIOR YR		Y-T-D		Y-T-D	Inc. (Dec)
Colonoscopies	28		10		127		71	79%
Gastrointestinal Procedures	21		10		72		56	29%
Sigmoidoscopy	1		1		5		6	-17%
Bronchoscopy	0		0		0		0	#DIV/0!
Oral	0		0		0		0	0%
Ophthalmology-Yag	0		4		10		12	0%
Other	0		0		1		2	-50%
<b>TOTAL PROCEDURES:</b>	<b>50</b>		<b>25</b>		<b>215</b>		<b>147</b>	<b>46%</b>

**TOTAL SURGERIES AND PROCEDURES: 113**

***Number of above surgeries and/or procedures that were laparoscopic.	13		7		43		39	10%
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	SURGERY	SURGERY	SURGERY	PROCEDURE	PROCEDURE	PROCEDURE
SURGICAL HOURS/PROCEDURE HOURS PERFORMED:	HOURS	HOURS	HOURS	HOURS	HOURS	HOURS
	INPT:	OUTPT:	TOTALS:	INPT:	OUTPT:	TOTALS:
<u>Fiscal Year 2019: 7/1/18- 6/30/19:</u>						
<u>2018</u>						
July	36.95	26.93	63.88	0.75	14.22	14.97
August	19.52	27.32	46.84	1.42	17.35	18.77
September	36.82	23.85	60.67	2.30	11.10	13.40
October	40.92	30.30	71.22	1.23	24.40	25.63
November	19.08	36.07	55.15	1.20	28.62	29.82
December			0.00			0.00
<u>2019</u>	*****	*****	*****	*****	*****	*****
January			0.00			0.00
February			0.00			0.00
March			0.00			0.00
April			0.00			0.00
May			0.00			0.00
June			0.00			0.00
<b>FY 2019 Y-T-D HOURS:</b>	<b>153.28667</b>	<b>144.466667</b>	<b>297.75333</b>	<b>6.9033333</b>	<b>95.686667</b>	<b>102.59</b>

	Nov-18	Nov-17	CURRENT	PRIOR	Y-T-D
	CURRENT	MONTH	FY 2019	FY 2018	Amount
<u>ANCILLARY UNITS OF SERVICE:</u>	<u>MONTH</u>	<u>PRIOR YR</u>	<u>Y-T-D</u>	<u>Y-T-D</u>	<u>Inc. (Dec)</u>
<u>LABORATORY, ALL:</u>					
INPATIENT	1,513	1,438	6,710	6,965	-4%
OUTPATIENT	5,104	5,936	27,276	28,116	-3%
<u>RADIOLOGY, ALL OTHER:</u>					
INPATIENT	61	62	271	277	-2%
OUTPATIENT	685	868	3,745	3,913	-4%
<u>RADIOLOGY, CT SCANS:</u>					
INPATIENT	8	15	54	53	2%
OUTPATIENT	148	142	781	718	9%
<u>RADIOLOGY, MAMMOGRAPHY:</u>					
INPATIENT	1	0	1	0	#DIV/0!
OUTPATIENT	74	73	300	337	-11%
<u>RADIOLOGY, MRI:</u>					
INPATIENT	0	1	18	13	38%
OUTPATIENT	36	41	194	254	-24%
INPATIENT TOTALS:	1,583	1,516	7,054	7,308	-3%
OUTPATIENT TOTALS:	6,047	7,060	32,296	33,338	-3%

HUMBOLDT GENERAL HOSPITAL		November 30, 2018 CURRENT PERIOD			MONTHLY FISCAL YEAR 2 * 0 * 1 * 9
<b>FINANCIAL STATEMENT of PROFIT or ( LOSS ) Current Month &amp; Year-to-Date FISCAL YEAR 2019 PERIOD July 1, 2018 - June 30, 2019</b>		<u>Period Actual Nov-18</u>	<u>Period Budget Nov-18</u>	<u>Variance \$\$\$ Actual/Budget</u>	<u>% Variance + ( - ) Budget</u>
<b><u>OPERATING REVENUES:</u></b>					
<b><u>ROOM / BED CHARGES REVENUE:</u></b>					
ACUTE CARE	\$ 534,393	\$ 649,324	\$ (114,931)	-18%	
NURSING HOME (Harmony Manor)	\$ 172,219	\$ 208,658	\$ (36,439)	-17%	
MEMORY CARE (Quail Corner)	\$ 67,100	\$ 66,917	\$ 183	0%	
<b>** TOTAL ROOM / BED CHARGES **</b>	<b>\$ 773,712</b>	<b>\$ 924,899</b>	<b>\$ (151,187)</b>	<b>-16%</b>	
<b><u>ANCILLARY CHARGES REVENUE:</u></b>					
IN-PATIENTS	\$ 1,553,207	\$ 2,184,378	\$ (631,171)	-29%	
OUT-PATIENTS	\$ 3,126,434	\$ 3,998,834	\$ (872,400)	-22%	
NURSING HOME (Harmony Manor)	\$ 145,034	\$ 166,889	\$ (21,855)	-13%	
MEMORY CARE (Quail Corner)	\$ 18,804	\$ 33,111	\$ (14,307)	-43%	
<b>**TOTAL ANCILLARY SERVICES REVENUE**</b>	<b>\$ 4,843,479</b>	<b>\$ 6,383,212</b>	<b>\$ (1,539,733)</b>	<b>-24%</b>	
<b>** GROSS REVENUES **</b>	<b>\$ 5,617,191</b>	<b>\$ 7,308,111</b>	<b>\$ (1,690,920)</b>	<b>-23%</b>	
<b>** FROM SERVICES TO PATIENTS **</b>	<b>\$ 5,617,191</b>	<b>\$ 7,308,111</b>	<b>\$ (1,690,920)</b>	<b>-23%</b>	
<b>** (LESS) CONTRACTUALS TO REVENUES **</b>	<b>\$ 2,294,759</b>	<b>\$ 2,988,862</b>	<b>\$ (694,103)</b>	<b>-23%</b>	
<b>** NET REVENUE FROM SERVICES TO PATIENTS **</b>	<b>\$ 3,322,432</b>	<b>\$ 4,319,249</b>	<b>\$ (996,817)</b>	<b>-23%</b>	
<b>** OTHER OPERATING REVENUES **</b>	<b>\$ 49,815</b>	<b>\$ 97,880</b>	<b>\$ (48,065)</b>	<b>-49%</b>	
<b>** GRAND TOTAL **</b>	<b>\$ 3,372,247</b>	<b>\$ 4,417,129</b>	<b>\$ (1,044,882)</b>	<b>-24%</b>	
<b>** OPERATING REVENUES **</b>	<b>\$ 3,372,247</b>	<b>\$ 4,417,129</b>	<b>\$ (1,044,882)</b>	<b>-24%</b>	

<b>HUMBOLDT GENERAL HOSPITAL</b>  <b>FINANCIAL STATEMENT of</b> <b>PROFIT or ( LOSS )</b> <b>Current Month &amp; Year-to-Date</b> FISCAL YEAR 2019 PERIOD July 1, 2018 - June 30, 2019	<b>November 30, 2018</b> <b>CURRENT PERIOD</b>			<b>MONTHLY</b> <b>FISCAL</b> <b>YEAR</b> <b>2 * 0 * 1 * 9</b>
	Period Actual Nov-18	Period Budget Nov-18	Variance \$\$\$ Actual/Budget	% Variance + ( - ) Budget

**\*\* OPERATING EXPENSES \*\***

PROFESSIONAL CARE of PATIENTS	\$ 1,901,337	\$ 2,175,864	\$ (274,527)	-13%
NURSING ADMINISTRATION / QUALITY IMP.	\$ 94,232	\$ 68,130	\$ 26,102	38%
DIETARY DEPARTMENT	\$ 82,115	\$ 89,562	\$ (7,447)	-8%
HOUSEKEEPING/LAUNDRY-LINEN/JANITOR	\$ 57,514	\$ 62,707	\$ (5,193)	-8%
PLANT OPERATION & MAINTENANCE	\$ 79,555	\$ 96,114	\$ (16,559)	-17%
MEDICAL RECORDS	\$ 64,507	\$ 41,240	\$ 23,267	56%
ADMINISTRATION	\$ 992,820	\$ 1,101,135	\$ (108,315)	-10%
PROVISION FOR DEPRECIATION	\$ 571,693	\$ 582,909	\$ (11,216)	-2%
BAD DEBTS, NET OF RECOVERY	\$ 451,957	\$ 525,569	\$ (73,612)	-14%
<b>** TOTAL OPERATING EXPENSES **</b>	<b>\$ 4,295,730</b>	<b>\$ 4,743,230</b>	<b>\$ (447,500)</b>	<b>-9%</b>

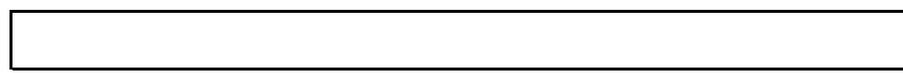
( ) = Under Budget

<b>** OPERATING REVENUE over (under) EXPENSES:</b>	<b>\$ (923,483)</b>	<b>\$ (326,101)</b>	<b>\$ (597,382)</b>	<b>183%</b>
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**\*\* NON-OPERATING REVENUES \*\***

AD VALOREM TAXES	\$ 59,167	\$ 319,762	\$ (260,595)	-81%
CONSOLIDATED TAXES	\$ (79,743)	\$ 67,091	\$ (146,834)	-219%
NET PROCEEDS OF MINES TAX	\$ 138,729	\$ -	\$ 138,729	#DIV/0!
INTEREST EARNED	\$ 21,597	\$ 12,991	\$ 8,606	66%
<b>** TOTAL NON-OPERATING REVENUES **</b>	<b>\$ 139,750</b>	<b>\$ 399,844</b>	<b>\$ (260,094)</b>	<b>-65%</b>

<b>** CHANGE IN NET ASSETS:</b>	<b>\$ (783,733)</b>	<b>\$ 73,743</b>	<b>\$ (857,476)</b>	<b>-1163%</b>
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HUMBOLDT GENERAL HOSPITAL		JULY '18 - NOVEMBER '18 FY 2019 YEAR-TO-DATE			YTD FISCAL YEAR 2 * 0 * 1 * 9
<b>FINANCIAL STATEMENT of PROFIT or ( LOSS )</b>					
Current Month & Year-to-Date					
FISCAL YEAR 2019					
PERIOD July 1, 2018 - June 30, 2019		YTD FY18 Actual JULY '18 - NOVEMBER '18	YTD FY18 Budget JULY '18 - NOVEMBER '18	Variance \$\$\$ Actual/Budget	% Variance + (-) Budget
<b><u>OPERATING REVENUES:</u></b>					
<b><u>ROOM / BED CHARGES REVENUE:</u></b>					
ACUTE CARE	\$ 2,872,766	\$ 3,246,620	\$ (373,854)	-12%	
NURSING HOME (Harmony Manor)	\$ 782,333	\$ 1,043,290	\$ (260,957)	-25%	
MEMORY CARE (Quail Corner)	\$ 302,225	\$ 334,585	\$ (32,360)	-10%	
<b>** TOTAL ROOM / BED CHARGES **</b>	<b>\$ 3,957,324</b>	<b>\$ 4,624,495</b>	<b>\$ (667,171)</b>	<b>-14%</b>	
<b><u>ANCILLARY CHARGES REVENUE:</u></b>					
IN-PATIENTS	\$ 9,659,267	\$ 10,921,887	\$ (1,262,620)	-12%	
OUT-PATIENTS	\$ 19,779,678	\$ 20,101,164	\$ (321,486)	-2%	
NURSING HOME (Harmony Manor)	\$ 670,683	\$ 834,442	\$ (163,759)	-20%	
MEMORY CARE (Quail Corner)	\$ 92,804	\$ 165,551	\$ (72,747)	-44%	
<b>**TOTAL ANCILLARY SERVICES REVENUE**</b>	<b>\$ 30,202,432</b>	<b>\$ 32,023,044</b>	<b>\$ (1,820,612)</b>	<b>-6%</b>	
<b>** GROSS REVENUES **</b>					
<b>** FROM SERVICES TO PATIENTS **</b>	<b>\$ 34,159,756</b>	<b>\$ 36,647,539</b>	<b>\$ (2,487,783)</b>	<b>-7%</b>	
<b>** (LESS) CONTRACTUALS TO REVENUES **</b>	<b>\$ 14,146,642</b>	<b>\$ 14,944,287</b>	<b>\$ (797,645)</b>	<b>-5%</b>	
<b>** NET REVENUE FROM SERVICES TO PATIENTS **</b>	<b>\$ 20,013,114</b>	<b>\$ 21,703,252</b>	<b>\$ (1,690,138)</b>	<b>-8%</b>	
<b>** OTHER OPERATING REVENUES **</b>	<b>\$ 208,453</b>	<b>\$ 489,396</b>	<b>\$ (280,943)</b>	<b>-57%</b>	
<b>** GRAND TOTAL **</b>					
<b>** OPERATING REVENUES **</b>	<b>\$ 20,221,567</b>	<b>\$ 22,192,648</b>	<b>\$ (1,971,081)</b>	<b>-9%</b>	

HUMBOLDT GENERAL HOSPITAL		JULY '18 - NOVEMBER '18 FY 2019 YEAR-TO-DATE			YTD FISCAL YEAR 2 * 0 * 1 * 9
<b>FINANCIAL STATEMENT of PROFIT or ( LOSS )</b> Current Month & Year-to-Date FISCAL YEAR 2019 PERIOD July 1, 2018 - June 30, 2019		YTD FY18 Actual JULY '18 - NOVEMBER '18	YTD FY18 Budget JULY '18 - NOVEMBER '18	Variance \$\$\$ Actual/Budget	% Variance + (-) Budget
<b>** OPERATING EXPENSES **</b>					
PROFESSIONAL CARE of PATIENTS	\$ 10,287,849	\$ 10,879,316	\$ (591,467)	-5%	
NURSING ADMINISTRATION / QUALITY IMP.	\$ 474,070	\$ 340,650	\$ 133,420	39%	
DIETARY DEPARTMENT	\$ 429,695	\$ 447,810	\$ (18,115)	-4%	
HOUSEKEEPING/LAUNDRY-LINEN/JANITOR	\$ 300,794	\$ 313,535	\$ (12,741)	-4%	
PLANT OPERATION & MAINTENANCE	\$ 465,372	\$ 480,570	\$ (15,198)	-3%	
MEDICAL RECORDS	\$ 298,510	\$ 206,200	\$ 92,310	45%	
ADMINISTRATION	\$ 4,809,998	\$ 5,538,342	\$ (728,344)	-13%	
PROVISION FOR DEPRECIATION	\$ 2,873,727	\$ 2,914,545	\$ (40,818)	-1%	
BAD DEBTS, NET OF RECOVERY	\$ 2,851,768	\$ 2,627,845	\$ 223,923	9%	
<b>** TOTAL OPERATING EXPENSES **</b>	<b>\$ 22,791,783</b>	<b>\$ 23,748,813</b>	<b>\$ (957,030)</b>	<b>-4%</b>	
( ) = Under Budget					
<b>** OPERATING REVENUE over (under) EXPENSES:</b>	<b>\$ (2,570,216)</b>	<b>\$ (1,556,165)</b>	<b>\$ (1,014,051)</b>	<b>39%</b>	
<b>** NON-OPERATING REVENUES **</b>					
AD VALOREM TAXES	\$ 1,885,650	\$ 1,598,810	\$ 286,840	18%	
CONSOLIDATED TAXES	\$ 271,384	\$ 335,455	\$ (64,071)	-19%	
NET PROCEEDS OF MINES TAX	\$ 693,644	\$ -	\$ 693,644	#DIV/0!	
INTEREST EARNED	\$ 103,651	\$ 64,955	\$ 38,696	60%	
<b>** TOTAL NON-OPERATING REVENUES **</b>	<b>\$ 2,954,329</b>	<b>\$ 1,999,220</b>	<b>\$ 955,109</b>	<b>48%</b>	
<b>** CHANGE IN NET ASSETS:</b>	<b>\$ 384,113</b>	<b>\$ 443,055</b>	<b>\$ (58,942)</b>	<b>-13%</b>	

**\*\* BALANCE SHEET \*\***

FISCAL YEAR 2019 - 12-MONTHS (JULY'18 - JUNE'19)

<u>CURRENT</u> <u>FISCAL YEAR 2019</u> <u>ACTUAL</u> AS OF NOVEMBER 31, 2018	<u>PRIOR</u> <u>FISCAL YEAR 2018</u> <u>ACTUAL</u> AS OF NOVEMBER 31, 2017	<u>FY 19 TO FY 18</u> <u>DOLLAR</u> <u>VARIANCE:</u>	<u>FISCAL YEAR</u> <u>2019 / 2018</u> <u>% Variance</u> <u>+ (-) Change</u>
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**ASSETS:**

**CURRENT ASSETS:**

CASH - UNRESTRICTED	\$ 7,730,437	\$ 3,200,810	\$ 4,529,627	142%
ACCOUNTS REC. NET OF DBTFL. ACCTS.	\$ 8,505,204	\$ 8,555,198	\$ (49,994)	-1%
INVENTORY	\$ 1,673,065	\$ 1,458,233	\$ 214,832	15%
3RD PARTY RECEIVABLE FROM MC / MD	\$ 506,249	\$ 2,291,653	\$ (1,785,404)	-78%
PREPAID EXPENSES	\$ 826,630	\$ 438,417	\$ 388,213	89%
<b><u>TOTAL CURRENT ASSETS:</u></b>	<b>\$ 19,241,585</b>	<b>\$ 15,944,311</b>	<b>\$ 3,297,274</b>	<b>21%</b>

**RESTRICTED ASSETS:**

RESERVE FOR HEALTHCARE SERVICES	\$ 7,789,762	\$ 7,672,144	\$ 117,618	2%
WELLS FARGO INVESTMENT TRUST ACCOUNT	\$ 10,089,485	\$ -	\$ 10,089,485	#DIV/0!
RESERVE FOR PHASE 5- SURGERY/ER REMODEL	\$ -	\$ 5,442,395	\$ (5,442,395)	-100%
<b><u>TOTAL RESTRICTED ASSETS:</u></b>	<b>\$ 17,879,247</b>	<b>\$ 13,114,539</b>	<b>\$ 4,764,708</b>	<b>36%</b>

PROPERTY, PLANT & EQUIPMENT, NET OF DEPRECIATION	\$ 63,644,279	\$ 68,065,173	\$ (4,420,894)	-6%
<b><u>TOTAL PROPERTY/PLANT/EQUIP:</u></b>	<b>\$ 63,644,279</b>	<b>\$ 68,065,173</b>	<b>\$ (4,420,894)</b>	<b>-6%</b>

**DEFERRED OUTFLOWS OF RESOURCES:**

PENSION DEFERRED OUTFLOWS	\$ 5,170,460	\$ 5,070,455	\$ 100,005	2%
<b><u>TOTAL DEFERRED OUTFLOWS OF RESOURCES:</u></b>	<b>\$ 5,170,460</b>	<b>\$ 5,070,455</b>	<b>\$ 100,005</b>	<b>2%</b>

<b><u>TOTAL ASSETS:</u></b>	<b>\$ 105,935,571</b>	<b>\$ 102,194,478</b>	<b>\$ 3,741,093</b>	<b>4%</b>
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**\*\* BALANCE SHEET \*\***

FISCAL YEAR 2019 - 12-MONTHS (JULY'18 - JUNE'19)

<u>CURRENT</u>	<u>PRIOR</u>		<u>FISCAL YEAR</u>
<u>FISCAL YEAR 2019</u>	<u>FISCAL YEAR 2018</u>	<u>FY 19 TO FY 18</u>	<u>2019 / 2018</u>
<u>ACTUAL</u>	<u>ACTUAL</u>	<u>DOLLAR</u>	<u>% Variance</u>
<u>AS OF NOVEMBER 31, 2018</u>	<u>AS OF NOVEMBER 31, 2017</u>	<u>VARIANCE:</u>	<u>+ (-) Change</u>

**LIABILITIES:**

**CURRENT LIABILITIES:**

ACCOUNTS PAYABLE	\$ (940,131)	\$ (1,461,244)	\$ 521,113	-36%
ACCOUNTS PAYABLE - RETAINAGE	\$ -	\$ (340,442)	\$ 340,442	-100%
ACCRUED PAYROLLS	\$ (757,088)	\$ (814,014)	\$ 56,926	-7%
ACCRUED PTO & SICK LEAVE	\$ (942,636)	\$ (944,560)	\$ 1,924	0%
DEFERRED NET PROCEEDS REVENUE	\$ (138,729)	\$ -	\$ (138,729)	#DIV/0!
DEFERRED DSH TAX REVENUE	\$ -	\$ (265,459)	\$ 265,459	-100%
3RD PARTY PAYABLE MC / MD	\$ -	\$ -	\$ -	#DIV/0!
<b><u>TOTAL CURRENT LIABILITIES:</u></b>	<b>\$ (2,778,584)</b>	<b>\$ (3,825,719)</b>	<b>\$ 1,047,135</b>	<b>27%</b>

**LONG-TERM LIABILITIES:**

NET PENSION LIABILITY	\$ (27,377,824)	\$ (26,093,478)	\$ (1,284,346)	5%
<b><u>TOTAL LONG-TERM LIABILITIES:</u></b>	<b>\$ (27,377,824)</b>	<b>\$ (26,093,478)</b>	<b>\$ (1,284,346)</b>	<b>5%</b>

**DEFERRED INFLOWS OF RESOURCES:**

PENSION DEFERRED INFLOWS	\$ (1,796,539)	\$ (3,669,432)	\$ 1,872,893	-51%
<b><u>TOTAL DEFERRED INFLOWS OF RESOURCES:</u></b>	<b>\$ (1,796,539)</b>	<b>\$ (3,669,432)</b>	<b>\$ 1,872,893</b>	<b>-51%</b>

**RESTRICTED ASSETS PAYABLE:**

SNF TRUST FUND DEPOSITS PAYABLE	\$ (28,965)	\$ (11,104)	\$ (17,861)	161%
<b><u>TOTAL A/P RESTRICTED ASSETS:</u></b>	<b>\$ (28,965)</b>	<b>\$ (11,104)</b>	<b>\$ (17,861)</b>	<b>161%</b>

<b><u>TOTAL LIABILITIES:</u></b>	<b>\$ (31,981,912)</b>	<b>\$ (33,599,733)</b>	<b>\$ 1,617,821</b>	<b>-5%</b>
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**\*\* BALANCE SHEET \*\***

FISCAL YEAR 2019 - 12-MONTHS (JULY'18 - JUNE'19)

<u>CURRENT</u>	<u>PRIOR</u>	<u>FY 19 TO FY 18</u>	<u>FISCAL YEAR</u>
<u>FISCAL YEAR 2019</u>	<u>FISCAL YEAR 2018</u>	<u>DOLLAR</u>	<u>2019 / 2018</u>
<u>ACTUAL</u>	<u>ACTUAL</u>	<u>VARIANCE:</u>	<u>% Variance</u>
<u>AS OF NOVEMBER 31, 2018</u>	<u>AS OF NOVEMBER 31, 2017</u>		<u>+ (-) Change</u>

**FUND BALANCES:**

**UNRESTRICTED FUND BALANCE:**

CHANGE IN NET ASSETS	\$ (384,112)	\$ (820,024)	\$ 435,912	-53%
NET WORTH - OPERATING FUND	\$ (73,569,547)	\$ (67,774,721)	\$ (5,794,826)	9%
<b>TOTAL UNRESTRICTED FUND BALANCE:</b>	<b>\$ (73,953,659)</b>	<b>\$ (68,594,745)</b>	<b>\$ (5,358,914)</b>	<b>8%</b>
RESTRICTED FUND BALANCE:	\$ -	\$ -	\$ -	-
<b>TOTAL FUND BALANCES:</b>	<b>\$ (73,953,659)</b>	<b>\$ (68,594,745)</b>	<b>\$ (5,358,914)</b>	<b>8%</b>

**TOTAL LIABILITIES and  
FUND BALANCES COMBINED:**

<b>\$ (105,935,571)</b>	<b>\$ (102,194,478)</b>	<b>\$ (3,741,093)</b>	<b>4%</b>
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Asset & Liability Balance check: \$ ckd -

\$ ckd -

\$ ckd -



# HUMBOLDT GENERAL HOSPITAL PRESENTATION OF CASH ACCOUNTS

NOVEMBER 30, 2018 -- FISCAL YEAR 2019

ACCOUNTS FOR:	G/L ACCT. #:	LOCATION HELD:	ACCOUNT.#:	BALANCES:
Petty Cash	100.0005	Safe/Business Office/Clinics	Cash Drawers(12)	\$ 3,545.00
General Fund Checking	100.0010	Wells Fargo Bank	3828	\$ 8,105,082.22
Tax Account	100.0012	Wells Fargo Bank	925	\$ 16,491.81
Payroll Checking	100.0015	Wells Fargo Bank	3836	\$ -
Benefit Claims Account	100.0065	Wells Fargo Bank	9805	\$ 553.17
General Fund Investment	100.0070	Wells Fargo Bank	6671	\$ 7,009,424.80
Hanssen Scholarship Fund	100.0075	Wells Fargo Bank	7067	\$ 4,006.54
EMS Scholarship Fund	100.0078	Wells Fargo Bank	917	\$ 15,870.96
SNF Patient Trust	100.0090	Wells Fargo Bank	0021	\$ 29,115.00
SNF Memorial/Activity	100.0095	Wells Fargo Bank	9304	\$ 4,911.19
Investment Trust		Wells Fargo Bank	6500	\$ 10,089,485.11
HRG Self Pay	100.0055	Sterling Bank	1566	\$ 138,761.81
LGIP Savings	100.0080	NV State Treasurer	#xxxGHO	\$ 230,689.41

**HGH TOTALS: \$ 25,647,937.02**

*I, Sandi Lehman, CFO for Humboldt General Hospital, hereby certifies that the above report of cash account balances accurately reflects the actual cash-in-bank as reported by the financial institutions holding the funds for the current period end.*

**SUBMITTED & SIGNED:**

*Sandi Lehman, CFO*

**Sandi Lehman, CFO**

# Financial Narrative

## Period Ending December 31, 2018

### **FISCAL YTD BALANCE SHEET**

**Current Assets** increased 32% of current assets from this time last year. The majority of this is related to an increase in cash held in the Operating Fund. Restricted Assets (cash designated for Capital and special projects) report at 39% higher than last year with an increase in cash of approximately \$5m. Property, Plant and Equipment (Net of Depreciation) report at 8% less than last year or \$5.3m. Overall, **TOTAL ASSETS** report above last year by \$4.8m, or 5%, attributed to the increase in Current Assets, Restricted Assets and Deferred Outflows (Pension), net of the decrease in Property Plant and Equipment.

**Current Liabilities:** Overall, Current Liabilities post below last year this period by 20%, or \$640k. This shift in the decrease of current liabilities is mainly due to a decrease in accounts payable and retainage payable related to construction in the prior year. **TOTAL LIABILITIES** decreased from this time last year by 4% or \$1.2m. **Total Liabilities and Fund Balances Combined** report 5% above this time last year, or \$4.8m.

### **FISCAL YTD PROFIT & LOSS STATEMENT**

**Room & Board Revenues** for the current month were slightly higher than budget projections by \$2k. **Ancillary Revenues** were lower than budgeted projections by \$340k, or 5%. **Total Year to Date Gross Revenue from Services to Patients** was \$41.1m, which is \$2.8m below the budget projection of \$43.9m, a decrease of 6%. **Contractual Adjustments to Revenues** posted below budget by \$1.2m, or 7%. **GRAND TOTAL OPERATING REVENUES** (inclusive of "Other" Revenues) came in under budget projections at a variance of 7%, with actuals posting at \$24.7m as compared to a budget projection of \$26.6m, or \$1.9m.

**Operating Expenses** posted below budgeted appropriations for fiscal year-to-date with an under budget variance of 4%, or \$1.3m. **Operating Revenues over (under) Expenses (Operating Profit)** reflect an Operating – Actual – loss of (\$2.5m) as compared to an Operating – Budget – loss of (\$1.9m), a 26% unfavorable variance, or \$657k. **Non-Operating Revenue (Tax Revenue & Interest Earnings)** post above budgeted projections by 3.5m, or approximately \$1.1m. The receipt of Ad Valorem Property, Consolidated (Sales), and Net Proceeds (Mines) tax revenues will fluctuate from month to month and are posted when received through Humboldt County's monthly tax revenue distribution. **The Change in Net Assets** (actual) reflects positive earnings fiscal year-to-date of \$992k, as compared to budgeted earnings of \$517k.

(m = millions of dollars) (k - thousands of dollars)

## **FISCAL YEAR-TO-DATE REVENUE PAYOR MIX**

The **December 2018** revenue payer mix posted as follows: Medicare 41.3% (increase of 8.1%), Medicaid 22.0% (decrease 2.9%), Insurance 22.7% (decrease of 6.6%), Private Pay 12.8% (increase of 4.0%), and All Other 1.1% (decrease of 2.7%).

## **ANCILLARY VISITS**

For the month of **December**, total Ancillary visits were 3,906, or 213 visits less than the 4,119 reported in November. A breakdown of the **December** ancillary visits are as follows: Hospital (Lab, Radiology, Other, etc.) = 1,596; Telemedicine = 13; Dr. Perkinson = 280; Dr. Li = 243 Jeremy Hurst = 128, Echo Mathews = 156; Resident(s) & Dr. Westling Clinic = 222; and the Walk-In Clinic = 607. The Emergency Room took care of 627 patients during the month of December, an increase of 60 patients over the 567 patients seen in November.

**Humboldt General Hospital  
Statistics Comparison**

Agenda Item: E

**December 31, 2018**

	<u>Monthly Budget</u>	<u>December-18 Actual</u>	<u>MTD Variance</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>YTD Variance</u>
Med/Surg Pt Days	158	163	2.95%	950	1,010	6.32%
Obstetrics Pt Days	30	38	25.27%	182	190	4.40%
Nursery Pt Days	32	39	23.16%	190	206	8.42%
ICU Pt Days	12	6	-48.57%	70	82	17.14%
Swing Bed Days	28	19	-30.91%	165	143	-13.33%
Harmony Manor	840	744	-11.43%	5,040	4,257	-15.54%
Quail Corner	200	242	21.00%	1,200	1,171	-2.42%
Labor Room Deliveries	19	26	38.67%	113	125	11.11%
Operating Room Cases	93	97	3.93%	560	622	11.07%
Radiology Tests	1,100	1,033	-6.09%	6,600	6,397	-3.08%
Laboratory Tests	7,018	6,447	-8.13%	42,107	40,433	-3.98%
Emergency Room Visits	600	627	4.50%	3,600	3,622	0.61%
Amulance Runs	225	122	-45.78%	1,350	729	-46.00%
RHC Visits	2,424	1,683	-30.58%	14,546	11,761	-19.15%

Days are counted in month discharged.

**Humboldt County Hospital District** PAGE 1/6  
**STATISTICAL REPORTING**  
 Report Period: DECEMBER 31 2018, FY 2019 **DECEMBER 2018**

**FISCAL YEAR 2018**

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 \* DAYS IN  
 \* PERIOD: 31  
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HGH Stats, Period Ending 12/31/18:

	BEDS	ADMIT	DISCH.	TOTAL	AVERAGE		FACILITY	
PATIENT DAY RECAPS:	AVAIL.	#'S	#'S	PATIENT	DAILY	%%	LENGTH	MONTH
SERVICE CLASSIFICATIONS:			(Includes	DAYS	CENSUS	OCCUPY	OF STAY	DEATHS
			Deaths)					
AC02 MEDICAL/SURGICAL	16	49	48	182	5.87	36.69%	3.79	1
AC03 OBSTETRICS	6	26	25	38	1.23	30.65%	1.52	0
AC04 NEWBORN NURSERY	6	26	25	39	1.26	20.97%	1.56	0
AC05 INTENSIVE CARE UNIT	3	3	3	6	0.19	9.68%	2.00	1
<b>TOTAL ACUTE CARE:</b>	<b>25</b>	<b>104</b>	<b>101</b>	<b>265</b>	<b>8.55</b>	<b>38.86%</b>	<b>2.62</b>	<b>2</b>
( # of beds do not include Nursery)								
<b>Monthly Average Length of Stay</b>							<b>2.44</b>	
AC01 NURSING HOME / MEMORY CARE	42	1	3	986	31.81	106.02%		1
<b>FACILITY GRAND TOTALS:</b>	<b>67</b>	<b>105</b>	<b>104</b>	<b>1251</b>	<b>40.35</b>	<b>77.61%</b>		<b>3</b>
		ckd	ckd	ckd				ckd

	Dec-18		Dec-17		CURRENT		PRIOR	Y-T-D
	CURRENT		MONTH		FY 2019		FY 2018	Amount
<u>OUTPATIENT/EMERGENCY ROOM STATS:</u>	<u>MONTH</u>		<u>PRIOR YR</u>		<u>Y-T-D</u>		<u>Y-T-D</u>	<u>Inc. (Dec)</u>
ADMITS FROM EMERGENCY ROOM	35		24		177		189	-6%
SHORT OBSERVATION	30		42		172		177	-3%
TRANSFERS FROM EMERGENCY ROOM	31		30		186		205	-9%
DEATHS, EMERGENCY ROOM	1		0		6		2	200%
DOA'S (Dead on Arrival)	0		0		0		0	#DIV/0!
AMA'S / ELOPEMENTS	2		6		43		36	19%
LEAVE WITHOUT BEING SEEN	3		10		25		34	-26%
*****	*****		*****		*****		*****	*****
EMERGENCY RM VISITS	627		621		3,622		3,713	-2%
OUTPATIENT VISITS (All Other)	1,596		1,830		10,620		11,913	-11%
CLINIC - DR. LI	243		390		2,393		2,939	-19%
CLINIC - WALK IN CLINIC	607		640		3,772		3,670	3%
CLINIC - RESIDENT CLINIC	222		312		1,445		1,892	100%
CLINIC - JEREMY HURST	128		246		686		1,463	100%
CLINIC - ECHO MATHEWS	156		219		1,159		1,529	100%
CLINIC - DR. PERKINSON	280		344		1,974		2,528	-22%
CLINIC - DR. BECKMAN	28		0		169		0	#DIV/0!
CLINIC - ROBERT JOHNSON	6		0		51		0	#DIV/0!
TELEMEDICINE	13		25		112		96	17%
<b>TOTAL EMERGENCY/OUTPATIENTS:</b>	<b>3,906</b>		<b>4,627</b>		<b>26,003</b>		<b>29,743</b>	<b>-13%</b>

	Dec-18	Dec-17	CURRENT	PRIOR	Y-T-D
	CURRENT	MONTH	FY 2019	FY 2018	Amount
<u>ACUTE/SKILLED NURSING STATISTICS:</u>	<u>MONTH</u>	<u>PRIOR YR</u>	<u>Y-T-D</u>	<u>Y-T-D</u>	<u>Inc. (Dec)</u>
<u>PATIENTS ADMITTED:</u>					
ADULTS & PEDIATRIC	78	72	430	430	0%
NEWBORNS	26	12	123	109	13%
SNF / MEMORY CARE	1	3	17	18	-6%
<b>TOTAL PATIENTS ADMITTED:</b>	<b>105</b>	<b>87</b>	<b>570</b>	<b>557</b>	<b>2%</b>
<u>PATIENTS DISCHARGED:</u>					
ADULTS & PEDIATRIC	76	69	411	425	-3%
NEWBORNS	25	14	123	111	11%
SNF / MEMORY CARE	3	4	13	20	-35%
<b>TOTAL PATIENTS DISCHARGED:</b>	<b>104</b>	<b>87</b>	<b>547</b>	<b>556</b>	<b>-2%</b>
<u>TOTAL PATIENT DAYS:</u>					
ADULTS & PEDIATRIC	226	223	1,283	1,319	-3%
NEWBORNS	39	25	206	188	10%
<b>TOTAL ACUTE PATIENT DAYS:</b>	<b>265</b>	<b>248</b>	<b>1,489</b>	<b>1,507</b>	<b>-1%</b>
<b>TOTAL SNF / MEMORY CARE PATIENT DAYS:</b>	<b>986</b>	<b>759</b>	<b>5,428</b>	<b>4,566</b>	<b>19%</b>
<b>TOTAL FACILITY PATIENT DAYS:</b>	<b>1,251</b>	<b>1,007</b>	<b>6,917</b>	<b>6,073</b>	<b>14%</b>
<u>TOTAL FACILITY DEATHS:</u>					
ACUTE HOSPITAL	2	3	9	10	-10%
SNF / MEMORY CARE	1	1	2	6	-67%
<b>TOTAL FACILITY DEATHS:</b>	<b>3</b>	<b>4</b>	<b>11</b>	<b>16</b>	<b>-31%</b>

	Dec-18	Dec-17	CURRENT	PRIOR	Y-T-D
	CURRENT	MONTH	FY 2019	FY 2018	Amount
<b>SURGICAL OPERATIONS PERFORMED:</b>	MONTH	PRIOR YR	Y-T-D	Y-T-D	Inc. (Dec)
General	27	23	169	125	35%
Gynecological	3	0	15	1	1400%
C-Sections	4	2	20	29	-31%
Orthopedic	20	32	122	126	-3%
Podiatry	4	0	10	12	-17%
Ophthalmology	0	0	32	20	60%
ENT	0	0	0	0	0%
Plastic	0	0	0	0	0%
Oral	0	0	0	0	0%
Urology	0	0	0	0	0%
Other	0	0	0	39	-100%
<b>TOTAL SURGERY:</b>	<b>58</b>	<b>57</b>	<b>368</b>	<b>352</b>	<b>5%</b>
	Dec-18	Dec-17	CURRENT	PRIOR	Y-T-D
	CURRENT	MONTH	FY 2019	FY 2018	Amount
<b>SURGICAL PROCEDURES PERFORMED:</b>	MONTH	PRIOR YR	Y-T-D	Z-T-D	Inc. (Dec)
Colonoscopies	21	18	148	89	66%
Gastrointestinal Procedures	16	17	88	73	21%
Sigmoidoscopy	2	2	7	8	-13%
Bronchoscopy	0	0	0	0	#DIV/0!
Oral	0	0	0	0	0%
Ophthalmology-Yag	0	0	10	12	0%
Other	0	0	1	2	-50%
<b>TOTAL PROCEDURES:</b>	<b>39</b>	<b>37</b>	<b>254</b>	<b>184</b>	<b>38%</b>
<b>TOTAL SURGERIES AND PROCEDURES:</b>	<b>97</b>				
***Number of above surgeries and/or procedure that were laparoscopic.	7	7	50	46	9%

	SURGERY	SURGERY	SURGERY	PROCEDURE	PROCEDURE	PROCEDURE
SURGICAL HOURS/PROCEDURE HOURS PERFORMED:	HOURS	HOURS	HOURS	HOURS	HOURS	HOURS
	INPT:	OUTPT:	TOTALS:	INPT:	OUTPT:	TOTALS:
<u>Fiscal Year 2019: 7/1/18- 6/30/19:</u>						
<u>2018</u>						
July	36.95	26.93	63.88	0.75	14.22	14.97
August	19.52	27.32	46.84	1.42	17.35	18.77
September	36.82	23.85	60.67	2.30	11.10	13.40
October	40.92	30.30	71.22	1.23	24.40	25.63
November	19.08	36.07	55.15	1.20	28.62	29.82
December	39.13	23.88	63.02	1.28	16.82	18.10
<u>2019</u>	*****	*****	*****	*****	*****	*****
January			0.00			0.00
February			0.00			0.00
March			0.00			0.00
April			0.00			0.00
May			0.00			0.00
June			0.00			0.00
<b>FY 2019 Y-T-D HOURS:</b>	<b>192.42</b>	<b>168.35</b>	<b>360.77</b>	<b>8.1866667</b>	<b>112.50333</b>	<b>120.69</b>

	Dec-18	Dec-17	CURRENT	PRIOR	Y-T-D
	CURRENT	MONTH	FY 2019	FY 2018	Amount
<u>ANCILLARY UNITS OF SERVICE:</u>	<u>MONTH</u>	<u>PRIOR YR</u>	<u>Y-T-D</u>	<u>Y-T-D</u>	<u>Inc. (Dec)</u>
<u>LABORATORY, ALL:</u>					
INPATIENT	1,503	1,754	8,213	8,719	-6%
OUTPATIENT	4,944	5,272	32,220	33,388	-3%
<u>RADIOLOGY, ALL OTHER:</u>					
INPATIENT	52	74	323	351	-8%
OUTPATIENT	730	686	4,475	4,599	-3%
<u>RADIOLOGY, CT SCANS:</u>					
INPATIENT	10	18	64	71	-10%
OUTPATIENT	141	140	922	858	7%
<u>RADIOLOGY, MAMMOGRAPHY:</u>					
INPATIENT	0	0	1	0	#DIV/0!
OUTPATIENT	60	48	360	385	-6%
<u>RADIOLOGY, MRI:</u>					
INPATIENT	4	1	22	14	57%
OUTPATIENT	36	34	230	288	-20%
INPATIENT TOTALS:	1,569	1,847	8,623	9,155	-6%
OUTPATIENT TOTALS:	5,911	6,180	38,207	39,518	-3%

<b>HUMBOLDT GENERAL HOSPITAL</b>  <b>FINANCIAL STATEMENT of</b> <b>PROFIT or ( LOSS )</b> <b>Current Month &amp; Year-to-Date</b> <b>FISCAL YEAR 2019</b> <b>PERIOD July 1, 2018 - June 30, 2019</b>	<b>December 31, 2018</b> <b>CURRENT PERIOD</b>			<b>MONTHLY</b> <b>FISCAL</b> <b>YEAR</b> <b>2 * 0 * 1 * 9</b>
	<u>Period Actual</u> <u>Dec-18</u>	<u>Period Budget</u> <u>Dec-18</u>	<u>Variance \$\$\$</u> <u>Actual/Budget</u>	<u>% Variance</u> <u>+ ( - ) Budget</u>
<b><u>OPERATING REVENUES:</u></b>				
<b><u>ROOM / BED CHARGES REVENUE:</u></b>				
ACUTE CARE	\$ 686,375	\$ 649,324	\$ 37,051	6%
NURSING HOME (Harmony Manor)	\$ 169,417	\$ 208,659	\$ (39,242)	-19%
MEMORY CARE (Quail Corner)	\$ 71,500	\$ 66,917	\$ 4,583	7%
<b>** TOTAL ROOM / BED CHARGES **</b>	<b>\$ 927,292</b>	<b>\$ 924,900</b>	<b>\$ 2,392</b>	<b>0%</b>
<b><u>ANCILLARY CHARGES REVENUE:</u></b>				
IN-PATIENTS	\$ 2,102,225	\$ 2,184,378	\$ (82,153)	-4%
OUT-PATIENTS	\$ 3,757,569	\$ 3,998,832	\$ (241,263)	-6%
NURSING HOME (Harmony Manor)	\$ 163,140	\$ 166,888	\$ (3,748)	-2%
MEMORY CARE (Quail Corner)	\$ 19,842	\$ 33,110	\$ (13,268)	-40%
<b>**TOTAL ANCILLARY SERVICES REVENUE**</b>	<b>\$ 6,042,776</b>	<b>\$ 6,383,208</b>	<b>\$ (340,432)</b>	<b>-5%</b>
<b>** GROSS REVENUES **</b>	<b>\$ 6,970,068</b>	<b>\$ 7,308,108</b>	<b>\$ (338,040)</b>	<b>-5%</b>
<b>** FROM SERVICES TO PATIENTS **</b>				
<b>** (LESS) CONTRACTUALS TO REVENUES **</b>	<b>\$ 2,585,579</b>	<b>\$ 2,988,861</b>	<b>\$ (403,282)</b>	<b>-13%</b>
<b>** NET REVENUE FROM SERVICES TO PATIENTS **</b>	<b>\$ 4,384,489</b>	<b>\$ 4,319,247</b>	<b>\$ 65,242</b>	<b>2%</b>
<b>** OTHER OPERATING REVENUES **</b>	<b>\$ 67,536</b>	<b>\$ 97,879</b>	<b>\$ (30,343)</b>	<b>-31%</b>
<b>** GRAND TOTAL **</b>	<b>\$ 4,452,025</b>	<b>\$ 4,417,126</b>	<b>\$ 34,899</b>	<b>1%</b>
<b>** OPERATING REVENUES **</b>				

<b>HUMBOLDT GENERAL HOSPITAL</b>  <b>FINANCIAL STATEMENT of</b> <b>PROFIT or ( LOSS )</b> <b>Current Month &amp; Year-to-Date</b> <b>FISCAL YEAR 2019</b> <b>PERIOD July 1, 2018 - June 30, 2019</b>	<b>December 31, 2018</b> <b>CURRENT PERIOD</b>			<b>MONTHLY</b> <b>FISCAL</b> <b>YEAR</b> <b>2 * 0 * 1 * 9</b>
	Period Actual Dec-18	Period Budget Dec-18	Variance \$\$\$ Actual/Budget	% Variance + ( - ) Budget

**\*\* OPERATING EXPENSES \*\***

PROFESSIONAL CARE of PATIENTS	\$ 1,751,763	\$ 2,175,860	\$ (424,097)	-19%
NURSING ADMINISTRATION / QUALITY IMP.	\$ 88,463	\$ 68,130	\$ 20,333	30%
DIETARY DEPARTMENT	\$ 85,719	\$ 89,562	\$ (3,843)	-4%
HOUSEKEEPING/LAUNDRY-LINEN/JANITOR	\$ 56,510	\$ 62,707	\$ (6,197)	-10%
PLANT OPERATION & MAINTENANCE	\$ 90,591	\$ 96,114	\$ (5,523)	-6%
MEDICAL RECORDS	\$ 41,825	\$ 41,240	\$ 585	1%
ADMINISTRATION	\$ 1,325,934	\$ 1,101,134	\$ 224,800	20%
PROVISION FOR DEPRECIATION	\$ 567,802	\$ 582,909	\$ (15,107)	-3%
BAD DEBTS, NET OF RECOVERY	\$ 412,144	\$ 525,569	\$ (113,425)	-22%
<b>** TOTAL OPERATING EXPENSES **</b>	<b>\$ 4,420,751</b>	<b>\$ 4,743,225</b>	<b>\$ (322,474)</b>	<b>-7%</b>

( ) = Under Budget

<b>** OPERATING REVENUE over (under) EXPENSES:</b>	<b>\$ 31,274</b>	<b>\$ (326,099)</b>	<b>\$ 357,373</b>	<b>-110%</b>
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**\*\* NON-OPERATING REVENUES \*\***

AD VALOREM TAXES	\$ 305,872	\$ 319,762	\$ (13,890)	-4%
CONSOLIDATED TAXES	\$ 93,308	\$ 67,091	\$ 26,217	39%
NET PROCEEDS OF MINES TAX	\$ 138,729	\$ -	\$ 138,729	#DIV/0!
INTEREST EARNED	\$ 38,795	\$ 12,991	\$ 25,804	199%
<b>** TOTAL NON-OPERATING REVENUES **</b>	<b>\$ 576,704</b>	<b>\$ 399,844</b>	<b>\$ 176,860</b>	<b>44%</b>

<b>** CHANGE IN NET ASSETS:</b>	<b>\$ 607,978</b>	<b>\$ 73,745</b>	<b>\$ 534,233</b>	<b>724%</b>
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<b>HUMBOLDT GENERAL HOSPITAL</b>  <b>FINANCIAL STATEMENT of</b> <b>PROFIT or ( LOSS )</b> <b>Current Month &amp; Year-to-Date</b> <b>FISCAL YEAR 2019</b> <b>PERIOD July 1, 2018 - June 30, 2019</b>	<b>JULY '18 - DECEMBER '18</b> <b>FY 2019 YEAR-TO-DATE</b>			<b>YTD</b> <b>FISCAL</b> <b>YEAR</b> <b>2 * 0 * 1 * 9</b>
	<b>YTD FY18 Actual</b> <b>JULY '18 - DECEMBER '18</b>	<b>YTD FY18 Budget</b> <b>JULY '18 - DECEMBER '18</b>	<b>Variance \$\$\$</b> <b>Actual/Budget</b>	<b>% Variance</b> <b>+ (-) Budget</b>

**OPERATING REVENUES:**

**ROOM / BED CHARGES REVENUE:**

ACUTE CARE	\$ 3,559,141	\$ 3,895,944	\$ (336,803)	-9%
NURSING HOME (Harmony Manor)	\$ 951,750	\$ 1,251,949	\$ (300,199)	-24%
MEMORY CARE (Quail Corner)	\$ 373,725	\$ 401,502	\$ (27,777)	-7%
<b>** TOTAL ROOM / BED CHARGES **</b>	<b>\$ 4,884,616</b>	<b>\$ 5,549,395</b>	<b>\$ (664,779)</b>	<b>-12%</b>

**ANCILLARY CHARGES REVENUE:**

IN-PATIENTS	\$ 11,761,492	\$ 13,106,265	\$ (1,344,773)	-10%
OUT-PATIENTS	\$ 23,537,247	\$ 24,099,996	\$ (562,749)	-2%
NURSING HOME (Harmony Manor)	\$ 833,823	\$ 1,001,330	\$ (167,507)	-17%
MEMORY CARE (Quail Corner)	\$ 112,646	\$ 198,661	\$ (86,015)	-43%
<b>**TOTAL ANCILLARY SERVICES REVENUE**</b>	<b>\$ 36,245,208</b>	<b>\$ 38,406,252</b>	<b>\$ (2,161,044)</b>	<b>-6%</b>

<b>** GROSS REVENUES **</b>	<b>\$ 41,129,824</b>	<b>\$ 43,955,647</b>	<b>\$ (2,825,823)</b>	<b>-6%</b>
<b>** FROM SERVICES TO PATIENTS **</b>				

<b>** (LESS) CONTRACTUALS TO REVENUES **</b>	<b>\$ 16,732,221</b>	<b>\$ 17,933,148</b>	<b>\$ (1,200,927)</b>	<b>-7%</b>
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<b>** NET REVENUE FROM SERVICES TO PATIENTS **</b>	<b>\$ 24,397,603</b>	<b>\$ 26,022,499</b>	<b>\$ (1,624,896)</b>	<b>-6%</b>
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<b>** OTHER OPERATING REVENUES **</b>	<b>\$ 275,989</b>	<b>\$ 587,275</b>	<b>\$ (311,286)</b>	<b>-53%</b>
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<b>** GRAND TOTAL **</b>	<b>\$ 24,673,592</b>	<b>\$ 26,609,774</b>	<b>\$ (1,936,182)</b>	<b>-7%</b>
<b>** OPERATING REVENUES **</b>				

HUMBOLDT GENERAL HOSPITAL		JULY '18 - DECEMBER '18 FY 2019 YEAR-TO-DATE			YTD FISCAL YEAR 2 * 0 * 1 * 9
<b>FINANCIAL STATEMENT of PROFIT or ( LOSS )</b> Current Month & Year-to-Date FISCAL YEAR 2019 PERIOD July 1, 2018 - June 30, 2019		<u>YTD FY18 Actual</u> JULY '18 - DECEMBER '18	<u>YTD FY18 Budget</u> JULY '18 - DECEMBER '18	<u>Variance \$\$\$</u> Actual/Budget	<u>% Variance</u> + (-) Budget
<b>** OPERATING EXPENSES **</b>					
PROFESSIONAL CARE of PATIENTS	\$ 12,039,612	\$ 13,055,176	\$ (1,015,564)	-8%	
NURSING ADMINISTRATION / QUALITY IMP.	\$ 562,533	\$ 408,780	\$ 153,753	38%	
DIETARY DEPARTMENT	\$ 515,413	\$ 537,372	\$ (21,959)	-4%	
HOUSEKEEPING/LAUNDRY-LINEN/JANITOR	\$ 357,304	\$ 376,242	\$ (18,938)	-5%	
PLANT OPERATION & MAINTENANCE	\$ 555,963	\$ 576,684	\$ (20,721)	-4%	
MEDICAL RECORDS	\$ 340,335	\$ 247,440	\$ 92,895	38%	
ADMINISTRATION	\$ 6,135,932	\$ 6,639,476	\$ (503,544)	-8%	
PROVISION FOR DEPRECIATION	\$ 3,441,529	\$ 3,497,454	\$ (55,925)	-2%	
BAD DEBTS, NET OF RECOVERY	\$ 3,263,913	\$ 3,153,414	\$ 110,499	4%	
<b>** TOTAL OPERATING EXPENSES **</b>	<b>\$ 27,212,534</b>	<b>\$ 28,492,038</b>	<b>\$ (1,279,504)</b>	<b>-4%</b>	
( ) = Under Budget					
<b>** OPERATING REVENUE over (under) EXPENSES:</b>	<b>\$ (2,538,942)</b>	<b>\$ (1,882,264)</b>	<b>\$ (656,678)</b>	<b>26%</b>	
<b>** NON-OPERATING REVENUES **</b>					
AD VALOREM TAXES	\$ 2,191,522	\$ 1,918,572	\$ 272,950	14%	
CONSOLIDATED TAXES	\$ 364,691	\$ 402,546	\$ (37,855)	-9%	
NET PROCEEDS OF MINES TAX	\$ 832,373	\$ -	\$ 832,373	#DIV/0!	
INTEREST EARNED	\$ 142,446	\$ 77,946	\$ 64,500	83%	
<b>** TOTAL NON-OPERATING REVENUES **</b>	<b>\$ 3,531,032</b>	<b>\$ 2,399,064</b>	<b>\$ 1,131,968</b>	<b>47%</b>	
<b>** CHANGE IN NET ASSETS:</b>	<b>\$ 992,090</b>	<b>\$ 516,800</b>	<b>\$ 475,290</b>	<b>92%</b>	

**\*\* BALANCE SHEET \*\***

FISCAL YEAR 2019 - 12-MONTHS (JULY'18 - JUNE'19)

<u>CURRENT</u> <u>FISCAL YEAR 2019</u> <u>ACTUAL</u> <u>AS OF DECEMBER 31, 2018</u>	<u>PRIOR</u> <u>FISCAL YEAR 2018</u> <u>ACTUAL</u> <u>AS OF DECEMBER 31, 2017</u>	<u>FY 19 TO FY 18</u> <u>DOLLAR</u> <u>VARIANCE:</u>	<u>FISCAL YEAR</u> <u>2019 / 2018</u> <u>% Variance</u> <u>+ (-) Change</u>
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**ASSETS:**

**CURRENT ASSETS:**

CASH - UNRESTRICTED	\$ 7,022,762	\$ 2,045,887	\$ 4,976,875	243%
ACCOUNTS REC. NET OF DBTFL. ACCTS.	\$ 9,865,160	\$ 8,721,221	\$ 1,143,939	13%
INVENTORY	\$ 1,676,421	\$ 1,467,788	\$ 208,633	14%
3RD PARTY RECEIVABLE FROM MC / MD	\$ 506,249	\$ 2,291,653	\$ (1,785,404)	-78%
PREPAID EXPENSES	\$ 799,008	\$ 515,112	\$ 283,896	55%
<b><u>TOTAL CURRENT ASSETS:</u></b>	<b>\$ 19,869,600</b>	<b>\$ 15,041,661</b>	<b>\$ 4,827,939</b>	<b>32%</b>

**RESTRICTED ASSETS:**

RESERVE FOR HEALTHCARE SERVICES	\$ 8,038,113	\$ 7,672,144	\$ 365,969	5%
WELLS FARGO INVESTMENT TRUST ACCOUNT	\$ 10,126,547	\$ -	\$ 10,126,547	#DIV/0!
RESERVE FOR PHASE 5- SURGERY/ER REMODEL	\$ -	\$ 5,403,886	\$ (5,403,886)	-100%
<b><u>TOTAL RESTRICTED ASSETS:</u></b>	<b>\$ 18,164,660</b>	<b>\$ 13,076,030</b>	<b>\$ 5,088,630</b>	<b>39%</b>

PROPERTY, PLANT & EQUIPMENT, NET OF DEPRECIATION	\$ 63,079,516	\$ 68,340,934	\$ (5,261,418)	-8%
<b><u>TOTAL PROPERTY/PLANT/EQUIP:</u></b>	<b>\$ 63,079,516</b>	<b>\$ 68,340,934</b>	<b>\$ (5,261,418)</b>	<b>-8%</b>

**DEFERRED OUTFLOWS OF RESOURCES:**

PENSION DEFERRED OUTFLOWS	\$ 5,170,460	\$ 5,070,455	\$ 100,005	2%
<b><u>TOTAL DEFERRED OUTFLOWS OF RESOURCES:</u></b>	<b>\$ 5,170,460</b>	<b>\$ 5,070,455</b>	<b>\$ 100,005</b>	<b>2%</b>

<b><u>TOTAL ASSETS:</u></b>	<b>\$ 106,284,236</b>	<b>\$ 101,529,080</b>	<b>\$ 4,755,156</b>	<b>5%</b>
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**\*\* BALANCE SHEET \*\***

FISCAL YEAR 2019 - 12-MONTHS (JULY'18 - JUNE'19)

<u>CURRENT</u> <u>FISCAL YEAR 2019</u> <u>ACTUAL</u> <u>AS OF DECEMBER 31, 2018</u>	<u>PRIOR</u> <u>FISCAL YEAR 2018</u> <u>ACTUAL</u> <u>AS OF DECEMBER 31, 2017</u>	<u>FY 19 TO FY 18</u> <u>DOLLAR</u> <u>VARIANCE:</u>	<u>FISCAL YEAR</u> <u>2019 / 2018</u> <u>% Variance</u> <u>+ (-) Change</u>
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**LIABILITIES:**

**CURRENT LIABILITIES:**

ACCOUNTS PAYABLE	\$ (735,680)	\$ (1,338,380)	\$ 602,700	-45%
ACCOUNTS PAYABLE - RETAINAGE	\$ -	\$ (340,442)	\$ 340,442	-100%
ACCRUED PAYROLLS	\$ (844,955)	\$ (550,914)	\$ (294,041)	53%
ACCRUED PTO & SICK LEAVE	\$ (938,638)	\$ (932,104)	\$ (6,534)	1%
3RD PARTY PAYABLE MC / MD	\$ -	\$ -	\$ -	#DIV/0!
<b><u>TOTAL CURRENT LIABILITIES:</u></b>	<b>\$ (2,519,273)</b>	<b>\$ (3,161,840)</b>	<b>\$ 642,567</b>	<b>20%</b>

**LONG-TERM LIABILITIES:**

NET PENSION LIABILITY	\$ (27,377,824)	\$ (26,093,478)	\$ (1,284,346)	5%
<b><u>TOTAL LONG-TERM LIABILITIES:</u></b>	<b>\$ (27,377,824)</b>	<b>\$ (26,093,478)</b>	<b>\$ (1,284,346)</b>	<b>5%</b>

**DEFERRED INFLOWS OF RESOURCES:**

PENSION DEFERRED INFLOWS	\$ (1,796,539)	\$ (3,669,432)	\$ 1,872,893	-51%
<b><u>TOTAL DEFERRED INFLOWS OF RESOURCES:</u></b>	<b>\$ (1,796,539)</b>	<b>\$ (3,669,432)</b>	<b>\$ 1,872,893</b>	<b>-51%</b>

**RESTRICTED ASSETS PAYABLE:**

SNF TRUST FUND DEPOSITS PAYABLE	\$ (28,965)	\$ (11,104)	\$ (17,861)	161%
<b><u>TOTAL A/P RESTRICTED ASSETS:</u></b>	<b>\$ (28,965)</b>	<b>\$ (11,104)</b>	<b>\$ (17,861)</b>	<b>161%</b>

<b><u>TOTAL LIABILITIES:</u></b>	<b>\$ (31,722,601)</b>	<b>\$ (32,935,854)</b>	<b>\$ 1,213,253</b>	<b>-4%</b>
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**\*\* BALANCE SHEET \*\***

FISCAL YEAR 2019 - 12-MONTHS (JULY'18 - JUNE'19)

<u>CURRENT</u> <b>FISCAL YEAR 2019</b> <u>ACTUAL</u> AS OF DECEMBER 31, 2018	<u>PRIOR</u> <b>FISCAL YEAR 2018</b> <u>ACTUAL</u> AS OF DECEMBER 31, 2017	<u>FY 19 TO FY 18</u> <u>DOLLAR</u> <u>VARIANCE:</u>	<u>FISCAL YEAR</u> <u>2019 / 2018</u> <u>% Variance</u> <u>+ (-) Change</u>
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**FUND BALANCES:**

**UNRESTRICTED FUND BALANCE:**

CHANGE IN NET ASSETS	\$ (992,088)	\$ (818,505)	\$ (173,583)	21%
NET WORTH - OPERATING FUND	\$ (73,569,547)	\$ (67,774,721)	\$ (5,794,826)	9%
<b><u>TOTAL UNRESTRICTED FUND BALANCE:</u></b>	<b>\$ (74,561,635)</b>	<b>\$ (68,593,226)</b>	<b>\$ (5,968,409)</b>	9%
RESTRICTED FUND BALANCE:	\$ -	\$ -	\$ -	-
<b><u>TOTAL FUND BALANCES:</u></b>	<b>\$ (74,561,635)</b>	<b>\$ (68,593,226)</b>	<b>\$ (5,968,409)</b>	9%

<b><u>TOTAL LIABILITIES and</u></b>				
<b><u>FUND BALANCES COMBINED:</u></b>	<b>\$ (106,284,236)</b>	<b>\$ (101,529,080)</b>	<b>\$ (4,755,156)</b>	5%

Asset & Liability Balance check: \$ - ckd      \$ - ckd      \$ - ckd

HUMBOLDT GENERAL HOSPITAL

RATIOS FOR THE PERIOD ENDING OCTOBER 31, 2018:

		<<<<<<< <FY2019												<<<<<<< <FY2018				
	Standard	DEC	NOV	OCT	SEPT	AUG	JUL	JUN	MAY	APR.	MAR.	FEB.	JAN.	DEC.	NOV.	OCT.	SEPT	AUG
<b>CURRENT RATIO</b> Measure of short-term debt paying ability <small>(Current Assets / Current Liabilities)</small> <b>Assets are 2x as large as Liabilities</b>	>2:1	7.89	6.92	5.69	5.81	5.93	3.07	2.38	3.43	4.48	4.60	5.38	5.08	4.03	4.17	4.46	4.76	4.69
<b>DAYS CASH ON HAND</b> <small>Cash + Temp Investments + Investments divided by Total Expenses (less Depreciation AND Net Bad Debts), divided by Days in Period</small>	>150 DAYS	219.56	221.97	231.47	212.70	218.06	229.13	225.64	197.59	180.93	172.7	176.4	150.5	136.11	146.85	130.46	137.60	136.95
<b>DAYS RECEIVABLES (NET OF ALLOWANCE)</b> Measure of worth as well as billing and collection performance	< 70 DAYS	55.95	51.74	61.36	63.57	49.92	58.55	50.27	64.71	53.23	56.07	52.63	52.35	55.95	51.29	65.66	56.86	53.32
<b>OPERATING MARGIN</b> <small>YTD Operating Profit (Loss) divided by YTD Gross Revenue from Services to Patients (Guide to Hopsital's profitability)</small>	Percent > 3%	-6.17%	-7.52%	-5.77%	-7.94%	-11.00%	-0.58%	-0.71%	-1.39%	-1.31%	-0.96%	-1.85%	-1.02%	-3.73%	-3.60%	-2.32%	-3.92%	-5.07%

Op Margin = measurement of what proportion of revenue is left over after paying for operating costs

# HUMBOLDT GENERAL HOSPITAL PRESENTATION OF CASH ACCOUNTS

DECEMBER 31, 2018 -- FISCAL YEAR 2019

ACCOUNTS FOR:	G/L ACCT. #:	LOCATION HELD:	ACCOUNT.#:	BALANCES:
Petty Cash	100.0005	Safe/Business Office/Clinics	Cash Drawers(12)	\$ 3,545.00
General Fund Checking	100.0010	Wells Fargo Bank	3828	\$ 7,307,753.98
Tax Account	100.0012	Wells Fargo Bank	925	\$ 16,494.33
Payroll Checking	100.0015	Wells Fargo Bank	3836	\$ -
Benefit Claims Account	100.0065	Wells Fargo Bank	9805	\$ 553.17
General Fund Investment	100.0070	Wells Fargo Bank	6671	\$ 7,510,548.24
Hanssen Scholarship Fund	100.0075	Wells Fargo Bank	7067	\$ 4,006.64
EMS Scholarship Fund	100.0078	Wells Fargo Bank	917	\$ 15,873.66
SNF Patient Trust	100.0090	Wells Fargo Bank	0021	\$ 29,114.57
SNF Memorial/Activity	100.0095	Wells Fargo Bank	9304	\$ 4,911.19
Investment Trust		Wells Fargo Bank	6500	\$ 10,126,546.69
HRG Self Pay	100.0055	Sterling Bank	1566	\$ 123,445.11
LGIP Savings	100.0080	NV State Treasurer	#xxxGHO	\$ 231,123.69

**HGH TOTALS: \$ 25,373,916.27**

*I, Sandi Lehman, CFO for Humboldt General Hospital, hereby certifies that the above report of cash account balances accurately reflects the actual cash-in-bank as reported by the financial institutions holding the funds for the current period end.*

**SUBMITTED & SIGNED:**

*Sandi Lehman, CFO*

**Sandi Lehman, CFO**

# EMS Station Flooring Renewal

Humboldt General Hospital  
Board of Trustees Meeting  
22 January 2019  
Agenda item: F1

## Executive Summary – EMS Station Flooring Renewal

### Request

Replace existing flooring at EMS Station.

### Rational

Existing floors are in poor repair.

Existing floors are at least 10 years old.

### Recommendation

2 bids received for floor repair

1. Quality Floors: \$15,065.20
2. Desert Design: \$27,500.00

### Plan

Accept bid from Quality Floors in the amount of \$15,065.20.

This was a line item in the capital budget for this year. I am seeking board approval to expend this money.

The flooring at the EMS station is in poor repair and needs to be replaced. Existing floors are at least ten years old. This was a line item in the capital budget for this year. I am seeking board approval to expend this money.

Point of Contact: Sean Burke, EMS Chief

# EMS Station Floor Renewal

- ▶ Existing Floors are at end of useful life and high maintenance (require frequent waxing / buffing)



# Replacement Product

- ▶ Low maintenance vinyl plank
- ▶ High traffic commercial grade
- ▶ 10 year warranty
- ▶ Includes old floor removal / prep / cove base



# EMS Station Floor Renewal

- ▶ Quote 1 (Quality Floors): \$15,065.20
- ▶ Quote 2 (Desert Design): \$27,500.00
- ▶ \$17K Requested in FY19 Capital Budget
- ▶ Recommend approval of Quote 1
- ▶ Begin work mid-February

# MOU to Land Helicopters at City Park During Disaster Operations

Humboldt General Hospital  
Board of Trustees Meeting  
22 January 2019  
Agenda item: F2

## Executive Summary – MOU to Land Helicopters at City Park During Disaster Operations

### Request

Put MOU in place to land helicopters at City Park during disaster operations

### Rational

HGH currently maintains an FAA certified helicopter landing pad, and has the ability to land one additional helicopter in the adjacent parking lot. During mass casualty or other disaster response operations additional landing spots may be required. This MOU between HGH and City of Winnemucca codifies a mechanism to allow HGH to land additional air ambulance helicopters at the park facility across from the emergency room. This MOU increases HGH's capacity to respond to a major disaster and maintains flight safety standards.

### Recommendation

Recommend Board to sign MOU between HGH and City of Winnemucca.

Point of Contact: Sean Burke, EMS Chief

# MOU to Land Helicopters at Park

- ▶ 1 existing helipad + 1 auxiliary spot in parking lot
- ▶ MCI / disaster operations may require additional spots
- ▶ MOU establishes mechanism with City to land at park
- ▶ Increases capacity & maintains flight safety



**Amendment to Bradford Granath, M.D. agreement for OB Services**

**Background Information**

During discussions about strategy for retaining and recruiting a faculty team of Family Practice Obstetrics physicians it was determined that an increase in the obstetrics pay would assist with attracting new faculty.

It was also identified that the residents need to increase the number of deliveries that they are performing in order to meet accreditation requirements and more importantly providing them a quality education experience. Additional compensation for teaching the residents would provide incentive to the faculty to include the residents in as many deliveries as possible.

**Recommendation**

Approve the creation of an amendment to the agreement with Bradford Granath, M.D. for obstetric services according to the attached fee schedule.

## **July 2018 FPOB Pay Schedule**

In May 2018 discussions occurred on the topic of retaining and recruiting a faculty team of FPOBs. The participants included: Dr. Granath, HGH Board member Bill Hammagren, HGH CEO Art Frable and UNLV Family Medicine Chair Dr. Palmer. Agreement was reached in June to increase FPOB pay to assist in recruiting and retaining FPOBs. This pay schedule was used to calculate the compensation for an employment offer to an FPOB candidate in August, Dr. Stacey Demitt. This schedule has been in effect in calculating pay for Dr. Granath since July 1.

### **Call Pay:**

Monday – Friday:                 \$750  
Saturday and Sunday:         \$1,000

### **Professional Services**

HGH pays Granath for Professional Services of \$1,000 when he performs the delivery of an HGH patient as the HGH “on-call doc”.

Dr. Granath does not bill these HGH patients and the hospital can bill.

(FYI: residents may be often but not always involved in these deliveries)

HGH patients include:

1. Resident continuity patients
2. Perkinson patients when he is out of town
3. “No Doc” patients

### **Resident Supervision Pay:**

It is recognized that there is extra work, time and risk exposure when an attending teaches residents performing procedures and patient care.

Vaginal Delivery:                 \$800 (\$300 from UNLV and \$500 from HGH)

Other LND Patient Care:         \$100: Newborn exam, labor checks

These patients include:

1. Resident continuity patients
2. “No-Doc” patients (who then become resident patients)
3. Perkinson patients when the he is out of town
4. Granath patients when the resident does the delivery and Granath supervises

**MEDICAL ASSISTANT SALARY RANGE**

**Request:**

Increase starting hourly pay rates for Medical Assistant and Certified Medical Assistant job classifications. Authorization to place non-certified Medical Assistant with 3 or more years of recent experience on Certified Medical Assistant pay level.

**Rationale:**

We have experienced difficulty in retaining and recruiting Medical Assistants.  
Annual salary survey review.

**Recommendation:**

Increase Medical Assistant starting hourly rate from \$13.095 to \$14.095.

Increase Certified Medical Assistant starting hourly rate from \$14.095 to \$15.00.

Anticipated annual increase in Medical Assistant wages as a result of adjustment:  
\$10,593.44.

**Plan:**

Update salary levels effective pay period beginning 02/04/2019 and make wage adjustment to five existing employees to bring them up to threshold.

Thank you for your consideration.

**Humboldt General Hospital  
Board of Trustees Meeting  
January 22, 2019  
Agenda Item F5**

January 22, 2019

Ms. Keri Gransbery  
State of Nevada  
Department of Taxation  
1550 College Parkway #115  
Carson City, NV 89706-7937

RE: Humboldt General Hospital District  
Letter of Corrective Action  
For fiscal year end 6/30/18

Dear Ms. Gransbery;

This is in regards to the over expenditure in the amount of \$2,605,713 as noted in the audited financial statements for the fiscal year ended June 30, 2018. The over expenditure occurred due to under budgeting of depreciation expenses related to new construction at the hospital and placed in service during fiscal year 2018 as well as unplanned professional fees incurred at the end of the year. The Humboldt General Hospital District will take all steps to closely monitor the budget to avoid any violations in the future and will make any necessary adjustments prior to fiscal year end.

Please let me know if you need any further information.

Sincerely,

Sandi Lehman  
Chief Financial Officer

## **Charge Master and Pricing Review**

### **Background Information**

A chargemaster is a list of all the billable services and items to a patient or a patient's health insurance provider. It captures the cost of each procedure, service (such as room charges), supply, prescription drug, and diagnostic test provided at the hospital and clinic.

The industry standard is to have a full charge master review completed every three years and it has also been recommended by our current audit firm Dingus Zarecor & Associates. The last charge master review was completed in late 2015 using Craneware. The engagement was done remotely with the utilization of the software and a consultant. During this engagement there was minimal inclusion / participation with department supervisors. The last pricing study / review was completed by CliftonLarsonAllen in 2016.

### **Rationale**

- 1) Based on industry standards a full chargemaster review should be completed as it was due in 2018.
- 2) It has been almost two years since a pricing review has been completed and this will help Humboldt General Hospital is assessing current prices.
- 3) The chargemaster is one of the most important components of building the patient accounting and billing portions of the project so it is critical to have a clean charge master prior to loading it into the Cerner program.
- 4) An updated chargemaster will be most useful to complying with the new CMS requirement of posting the chargemaster and prices for all services provided on the website.

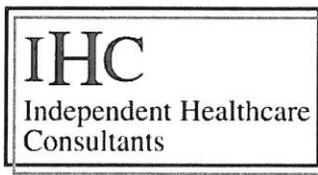
### **Proposals**

Three proposals were received.

	Chargemaster Review	Pricing Review	Total	Travel
Independent Healthcare Consultants	\$17,400	\$3,500	\$20,900	Billed expenses
EideBailly	\$23,000	\$5,500	\$28,500	Billed expenses
Wipfli	\$24,500	\$23,000	\$47,500	Billed expenses

### **Recommendation**

Approve the engagement for chargemaster and billing compliance review and pricing review with Independent Healthcare Consultants based on lowest cost and the recommendation of our audit firm, Dingus Zarecor & Associates.



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January 9, 2019

Ms. Sandi Lehman  
Chief Financial Officer  
Humboldt General Hospital  
118 East Haskell Street  
Winnemucca, NV 89445

Dear Ms. Lehman:

Independent Healthcare Consultants, LLP (IHC) would like to thank you for the opportunity to provide this proposal for consulting services for Humboldt General Hospital.

### **Consulting Services**

Based on our discussions, the hospital is seeking consulting services in the following areas:

- Provide an onsite Chargemaster and Billing Compliance review with recommendations that are tied to the hospital's Medicare Administrative Contractor and other major payers.
- Incorporate the Department Managers into the onsite review process and provide them with the education needed to oversee the chargemaster for their respective areas.
- Provide a review of the pricing for the facility services provided by Humboldt General Hospital as detailed in the current Chargemaster. This pricing will be reviewed against usual and customary charges for a selected group of hospitals.

IHC proposes to provide these consulting services in the following manner.

#### **1. Pre-Onsite Review of Chargemaster**

Prior to the onsite portion of this project, IHC will review the line items in the chargemaster for valid HCPCS codes, appropriate HCPCS code and revenue code combinations and for non-billable equipment, supplies and services. In order to perform this analysis, the following items are requested.

- An electronic file of the hospital's full chargemaster. The chargemaster should include active items only. The file should include, as a minimum, the department identifier, item number, item description, revenue code, CPT/HCPCS code and standard charge. Other information may be included as appropriate, such as tier charging or exploding charge information.

- An electronic revenue and usage or similar report indicating usage by financial class, by line item for the last full fiscal year or for the current fiscal year-to-date.
- The hospital's most recently filed cost report and latest PS&R.
- An organizational chart identifying all of the departments, department heads, and their reporting relationships.
- Charge sheets/tickets from the various ancillary, outpatient and routine service areas such as the ED, Laboratory, Radiology, outpatient surgery, outpatient treatment areas, nursing floors and any other areas providing services.

The electronic files can be e-mailed to [mhollan@ihconsultants.com](mailto:mhollan@ihconsultants.com). Any requested items that will be sent hard copy can be mailed to IHC at P.O. Box 7417, Bismarck, ND 58507-7417.

Based on the review of the chargemaster and other information, a list of questions and issues will be generated. These will be addressed during the onsite portion of the project.

## 2. Onsite Visit

It is anticipated that the onsite portion of this project will last 2 ½ days. During the onsite, meetings will be held with all areas that provide billable services or that have a hand in charging or billing for the hospital's services.

The typical flow of the onsite portion of this project is:

- An entrance conference with those directly involved in the oversight of the project. Typically, this is the CEO and/or CFO, Compliance Officer, Business Office Manager, Director of Health Information Management or similar staff (1/2 hour).
- A tour of the hospital and any related buildings. The purpose of the tour is to review how the hospital is structured and how each department interacts with other departments.
- An educational session for Department Managers and other interested parties. This session will focus on how the hospital is reimbursed for its services and provides a basic background of the Medicare Cost Report, the importance of the chargemaster to the hospital's reimbursements, and the Department Managers role in maintaining the chargemaster (2 hours).
- The remainder of the onsite visit will be spent in meetings with the various Department Managers, business office staff, HIM staff and other areas as needed. These meetings normally last 1 to 1 ½ hours, however the meetings will last as long as needed based on the area being reviewed. A schedule of these meetings is established prior to the onsite. The meetings are structured in an educational format and cover:
  - The area's section or sections of the chargemaster
  - Any billing risks or concerns for the area
  - Compliance issues associated with that particular area
  - Questions and issues generated from the pre-onsite review of the chargemaster
  - Charge Pricing

The sessions address potential problems identified in the chargemaster, encourage the staff to reevaluate the charging and billing processes, provide possible solutions to billing issues and present ideas that may improve the efficiency of the billing processes. In addition,

these sessions stress that the managers are responsible for reviewing and updating their sections of the chargemaster.

- A separate session or sessions will be held with the managers of the overhead departments such as Maintenance, Dietary, Housekeeping, and Laundry to review overhead allocations and statistical bases.
- An exit conference with those directly involved in the oversight of the project. Typically, this is the same group involved in the entrance (1 hour).

### **3. Pricing Review**

The Chargemaster and Billing Compliance review, as outlined above, includes a basic review of charge amounts and compares the hospital's current charge levels to Medicare's payment amounts for PPS hospitals (i.e., APCs, Lab Fee Schedule, etc.).

In addition to this basic pricing review, IHC will provide a comparison of the hospital's current charge levels to MedPar charge data, based on claims submitted to Medicare by rural Nevada hospitals or by a selected group of hospitals. This data is purchased from Optum. The information is aggregate information (i.e., not facility specific) and provides the 25<sup>th</sup>, 50<sup>th</sup>, and 75<sup>th</sup> percentile charges for each CPT or HCPCS code for which data is available. This information is available by CPT or HCPCS code and is not available for services that are not billed with these codes.

Line items without valid CPT or HCPCS codes will be reviewed based on IHC's experience in providing similar reviews to other facilities.

IHC will provide a listing, by department, of how each service compares with the above comparison amounts. During the onsite, IHC will discuss general changes to the charge levels or to the pricing methodologies that may be needed.

The pricing comparisons are listed separately in the Consulting Fees section of this proposal.

### **4. Written Report**

After the onsite, a detailed written report of the findings and recommendations will be provided. It will also include suggestions for training or for further auditing requirements. The report will include findings from the pre-onsite chargemaster review and the onsite meetings with the staff. The written report is provided in approximately 30-45 days of the onsite visit.

Based on the results of the pricing review, IHC may recommend changes to the pricing of specific items, changes to the pricing methodology used for certain departments or areas of the hospital or both.

### **5. Follow-up Assistance**

As part of the cost of the project, IHC provides telephone and e-mail support on chargemaster related issues for a period of 6 months following the delivery of the written report. The support is related to answering questions and clarifying those issues detailed in the report. This support does not include onsite assistance with implementation of the recommendations.

## 6. Implementation Assistance Option

IHC can provide assistance with the implementation of the recommendations made as a result of the onsite chargemaster review. Typically, this assistance is in the form of one or more onsite visits to meet with the affected Department Managers or staff and to coordinate and oversee the change process. In most cases, the hospital's staff will implement the changes.

Implementation assistance varies significantly from hospital to hospital depending on the capabilities of the staff, the resources available to them and the number and complexity of the changes that may be needed.

Once the report is generated and reviewed, if the hospital desires assistance with the implementation of any changes, IHC would be happy to provide those services. A bid for implementation services can be determined at that time.

### Consulting Fees, Staffing and Project Timing

The consulting fees for this project are based on an estimate of the amount of time required to complete the project and the hourly rate of the consultant(s) involved. The fees for the services outlined in this letter of engagement are detailed below in a format that allows the hospital to determine which services will be needed.

Chargemaster and Billing Compliance Review	\$17,400	_____
Additional fees for facility Pricing Review (includes one CBSA)	\$ 3,500	_____

Out-of-pocket expenses, such as airfare, motel, meals, etc. will be billed in addition to the consulting fees.

It is anticipated that this project will be staffed by Mark Hollan or Phil Schmid and will be undertaken during a time that is mutually agreeable to Humboldt General Hospital and IHC.

### Firm Background

A brief description of Independent Healthcare Consultants, LLP is attached. Also attached are the resumes for IHC's partners Mark Hollan and Phil Schmid.

### Other Provisions

Based on the nature of this project and the types of information requested, it may or may not involve Protected Health Information (PHI). IHC would be happy to review and sign the hospital's standard Business Associate Agreement.

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Again, I would like to thank you for giving IHC the opportunity to propose these consulting services. If the terms of this proposal are agreeable, please sign two copies, retain one for your records and return one to: IHC, P.O. Box 7417, Bismarck, ND 58507-7417.

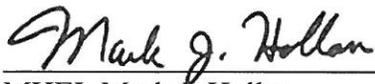
If you have any questions regarding this letter, please do not hesitate to call me at 701-223-8473 or e-mail me at [mhollan@ihconsultants.com](mailto:mhollan@ihconsultants.com).

Sincerely,

Accepted:

Independent Healthcare Consultants, LLP

Humboldt General Hospital



MHEI, Mark J. Hollan  
Partner

\_\_\_\_\_  
Representative

\_\_\_\_\_  
Title

\_\_\_\_\_  
January 9, 2019

Date

\_\_\_\_\_  
Date

## **Independent Healthcare Consultants, LLP**

Independent Healthcare Consultants, LLP (IHC) was founded in May of 2003 and currently has two partners, Mark Hollan and Phil Schmid. The purpose of IHC is to provide quality consulting services to hospitals and other healthcare organizations. IHC's expertise lies in the billing, reimbursement and business office operational areas of healthcare.

Both Mark and Phil have extensive billing and reimbursement backgrounds. Mark spent 17 years as Business Manager/Reimbursement Manager for two hospitals in North Dakota and Phil spent 11 years in a similar capacity for a hospital in North Dakota and a hospital in Wisconsin.

Prior to forming IHC, both Mark and Phil worked for a large regional Consulting and Accounting firm in the upper Midwest. During the last 10 years Mark and Phil have provided consulting services to clients in 15 States. These consulting services have included:

- Chagemaster reviews
- Cost report reviews and analyses
- Cost report preparation
- Revenue Cycle Assessments
- Provider-based Analyses and Implementation Assistance
- Pricing reviews
- Various reimbursement analyses
- Impact analyses of regulatory changes
- Impact analyses of clinic acquisitions
- Business Office operational assessments (hospitals and clinics)
- APC coding and billing audits
- Dialysis coding and billing audits
- Physician coding and billing audits
- Anesthesia billing and compliance audits

In addition to Mark and Phil, IHC employs Nancy Hollan, CPC who provides coding audit services. IHC also has agreements with several subcontractors to provide technical coding and billing guidance as needed.

Mark and Phil have performed chagemaster reviews for over 70 PPS and CAH hospitals ranging in sizes from 10 beds to 450 beds.



701.223.8473  
mhollan@ihconsultants.com

## **Mark J. Hollan**

### **Partner**

#### **Knowledge and Expertise**

- ◆ 19 years providing healthcare consulting and educational services to hospitals and clinics; 14 years as Partner with Independent Healthcare Consultants, LLP and prior to that, 5 years for Eide Bailly, LLP, a large regional consulting/accounting firm in the upper Midwest.
- ◆ 17 years experience in the provider setting, including a 250 bed hospital and 150 practitioner clinic. Responsibilities included the day to day management of the Business Office, Reimbursement and Health Information Management Departments.
- ◆ Provides chargemaster and billing compliance analysis.
- ◆ Provides Provider-Based clinic analysis and implementation assistance
- ◆ Provides reimbursement analyses for hospitals and clinics
- ◆ Provides Revenue Cycle Reviews and Business Office operational assessments
- ◆ Provides reviews and analyses of Medicare Cost Reports.

#### **Professional Memberships and Technical Accomplishments**

- ◆ North Dakota Healthcare Financial Management Association
- ◆ Certified as a Fellow member in 1996
- ◆ Past President

#### **Education**

- ◆ North Dakota State University, Fargo, North Dakota
- ◆ Majors: Business Administration and Psychology
- ◆ Minor: Economics



701.223.8433  
pschmid@ihconsultants.com

## **Philip J. Schmid**

### **Partner**

#### **Knowledge and Expertise**

- ◆ 16 years providing healthcare consulting and educational services; 13 years as partner with Independent Healthcare Consultants, LLP and prior to that, 3 years for Eide Bailly, LLP, a large regional consulting/accounting firm in the upper Midwest.
- ◆ 11 years experience in a hospital provider setting with responsibilities including Director of Patient Financial Services and Reimbursement for a 310 bed regional referral medical center.
- ◆ Prepares and reviews Medicare cost reports.
- ◆ Provider-based clinic analysis and implementation assistance.
- ◆ Provides chargemaster reimbursement and compliance analysis.
- ◆ Develops health care cost accounting systems and integration of decision support system.
- ◆ Prepares financial reports and budget analysis for department or services areas.
- ◆ Revenue Cycle / Business office operational analysis.

#### **Professional Memberships and Technical Accomplishments**

- ◆ North Dakota Healthcare Financial Management Association
- ◆ Past President of North Dakota Healthcare Financial Management Association

#### **Education**

- ◆ Bachelor of Science, Accounting, Business Administration – University of Mary, Bismarck, North Dakota



January 13, 2019

Ms. Sandi Lehman  
Humboldt General Hospital  
118 E Haskell St  
Winnemucca, NV 89445

Dear Ms. Lehman:

We are pleased to confirm our understanding and the nature and limitations of the services we are proposing to provide to Humboldt General Hospital. We have developed a proposal we believe will suit your facility's needs.

#### OBJECTIVES

- To provide a risk assessment for compliance to third-party payer rules and regulations by completing an onsite chargemaster/cost report review.
- To provide recommendations that are tied to the policies and procedures of your Medicare Administrative Contractor and other major payers.
- To provide market pricing comparisons from the peer group of hospitals identified by the facility.

#### PROPOSED WORK PLAN

Our proposed work plan has been designed based upon our experience in health care, third-party reimbursement, and our experience in working with other facilities of your size.

#### A. **Chargemaster/Cost Report Review**

**Request Information:** To be prepared prior to the onsite visit, we request the following information be copied and sent to our office for our review so we have a better understanding of the facility:

- The full chargemaster of the facility in delimited format if possible. To allow for electronic review of the chargemaster, this file requires all individual chargemaster entries be reported on a single line.
- The revenue and usage/production report by financial class, by line item for the prior year, and for the current year-to-date fiscal year.
- An organizational chart identifying all the departments, department heads, and their reporting relationships.

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4310 17th Ave. S. | P.O. Box 2545 | Fargo, ND 58108-2545 | T 701.239.8500 | F 701.239.8600 | EOE

- A copy of the most recent Medicare cost report and applicable supporting workpaper documentation.

Upon receipt of this information, we will conduct a review and develop a better understanding of the current configuration and billing arrangements of the facility. We will also identify questions to discuss when we meet with the staff when we are onsite at the facility.

**Onsite Visit:** We anticipate the onsite visit will last two days. During our visit, we will attempt to meet with all departments. We strive to assist the staff (1) to better understand how the hospital is reimbursed for their services, (2) to better understand the effects of the chargemaster on reimbursement programs, (3) to start thinking about some of the issues associated with how they can impact the financial outcome of the facility, and (4) to understand how information that is reported on the Medicare Cost Report impacts your reimbursement.

Upon arrival, our work process is to conduct an entrance conference with any other staff directly involved with the chargemaster and reimbursement activities of the hospital. Typically, this is the Business Office Manager, Finance Officer, HIM Director, and the Administrator.

Following the entrance conference, we will conduct a tour of the facility. The purpose of this tour is to obtain a first-hand understanding of how the facility is structured, how each department interacts with other departments, and how this information is reflected on the Medicare Cost Report. Typically, this tour takes about one hour.

Following the tour, we will conduct an educational session with all department heads which we refer to as Reimbursement 101, whereby we go through the current reimbursement methods of the facility for all of its major payers. This typically involves Blue Cross Blue Shield, Medicaid, and Medicare reimbursement. If the facility has contractual arrangements with any other significant payers, we will also discuss those.

During this session, we will explain how the facility is reimbursed for their services. Quite often, we find that departmental staff does not have a clear understanding of how the facility is reimbursed for services. We will provide first-hand information on how the facility is reimbursed and what impact the staff has on the reimbursement.

We will also conduct individual meetings with each overhead department. We will address the issues they should be aware of in regards to how the facility is reimbursed, along with the impact of their services and statistics on reimbursement on the year-end Medicare Cost Report. We will discuss with each of them how they are capturing their statistics today, what other options may be available, and answer any questions they may have about how they can help the cost reporting process.

For the revenue charging/producing departments, we will review the revenue coding, the charge descriptions, and the methodology and theories used for billing of services. We will discuss compliance issues identified during the chargemaster review with the staff and analyze billing practices related to those issues. We will educate the staff on appropriate billing procedures if changes are required.

We will work with the staff to develop recommended changes in billing to produce a more patient friendly bill. Part of the review will also focus on the process of ensuring the chargemaster and the order entry system and/or charge sheets are updated, accurate, and reflect the chargemaster. During each of these sessions, we will strive to accomplish the following:

- To educate individual departments of the responsibility for assuring the chargemaster is reviewed and updated on a recurring basis.
- To address potential problems and provide possible solutions.
- To encourage the staff to re-think their current billing process.
- To offer staff ideas and solutions, which may improve the efficiency of the billing process and enhance customer satisfaction.

Other items to be discussed with the staff during the review are:

- Policy on billing self-administrable drugs
- Policies of billing of routine supplies
- Billing for items or services not rendered
- Medically unnecessary services
- Duplicate billing
- Non-covered services
- Unbundling of procedures
- Discharge status for patient transfers
- Billing of Observation stays
- Emergency care and urgent care services billing
- Lab billing regulations including appropriate type of bill for services rendered
- EMTALA regulations regarding patient dumping
- Policies for patient's freedom of choice
- Credit balance policies
- Policies on waivers of coinsurance, deductibles, and offering of discounts
- Policies for billing equipment and setup charges
- Anesthesia, chemotherapy, transfusion, and infusion billing
- MSP billing policies
- Under Arrangement Services
- Hospital incentives which violate the anti-kickback statutes
- Joint ventures
- Stark physician self-referral law
- Specialty physician clinic issues
- Internal process for the circulation and monitoring of payer newsletters, industry updates, and changes

Prior to our onsite, we will use automated processes to review all CPT code and revenue code assignments for accuracy. While onsite, we will review the overall issue of whether or not CPT codes are required and discuss the process that each department is using to ensure they use the proper CPT codes.

Our chargemaster review will include:

A review of the CHARGEMASTER for correct CPT/HCPCS coding

- Identification of items with missing CPT/HCPCS codes
- Review of the validity and accuracy of the CPT/HCPCS codes to listed item descriptions
- Evaluation of any 'panels/explosions' being used for compliance with regulations
- Provision of recommendations for missing reimbursable CPT/HCPCS codes
- Evaluation of relevant CPT/HCPCS and revenue code combinations for each clinical department

A review of the CHARGEMASTER for correct UB-04 revenue coding

- Identification of all items with missing revenue codes
- Determination of the validity and accuracy of revenue codes to listed descriptions
- Determination of the validity, accuracy, and alignment of the revenue codes to listed CPT/HCPCS codes

A review of the CHARGEMASTER for description issues

- Identification of all items with missing descriptions
- Determination if the same description is used more than once in the same department and/or in other departments
- Verification of accuracy and validity of charge descriptions

We will review the CHARGEMASTER for modifier issues to include:

- Identification of all items with required modifiers that are missing that are appropriate for hard-coding in the chargemaster
- Determination if assigned modifier is accurate

We will discuss the ongoing maintenance of the facility's chargemaster and provide some best practices examples for the staff. We will also provide tools to use in the maintenance of a compliant chargemaster.

We will provide a written report of our findings identifying any compliance issues and recommendations for further review. Our report will also identify any changes that we recommend should be considered for the Medicare Cost Report. This report will be issued within six weeks of the onsite visit. We will provide documentation to support any compliance related recommendations (i.e., federal regulations, provider reimbursement manual citations, program memorandums, CMS guidelines). We will also provide numerous "best practices" recommendations that relate to processes or efficiencies.

Our focus on staff education is aimed at providing your staff with the tools to address chargemaster issues in the future rather than just fixing problems that are found during an onsite review. We will also provide 6 weeks of follow up support following the issuance of the report to answer questions

regarding the review and recommendations. This allows the staff to clarify any issues and to ask any additional questions relating to the chargemaster review.

## **B. Charge Capture Review**

Accurate and comprehensive charge capture is vital to maximizing reimbursement while maintaining compliance. The importance of accurate and timely charge capture cannot be stressed enough since this charge capture process drives 100% of revenue generation in a health system. Even with a fully integrated electronic health record and practice management system, the process will always involve some level of human intervention and should be evaluated for effectiveness on a regular basis.

Prior to coming onsite, our review consists of following a charge for patient services from point of origin all the way to bill generation. As part of this process, we will review the charge capture process identifying any potential gaps, such as outdated charge slips/superbills. This process involves a review of the itemized statement, the pre-edited bill, and the post-edited bill. This portion of the review will highlight any unknown, outdated, or incorrect system routines or billing edits built into the system that may be causing inaccurate charge capture.

We will also review each chart to include, but not limited to:

- All of the services documented are on the itemized statement.
- The services on the itemized statement are documented.
- Units of service reported are supported.

**Request Information:** We will request the following information be scanned and sent to us in our secure client portal:

- Twenty-five (25) random, paid outpatient hospital Medicare charts with accompanying itemized statements, pre-edited UB-04 claims forms, and post-edited UB-04 claim forms. Charts should include a representative sample of the various outpatient services provided by Humboldt General Hospital.
  - A suggested breakdown of accounts:
    - 5 Emergency Room
    - 5 Observation
    - 5 Surgical
    - 5 Outpatient Ancillary Services (i.e., infusions)
    - 5 Consisting of Physical Therapy, Radiology, Lab only
- Charge sheets/tickets (if being utilized) from the various ancillary and outpatient service areas such as ER, Laboratory, Radiology, outpatient surgery, outpatient treatment areas, Observation, nursing floors, and any other areas providing services to outpatients.
- A copy of the facility's Emergency Department level criteria.

## **C. Market Pricing Analysis**

In addition to the chargemaster review, we could also perform a hospital market pricing analysis for

Humboldt General Hospital that assists in determining the appropriateness of current hospital charges against the market. This review will be based on the most recently available Medicare outpatient claims data submitted by hospitals in the market. The market will be defined by Humboldt General Hospital upon acceptance of this proposal. Only hospital charges will be reviewed in this analysis. However, we can provide physician market data for your area separately, if requested. The physician charges will not be analyzed; it will consist of data information only should you request this separately. We offer a couple of options to perform the hospital market pricing analysis.

The Basic Pricing Tool provides a comparison of the current hospital charges of Humboldt General Hospital against the peer group of hospitals chosen. This analysis will be conducted for each charge code within the hospital departments. The charges for the hospital that have CPT/HCPCS codes assigned will be analyzed against published Medicare data for selected facilities. The data only includes CPT/HCPCS codes that are reported on outpatient claims. Outpatient codes where fewer than ten charges are reported are not available for comparison. Items that do not require CPT/HCPCS codes for the hospital (i.e., supplies, some drugs) will be compared using the Medicare cost-to-charge ratios for the comparative cohort hospitals, and an assumed flat percentage increase will be included in our analysis. Room charges for the hospital will also be compared to room charges of the selected market-area cohort hospitals.

The Comprehensive Market Pricing Tool allows the facility to estimate the gross and net revenue impact of market based pricing changes from the analysis. The estimates are based on revenue and usage data and payer (financial class) information provided by the provider. This tool is provided on a spreadsheet to Humboldt General Hospital and allows for estimating the impact of revenues at certain market percentiles as well as a flat across the board adjustment. As this tool provides estimated gross revenues and net revenues by changing pricing, it can also be used for budgeting purposes to estimate additional revenues based upon past volumes. This analysis will be conducted for each charge code within the departments. The charges for the hospital that have CPT/HCPCS codes assigned will be analyzed against published Medicare data for selected facilities. The data only includes CPT/HCPCS codes that are reported on outpatient claims. Outpatient codes where fewer than ten charges are reported are not available for comparison. Items that do not require CPT/HCPCS codes for the hospital (i.e., supplies, some drugs) will be compared using the Medicare cost-to-charge ratios for the comparative cohort hospitals, and an assumed flat percentage increase will be included in our analysis. Room charges for the hospital will also be compared to room charges of the selected market-area cohort hospitals.

**Request Data:** Data will be requested under a separate letter or email for this project which will include, but not be limited to, an electronic Excel file of the chargemaster and the peer hospitals to be included in the review. We will also request an electronic Excel file of the revenue and usage report by financial class/payers for Humboldt General Hospital. This report must detail volumes for the most recent fiscal year, by single chargemaster line item. These volumes must also be broken down by major payer type or financial class. We will also need a breakdown of the reimbursement methodology used by each payer listed on the report. For example, if the hospital is paid a percent of charges, then please provide the percentage paid. If the hospital is paid on fee schedule for certain items/departments, please indicate as such. This information should include reimbursement methodologies for inpatient services, outpatient services, etc.

**Report:** A written report will be created summarizing the impact of the market pricing analysis and our procedures performed. We will also provide Humboldt General Hospital with an electronic worksheet of the market pricing analysis showing the net revenue impact of potential chargemaster rate changes to aggregate market level charges or flat percentage increases. This electronic tool can be used to model various pricing options and the impact they might have on net revenue.

**PROFESSIONAL FEES**

Eide Bailly LLP is dedicated to professionalism and service to our clients. Our fees are based upon our estimation of the amount of time required to complete the engagement and the level of personnel assigned. Our fees for these services are as follows. Please identify which services you would like to engagement Eide Bailly LLP by placing an "X" next to those services below.

- Chargemaster/Charge Capture/Cost Report Review ..... \$23,000
- Basic Market Pricing Analysis ..... \$5,500
- Comprehensive Market Pricing Analysis ..... \$9,750

We will also bill you for travel out-of-pocket expenses as they are incurred.

In addition, we will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our procedures are completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month will be charged, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

**GENERAL PROVISIONS**

This engagement is solely to assist Management in assessing the chargemaster, hospital pricing, charge capture, cost report, and market pricing analysis. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described above, either for the purpose for which this report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or will not issue a report as a result of this engagement.

The report is intended solely for the use of Management. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Management has designated Sandi Lehman to monitor the engagement to ensure that it meets the objectives established by Management. Management will evaluate the adequacy of the services outlined in this engagement letter, the performance of the procedures and any findings that result. Management also accepts full responsibility for all management level decisions to be made as a result of this engagement.

At the conclusion of our engagement, we will require a representation letter from Management that, among other things, will confirm Management's responsibility for the presentation of the report in accordance with our procedures.

In accordance with 42 U.S.C. §1395x(v) (l) (i) & (ii), until the expiration of four (4) years after the furnishing of services under this Agreement, Eide Bailly LLP shall make available, upon written request by the Secretary, U.S. Department of Health and Human Services or upon request by the U.S. Comptroller General, or any of their duly authorized representatives, the contracts, books, documents and records of Eide Bailly LLP that are necessary to certify the nature and extent of costs of any agreement between Eide Bailly LLP and Humboldt General Hospital.

It is further provided that if Eide Bailly LLP carries out any of its duties of such agreement or contract through a subcontract with a related organization, with a value or cost of \$10,000 or more over a twelve (12) month period, such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request to the Secretary or upon request to the Comptroller General, or any of their duly authorized representatives, the subcontract, and books, documents and records of such organization that are necessary to verify the nature and extent of such costs.

In the event of a request for access under the cited provisions, Eide Bailly LLP agrees to notify Humboldt General Hospital immediately and to consult Humboldt General Hospital regarding what response will be made to the request.

In the event that Eide Bailly LLP, or any of its subcontractors, should fail to comply with the terms and provisions of this agreement relating to the retention and production of documents, Eide Bailly LLP agrees to indemnify and make whole Humboldt General Hospital for any third-party reimbursement it may lose as the result of the refusal of Eide Bailly LLP or its subcontractor to maintain or produce documents in accordance with the provisions herein.

The provisions relating to the retention and production of documents set forth herein is included because of the possible application of Section 1861 (v) (1) (i) of the Social Security Act to such agreements or contracts between Eide Bailly LLP and Humboldt General Hospital, and if this section should be found to be inapplicable, then these clauses shall be deemed to be inoperative and without force and effect.

If Humboldt General Hospital hires any of the staff working on this project, Humboldt General Hospital agrees to reimburse Eide Bailly LLP a one-time fee of fifty percent (50%) of the staff member's annual compensation to cover recruitment and training costs.

## **DISPUTE RESOLUTION**

The following procedures shall be used to resolve any disagreement, controversy or claim that may arise out of any aspect of our services or relationship with you, including this engagement, for any reason ("Dispute"). Specifically, we agree to first mediate.

### ***Mediation***

All Disputes between us shall first be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator. The mediator will be selected by mutual agreement, but if we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA").

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute. Mediation will be conducted with the parties in person in Minneapolis, Minnesota.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Either party may commence suit on a Dispute after the mediator declares an impasse.

### ***Governing Law and Venue***

We both agree to submit any unresolved Dispute to trial by a federal or state court venue in Minneapolis, Minnesota. This agreement shall be governed by and construed in accordance with the laws of the State of Minnesota (regardless of the laws that might be applicable under the principles of conflict of law) as to all matters including without limitation, matters of validity, construction, effect, and performance.

## **LIMITATION OF DAMAGES AND NO PUNITIVE DAMAGES**

The exclusive remedy available to you in any adjudication proceeding shall be the right to pursue claims for actual damages that are directly caused by acts or omissions that are breaches by us of our duties under this agreement and/or under applicable professional standards, such damages will be limited to no more than two times fees paid under this agreement. In no event shall we be liable to you for any punitive or exemplary damages, or for attorneys' fees.

## **TIME LIMITATION**

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute. We both agree that, notwithstanding any statute of limitations that might otherwise apply to a Dispute, it is reasonable that you may not bring any legal proceeding against us unless it is commenced within twenty-four (24) months ("Limitation Period") after the date when we deliver our report under this agreement to you, regardless of whether we do other services for you or that may relate to the consulting report.

The Limitations Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

**INDEMNITY**

You agree that none of Eide Bailly LLP, its partners, affiliates, officers or employees (collectively "Eide Bailly") shall be responsible for or liable to you for any misstatements in your financial statements and/or tax return that we may fail to detect as a result of knowing representations made to us, or the concealment or intentional withholding of information from us, by any of your owners, directors, officers or employees, whether or not they acted in doing so in your interests or for your benefit, and to hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees from any such misstatement, provided that the services performed hereunder were performed in accordance with professional standards, in all material respects.

If a claim is brought against you by a third-party that arises out of or is in any way related to the services provided under this engagement, you agree to indemnify Eide Bailly, its partners, affiliates, officers and employees, against any losses, including settlement payments, judgments, damage awards, punitive or exemplary damages, and the costs of litigation (including attorneys' fees) associated with the services performed hereunder provided that the services were performed in accordance with professional standards, in all material respects.

**ASSIGNMENTS PROHIBITED**

You agree that you will not and may not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly, its partners, affiliates, officers and employees, to any other person or party, or to any trustee, receiver or other third party.

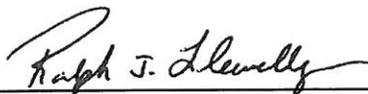
We appreciate this opportunity to be of service to Humboldt General Hospital and look forward to working with you on this important project. Please return a signed copy of this proposal to us. Please call me (701) 239-8594 with any questions.

Sincerely,

Accepted

EIDE BAILLY LLP

HUMBOLDT GENERAL HOSPITAL



\_\_\_\_\_  
Ralph J. Llewellyn, CPA, CHFP  
Partner  
Health Care Services

\_\_\_\_\_  
Representative

\_\_\_\_\_  
Representative's Title

\_\_\_\_\_  
January 13, 2019

Date

\_\_\_\_\_  
Date

RJL



Wipfli LLP  
680 West Shaw Avenue  
Suite 206  
Fresno, CA 93704  
800.888.4966  
www.wipfli.com

January 11, 2019

Ms. Sandi Lehman  
Chief Information Officer  
**Humboldt General Hospital**  
118 East Haskell St.  
Winnemucca, NV 89445

Dear Ms. Lehman:

Thank you for selecting Wipfli LLP ("Wipfli") as your provider of professional consulting services to meet the unique requirements of Humboldt General Hospital ("HGH"). Wipfli understands that HGH is located in northern Nevada, 160 miles east of Reno, NV and underwent their last Charge Description Master (CDM) three years ago. There is an urgent need to clean up the CDM for conversion to a new electronic health record system that is targeting a go-live in November 2019.

A successful project will require the active and informed involvement of HGH and Wipfli. Agreeing to mutually defined goals reduces potential misunderstandings that could impact the expected results and helps promote an optimal and successful relationship between our organizations.

This letter records Wipfli's engagement by HGH, identifies the purpose and objectives of the project, confirms our understanding of the terms of the engagement, and conveys the nature and limitations of the services provided. HGH and Wipfli agree to hold the contents of this engagement letter in confidence and will not disclose, use, or copy the same in whole or in part for any purpose other than to evaluate Wipfli's engagement.

## **Project Purpose and Objectives**

The objective of this work is to support HGH as they in turn support the healthy transition of the charge description master (CDM) as the organization migrates the electronic records system from Med-Host to Cerner. HGH has a need to transition the CDM for the following locations with assessed volumes that include: 1) A critical access hospital (25 beds), 2) A skilled nursing facility (42 beds), 3) A rural health clinic (21,000 annual visits), and 4) An ambulance service. The CDM volumes associated with this total project include 13,000 to 15,000-line items.

## **Component 1: Charge Description Master Review**

Wipfli will review the critical access hospital, rural health clinic, skilled nursing and ambulance services' CDM on a line by line basis. We will analyze CPT/HCPCS codes, UB-04 revenue coding, and service line -item charging protocols relative to Medicare regulations. We will identify opportunities for CDM improvements and recommend changes to the CDM management processes.

The following describes the key steps involved in the CDM review process:

### **CDM Data Management and Review (off Site)**

Upon receipt of a download of HGH's CDM and revenue and usage report, we will analyze and sort the data and determine CPT/HCPCS and UB-04 revenue code relationships according to the guidelines recommended by the Centers for Medicare & Medicaid Services (CMS). We will review all service departments with our review (excluding a detailed review of the supply file and the pharmacy file). We will also preliminarily assess:

- CPT/HCPCS codes to identify obsolete codes or those that do not appear to accurately describe typical services rendered.
- UB-04 revenue code accuracy per CMS requirements.
- Service descriptions that match the service described by CPT/HCPCS code.
- Services having no recent volume.

### **CDM Departmental Meetings**

Conduct interviews of department heads responsible for the individual service specific CDMs regarding how they determine new charges and new descriptors. After reviewing the above data, we will conduct discussions with key clinical department leaders and HGH's revenue cycle team members to review our preliminary assessment and discuss potential opportunities for billing and revenue capture

Wipfli will also evaluate HGH's charging processes and methodologies through staff discussions and review of sample charts. Wipfli will also answer questions from staff regarding billing and compliance related matters during the interview process. Staff education on coding and billing regulations will be integral to our report discussions to help your personnel take ownership of their respective service codes and understand the rationale for coding.

## CDM Deliverables and Implementation

Using the results from the review process, Wipfli will provide HGH with an analysis of our findings and recommendations in the form of a detailed spreadsheet in Microsoft Excel format with a narrative summary report of findings and recommendations. These findings will be used in developing performance improvement action plans by HGH. The report will be discussed with you and your management staff either onsite or via teleconference. An electronic version of these reports will also be made available for easier implementation.

Specifically, the report will provide detailed recommended changes, which will serve as an implementation source and guideline for data entry into HGH's patient billing system. The Excel spreadsheet will contain the following types of changes that may affect a department's CDM:

- **Code Modifications:** Wipfli's analysis and interview process will identify certain services that do not have CPT/HCPCS codes assigned or the currently assigned codes are inappropriate;
- **Itemizations:** The CDM Review may identify that HGH is billing multiple services under one CPT/HCPCS code (charge explosions). Wipfli will determine appropriate additional CPT/HCPCS codes for such services and price the services appropriately;
- **New Codes:** Wipfli will provide appropriate CPT/HCPCS and UB-04 revenue codes for services currently performed but not billed;
- **UB-04 Changes:** The analysis will identify inappropriately assigned CPT/HCPCS and revenue codes, which will aid in ensuring proper general ledger assignments for items and services;
- **Descriptions Changes:** The analysis may identify services that require a description change;
- **Unmodified Service Codes:** Some service codes will not require any changes;
- **Deleted Codes / Procedures:** Based on interviews and analyses, services may be identified on the CDM that are no longer performed, duplicated, or not separately billable, which will be recommended for removal as a means of updating the CDM to contain only those services currently performed. Other services no longer performed should be considered for inactivation.

## Humboldt General Hospital's Responsibilities for the CDM Review Process

To facilitate the efficiency of the CDM Review process and provide prompt results, HGH agrees to perform the following:

- Appoint an internal primary contact to coordinate the data download and follow up on the exchange of information with Wipfli;
- Provide data downloads and all other requested data items. Wipfli will email a CDM Questionnaire requesting data downloads and copies of claims/EOBs prior to the review. This

questionnaire will need to be completed in accordance with Wipfli's specifications and returned within 10 business days to provide our consultants with the necessary information for the reviews. CDM data file(s) should include only the raw data and no other extraneous data. The email will include instructions on how to send the information. To conserve file size, Wipfli suggests compressing the file(s) into a ShareFile.

- Implement findings and recommendations as included in Wipfli's CDM Review report. Wipfli's consultants will be available to assist you and your staff in implementing the findings and recommendations.

## **Component 2: Pricing Analysis**

The purpose of a Pricing Analysis is to identify potential undercharging or overcharging that may result in reimbursement errors, patient complaints, and/or loss of business. For comparison purposes, we will focus on line items that have assigned CPT/HCPCS codes. Items excluded from the pricing analysis would include skilled nursing, ambulance services, pharmacy, surgery and other departments where no comparable CPT/HCPCS codes are provided.

Wipfli will create an Excel-based pricing model for the hospital and clinic services (provider-based and freestanding clinic). Those services with specific CPT/HCPCS codes will be compared to available market-based information and Medicare fee schedules to assess the relative pricing of HGH's services compared to market. Once the pricing model has been developed, Wipfli will apply HGH's pricing strategy to suggest changes to achieve overall gross revenue targets as defined within the desired competitive parameters.

Experience has shown that many hospitals typically increase their prices across the board by 5% (for example) at the beginning of their fiscal year. Wipfli's pricing analysis will help HGH adjust its charges by department and service code to provide a more accurate reflection of its charges compared to its peers.

### **Pricing Analysis Data Requirements**

Wipfli will require revenue and usage reports by CPT code in Excel format for this portion of the engagement. Wipfli will request that HGH select up to three (3) comparative facilities for the market-based hospital pricing comparisons.

### **Pricing Analysis Deliverables**

Using comparative pricing data as discussed above, Wipfli will provide HGH with an Excel-based pricing model, detailing the impact of price changes per CDM line item at the department level and comparing HGH's charges to its peer facilities. Wipfli will provide a summary worksheet explaining the analysis. HGH will make all final pricing determinations based on the analysis and strategic pricing goals.

At completion of the analysis, Wipfli will schedule a teleconference with you and your management staff to review the results. An electronic version of the pricing analysis will also be made available for easier implementation.

### **Client Acceptance of its Responsibilities**

This consulting engagement will be conducted in accordance with consulting standards consistently demonstrated by Wipfli personnel. When providing these services, our professional standards require us to document that HGH's leadership understands and accepts its responsibilities regarding these services, which include the following:

- Assume all management responsibilities.
- Oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience.
- Evaluate the adequacy and results of the services provided.
- Accept responsibility for the results of the services.

We specifically do not have the authority to perform management functions, make management decisions, or act in a capacity equivalent to an employee.

### **Reporting and Deliverables**

Wipfli will prepare a formal report with detail to help support decisions required during the migration process. (See above detail for description)

## **Fees**

The fees for the engagement will be billed as work progresses, and progress billings may be submitted. Based on the needs of HGH and our experience, the following are our proposed fees for this project:

<u>Engagement Services</u>	<u>Professional Fees</u>
Component 1: – CDM Review	\$24,500
Component 2 - Pricing Analysis Hospital (three hospital comparison)	\$19,500
Component 2: - Pricing Analysis (clinics)	\$3,500

HGH shall also reimburse Wipfli for direct expenses incurred in connection with the performance of the services. Direct expenses include reasonable and customary out-of-pocket expenses such as incidental administration, cost report software fees, travel, meals, accommodations and other expenses specifically related to this engagement.

To the extent we encounter circumstances outside of our expectations that warrant additional procedures and time, we will communicate that fact and advise you of options and the additional fees necessary to complete the engagement. We expect payment of our billings within 30 days after submission. Interest at the lesser of 1% per month or the maximum rate permitted by law, except where prohibited by law, will be charged on the portion of your balance that is over 30 days.

## **Terms and Conditions**

The agreement and all appendixes referenced in this engagement letter, including the Professional Services Terms and Conditions Applicable to Non-Attest and Non-Tax Engagements, are incorporated herein by such reference. By signing this engagement letter, HGH specifically agrees that the project will be subject to the agreement and such appendixes.

## **Wipfli's Team**

The key engagement team members will be Jackie Epps, Todd Anderson John Folger, Jenelle Fisher and Vicki Lahue. The profiles can be found in Appendix B. These engagement team members would be assisted as needed by other associates with health care industry expertise and experience.

Ms. Sandi Lehman, Chief Information Officer  
Charge Description Master Review  
Page 7  
January 11, 2019

## **Project Time Frame**

We are committed to meeting your expectations and will work with management to establish a mutually agreeable project timeline for this engagement.

## **Approval to Proceed**

We have given careful consideration to your requirements for this engagement and to the skills and resources needed to perform these efforts. If the project methodology described meets your expectations, please sign the Engagement Letter Acceptance Form (Appendix A) and return it to us.

We look forward to working with you. If you have any questions, please feel free to contact Gwynn Smith at (559) 425-8811 or cell (510) 867-1309 or via e-mail at [gsmith@wipfli.com](mailto:gsmith@wipfli.com).

Sincerely,  
**Wipfli LLP**



Gwynn Smith  
Partner

**Engagement Letter Acceptance Form**

Prepared by Gwynn Smith, Partner, Wipfli LLP Health Care Practice

**Professional Services**

If the contents of this engagement letter dated January 11, 2019, are acceptable, please sign and return this page to gsmith@wipfli.com at your earliest convenience.

Humboldt General Hospital, Winnemucca, Nevada acknowledges acceptance of this engagement, agrees to be bound by all of its terms and conditions (attached), and represents that the person signing below has authority to execute this agreement. This agreement may be executed in a number of counterparts, including this separate signature page, each of which shall be deemed an original and all of which shall constitute one and the same agreement.



ACCEPTED: \_\_\_\_\_

BY: \_\_\_\_\_  
*Sandi Lehman, Chief Information Officer*

DATE: \_\_\_\_\_



**Jacqueline (Jackie) Epps**

Senior Manager

**Current Position and Responsibilities**

Jackie Epps is a Senior Manager in firm's health care consulting practice. She leverages more than 35 years of expertise in health care finance and reimbursement. Her experience covers variety of healthcare services, including Practice Management, FQHC, RHC, Acute Care, Skilled Nursing, Critical Access and Behavioral Health. She has served as Director of Patient Financial Services, Patient Access Manager, Accounts Receivable Director, Revenue Integrity Manager and Project Manager of a systems implementation. Ms. Epps expertise is providing revenue cycle management and directions for health care providers.

**Specializations**

- Revenue cycle management
- Reimbursement and compliance evaluations
- Skilled Nursing Billing
- Critical Access Hospitals
- FQHC/RHC Billing
- Medicare Part A and Part B billing

**Past Experience**

- Senior Manager in the Revenue Cycle Division Wipfli LLP since 2016
- Prior to the merger noted above Director in the Revenue Cycle Division HFS Consultants since 2000
- Interim Revenue Integrity Manager at a six facility system
- Billing Consultant Skilled Nursing Facility
- Interim Patient Access Manager

Interim Director Patient Financial Services Two Hospital System (CAH) with a SNF and 8 Multispecialty Clinics

- Consultant multi facility Behavioral Health Provider overseeing Corporate Business Office Functions
- Project Manager System Implementation Acute Care Hospital
- Director Patient Financial Services Acute Care Hospital

**Certification**

HFMA Certified Revenue Cycle Representative

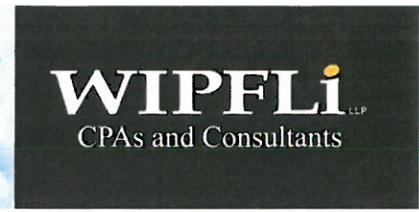
**Contact Information:**

Please contact Jackie

Oakland office:

Office: 559.282.8784

E-mail: jepps@wipfli.com



**Todd Anderson**  
Manager

### Current Position and Responsibilities

Todd Anderson is a manager in the firm's health care consulting practice. Having focused his work on the health care industry since 2001, he has developed strong expertise in professional and facility coding in both inpatient and outpatient facilities. Todd is a certified coding specialist and performs coding assessments for various health care entities, ensuring optimal outcomes.

### Specializations

- Managing and providing quality assurance in physician evaluation and management coding and procedural coding
- Coding support services for inpatient, outpatient, and hospital emergency room records
- Teaching ICD-10-CM and ICD-10-PCS classes to coders, nurses, physicians, and managers
- On-site interview services for hospital CDM reviews
- On-site and remote DRG and HCC audit reviews for hospital coding of inpatient and outpatient records to ensure accurate coding by facility coders
- Report, form, and query design for data entry as well as manipulation versus compilation
- Abstracting of outpatient and inpatient services using the Meditech and SMS systems

### Past Experience

- Manager at HFS Consultants, which merged with Wipfli in 2016

### Professional Memberships and Activities

- American Health Information Management Association (AHIMA) - Member
- California Health Information Association (CHIA) - Member

### Education

Humboldt State University

- Bachelor of arts degree

Santa Barbara City College

- Currently enrolled in the registered health information technician program

### Certifications:

Certified Coding Specialist

Certified Coding Specialist - Physician-Based

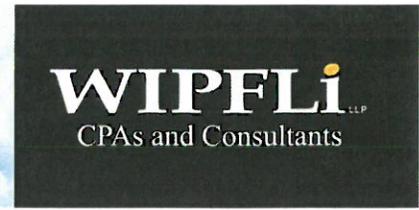
AHIMA-Approved ICD-10-CM/PCS Trainer Certificate

### Contact Information:

Please contact Todd in our Oakland office.

Phone: 503.956.8004

E-mail: tanderson@wipfli.com



**John L. Folger**  
Senior Consultant

**Current Position and Responsibilities**

John Folger is a consultant in the firm’s health care consulting practice. Having focused his work in the health information management practice since 2013, he is a certified coding specialist and performs coding assessments for various health care entities, ensuring optimal outcomes. John is also adept at teaching and training and leverages his industry experience to help clients achieve success.

**Specializations**

- Coding assessments for emergency services, observation, behavioral health, neonatal intensive care unit, and inpatient services
- Reviewing patient problem list issues to identify appropriate ICD-10-CM diagnosis codes as well as SNOMED and IMO terminology
- Teaching ICD-10-CM and ICD-10-PCS classes to coders, nurses, physicians, and managers
- Reviewing charge description masters for updates and revisions
- Preparing documentation for educational materials on subjects such as infusions, drug administration, and evaluation and management (E&M) level selection for nurses and coders
- Preparing HIM department policy and procedures manuals
- Reviewing clinical documentation improvement (CDI) program to ensure documentation clarity and effectiveness of queries

**Past Experience**

- Worked as interim privacy officer for large acute care hospital
- Collected and analyzed data at a student health center to determine whether additional services could be added
- Negotiated contracts between buyers and sellers in all phases of real estate transactions

**Professional Memberships and Activities**

- American Health Information Management Association (AHIMA) - Member
- California Health Information Association (CHIA) - Member
- Greater Orange County HIA (GOCHIA) - President, 2017-2018

**Education**

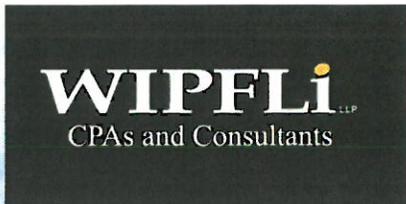
- Regis University
  - Certificate in health information management
- University of Southern California
  - Bachelor of science degree in music industry

**Certifications:**

- Registered Health Information Administrator
- Certified Coding Specialist
- Certified Coding Specialist Physician-Based

**Contact Information:**

Please contact John via phone or email.  
Cell: 310.251.5330  
E-mail: jfolger@wipfli.com



**Jennelle Fisher**  
Manager

### **Current Position and Responsibilities**

Jennelle Fisher is a manager in the health care consulting practice, focused on providing services to assist health care clients with revenue cycle improvement. She has experience with many types of health care entities including public hospitals, critical access hospitals, rural health clinics, and optometry practices. Clients who work with Jennelle appreciate the value she brings to each engagement and her assistance in improving their processes and their bottom line.

### **Certifications:**

Certified Coding Associate

### **Specializations**

- Revenue cycle processes including front-end reviews and policy and procedure development and training
- Late charge and charge capture reviews and recommendations
- Physician practice billing and collections
- Commercial contract analysis as it applies to claims adjudication
- Billings and collections on commercial, third-party, managed Medicare, and managed Medi/Cal
- Aged trial balance analysis and reviews
- Rev
- 
- 
- Revenue cycle audits

### **Past Experience**

- Senior consultant with HFS Consultants, which merged with Wipfli in 2016
- Two years as a billing specialist for a rural hospital, ambulance service, and health clinic

### **Professional Memberships and Activities**

- American Health Information Management Association (AHIMA) - Member
- California Health Information Association (CHIA) - Member

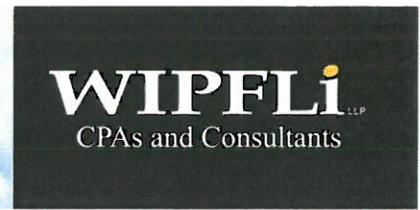
### **Education**

Simpson University

- Degree in business management (in progress)

### **Contact Information:**

Please contact Jennelle in our Fresno office.  
Office: 559.302.9793  
E-mail: [jfisher@wipfli.com](mailto:jfisher@wipfli.com)



## Vicki LaHue

Director, Health Care

### Current Position and Responsibilities

Vicki LaHue has more than 20 years of consulting experience with a variety of health care organizations including hospitals, nursing homes, home health agencies, and rural health clinics. Her areas of expertise include reimbursement, clinic assessments, fee schedules, revenue cycle testing, Medicare enrollment, and navigation of the requirements of the 340B Drug Pricing Program. In her tenure with Wipfli, Vicki has developed a particular interest in providing reimbursement services for critical access and prospective payment system hospitals and health clinics in both rural and nonrural settings.

### Certifications:

Certified Public Accountant

### Specializations

- Understanding of federal and state reimbursement
- Financial modeling for skilled nursing, assisted living, and independent living facilities
- Clinic assessments
- Strategic pricing
- Medicare enrollment
- Revenue, integrity, and operations assessments

### Professional Memberships and Activities

- American Institute of Certified Public Accountants (AICPA) - Member
- Wisconsin Institute of Certified Public Accountants (WICPA) - Member
- Healthcare Financial Management Association (HFMA) - Member

### Education

Lakeland College - Sheboygan, Wisconsin

- Bachelor of arts degree in business administration with an emphasis in accounting

### Contact Information:

Please contact Vicki in our Green Bay office.

Office: 920.662.2890

E-mail: [vlahue@wipfli.com](mailto:vlahue@wipfli.com)

## Wipfli LLP

### Professional Services Terms and Conditions Applicable to Non-Attest and Non-Tax Engagements

#### 1. Entire Agreement

These Terms and Conditions, together with the engagement letter ("Engagement Letter") to which these Terms and Conditions are attached, the Engagement Letter's other appendixes, and applicable Change Orders, if any, constitute the entire agreement between the parties on the subject matter thereof and supersede and merge all prior proposals (including prior proposals of Wipfli regarding the engagement), understandings, and agreements (oral or written) between the parties relating to the subject matter including, without limitation, the terms of any request for proposal issued to Client or the standard printed terms on any purchase order issued by Client. No modification, amendment, supplement to, or waiver of these Terms and Conditions or the Engagement Letter shall be binding upon the parties unless made in writing and duly signed by both parties. To the greatest extent reasonably possible, the provisions of the Engagement Letter, its Appendixes (including these Terms and Conditions), Implementation Plan, Change Orders, and any other exhibit, attachment, schedule, or other document referenced in or by the Engagement Letter shall be read together and harmonized to give effect to the parties' intent. In the event of a direct conflict among the express provisions of the foregoing, the Engagement Letter shall be given controlling effect. These terms and conditions do not apply to any attest services that may be performed by Wipfli for Client, such services being governed exclusively by the Engagement Letters issued with respect thereto.

#### 2. Commencement and Term

An Engagement Letter or Change Order shall become effective when signed by duly authorized representatives of both parties and shall remain in full force and effect until the services to be delivered under the Engagement Letter are complete (as reasonably determined by Wipfli) unless earlier terminated by either party as provided in the Engagement Letter or these Terms and Conditions. Each person executing an Engagement Letter or Change Order on behalf of a party represents and warrants to the other that he or she has all power and authority to bind the party on whose behalf he or she is executing same.

#### 3. Fee Estimates and Change Orders

Wipfli's Engagement Letter may set forth certain ranges for Wipfli's fees charged on any project or work. Wipfli provides fee estimates as an accommodation to Client. Unless otherwise indicated in the Engagement Letter, fee estimates shall not be construed as or deemed to be a minimum or maximum fee quotation. Although Wipfli reasonably believes suggested fee ranges are accurate, Wipfli's actual fees may vary from its fee estimates.

A "Change Order" means a mutually agreed-upon change in the schedule or the time for Wipfli's performance of the work on a project, the scope of specifications of a project, and/or the fees chargeable by Wipfli to Client, which is reduced to writing using an agreed-upon form that is executed by an authorized representative of each for Wipfli and Client.

If, during the course of Wipfli's engagement, Wipfli determines that more work will be required than initially estimated, Wipfli will discuss, as soon as possible, the reasons with Client. Work that falls outside the agreed-upon scope of Wipfli's engagement shall be covered by a Change Order. Service completion times are estimated and subject to change. Where applicable, all such estimates assume that Client's hardware platform/computer system will, at the commencement of the services, be fully operable as intended and designed, functioning as necessary and available to Wipfli without material restriction for the duration of the services. Such estimates also include necessary and reasonable cooperation from client personnel.

Unless otherwise agreed in the Engagement Letter, miscellaneous expenses incurred by Wipfli in the course of performing the service will be charged in addition to Wipfli's professional fees. Miscellaneous expenses may include, but are not limited to: travel, lodging, transportation, and meals for projects requiring travel; clerical processing; telecommunications charges; delivery expenses; and all sales, use, ad valorem, excise, or other taxes or other governmental charges.

#### 4. Fees

Unless otherwise agreed, all invoices are due and payable within thirty (30) days of the invoice date. All business or commercial accounts will be charged interest at the lesser of one percent (1%) per month or the maximum rate permitted by law, except where prohibited by law, on Client's balance due to Wipfli that is outstanding over thirty (30) days. At our discretion, work may be suspended if Client's account becomes overdue and will not be resumed until Client's account is paid in full. Client acknowledges and agrees that we are not required to continue work in the event of a failure to pay on a timely basis for services rendered as required. Client further acknowledges and agrees that in the event Wipfli stops work or withdraws from this engagement as a result of Client's failure to pay on a timely basis for services rendered as required by this Engagement Letter, Wipfli will not be liable to Client for any damages that occur as a result of our ceasing to render services.

In the event Client requests us to, or we are required to, respond to a subpoena, court order, government regulatory inquiries, or other legal process against Client or its management for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this or any prior engagements, Client agrees to compensate us for all time we expend in connection with such response, at our regular rates, and to reimburse us for all related out-of-pocket costs that we incur.

#### 5. Tax Responsibilities

Client shall pay and be solely and exclusively liable for all sales, use, ad valorem, excise, or other taxes or governmental charges imposed on the installation, implementation, licensure, or sale of goods or services by Wipfli or third parties to Client related to the Engagement Letter.

#### 6. Termination of Agreement

An Engagement Letter may be terminated as follows: (i) by either party immediately upon written notice to the other if either party hereto becomes the subject of voluntary or involuntary bankruptcy or other insolvency proceeding, (ii) by Wipfli or Client if either party defaults in the performance of any of its covenants and agreements set forth in an Engagement Letter or Change Order (except when such default is due to a cause beyond the control of the party) and such default is not cured within thirty (30) days after notice from either party specifying the nature of such default, and (iii) by Wipfli or Client with or without cause upon providing thirty (30) days written notice. Termination of an Engagement Letter shall have no effect on either party's obligation to pay any amount due and owing with respect to such periods prior to the effective date of such termination.

#### 7. Ongoing Support and Advice

Wipfli ongoing support and advice, whether or not it is defined by an Engagement Letter or Change Order, shall be subject to Wipfli's Terms and Conditions and will be provided under the same terms and conditions that would apply to services defined in Wipfli's Engagement Letters or Change Orders.

## Wipfli LLP

### Professional Services Terms and Conditions Applicable to Non-Attest and Non-Tax Engagements

**8. Third-Party Products and Subcontractors**

When Wipfli is requested by Client through an Engagement Letter or Change Order to provide assistance with third-party products, Wipfli will use commercially reasonable efforts (as defined by Wipfli) to research, learn, and assist Client in the use of third-party products. However, Wipfli shall not be held liable for software or other products or services that have been written, produced, or provided by third parties. Client accepts all responsibility for, and risk-of-loss associated with, Client's use of third-party software, hardware, and products. Client accepts full responsibility for all communications with, and indemnifies and holds Wipfli harmless from, claims by third-party software developers, vendors, contractors, and/or subcontractors who have not been directly commissioned, engaged, retained, or hired by Wipfli. Wipfli hereby expressly disclaims all liability to Client or to any third parties that might be affected by the services performed or equipment installed by a third party who has not been directly commissioned, engaged, retained, or hired by Wipfli.

**9. Independent Contractor**

The relationship between Wipfli and Client is solely and exclusively that of independently contracting parties.

**10. Nonexclusivity**

No right of exclusivity is granted, guaranteed, or implied by Wipfli and Client entering into any Engagement Letter or Change Order. Client acknowledges that Wipfli regularly performs the same or similar services as are being provided hereunder to third parties.

**11. Wipfli Employees and Owners**

Wipfli expressly reserves the right to replace, in its sole discretion upon notice to Client, any of our professional project team members, as necessary, to provide quality and timely service to Client. From time to time, and depending upon circumstances, personnel from affiliates of Wipfli and other Wipfli-related entities or any of their respective affiliates or from independent third-party service providers (including independent contractors) may participate in providing services related to our engagement hereunder. In addition, Wipfli may utilize cloud-based services in connection with the delivery of certain services. Solely for the purpose of rendering services hereunder, Client acknowledges that we may share with these parties information obtained in the course of rendering our services. Wipfli remains committed to maintaining the confidentiality and security of Client's information, and accordingly, Wipfli maintains internal policies procedures and safeguards to protect the confidentiality of client information and in addition, ensures that our agreements with all service providers appropriately maintain and protect the confidentiality of client information. Some persons who own an interest in Wipfli may not be licensed as Certified Public Accountants and may provide services related to this engagement.

**12. Limitation of Liability**

Except for liability for personal injury damages caused by Wipfli's gross negligence or willful misconduct, and regardless of whether any remedy as set forth in these Terms and Conditions fails in its essential purpose, in no event shall Wipfli's cumulative liability to Client (or its successors, assigns, or affiliates) from all causes of any kind including liability based on contract, in tort, or otherwise arising from, out of, or related to the services or transactions contemplated in the Wipfli Engagement Letter or Change Order exceed the amount actually paid to Wipfli by Client under such Engagement Letter or Change Order.

**13. Dispute Resolution**

If any dispute arises among the parties regarding the subject matter hereof and such dispute cannot be resolved through informal negotiations and discussion, the parties agree to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to arbitration or litigation. Costs of any mediation proceeding shall be shared equally by all parties.

**14. Governing Law**

All agreements between Wipfli and Client for any service shall be governed by and construed in accordance with the internal laws of the state in which the Wipfli office which issues the Engagement Letter related to the services is located.

**15. Severability**

The provisions of these Terms and Conditions shall be severable, so that the invalidity or unenforceability of any provisions will not affect the validity or enforceability of the remaining provisions; provided that no such severability shall be effective if it materially changes the economic benefit of these Terms and Conditions to either party.

**16. Record Retention**

We will retain records related to this engagement pursuant to our record retention policy. At the end of the relevant time period, we will destroy our records related to this engagement. However, original records will be returned to Client upon the completion of the engagement. When records are returned, it is Client's responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

**17. Assignment**

The Engagement Letter to which these Terms and Conditions are attached shall be binding on the parties hereto and their respective successors and assigns. Neither party may assign this Engagement Letter without prior written consent of the other, except that Wipfli may assign its rights and obligations under this Engagement Letter without approval of Client to an entity that acquires all or substantially all of the assets of Wipfli or to any subsidiary or affiliate or successor in a merger, acquisition, or change of control of Wipfli; provided that in no event shall such assignment relieve Wipfli of its obligations under this Engagement Letter.

**18. Intellectual Property Rights**

Client acknowledges that Wipfli owns all intellectual property rights, title, and interest to all information provided or developed throughout the duration of this engagement. Any use of this material, other than for the stated purposes in this Engagement Letter, is not authorized. In addition, Client shall not alter or remove any of Wipfli's trademarks, copyright registration marks, patent, or other intellectual property notices applicable to any of Wipfli's goods, marketing material, or advertising media and shall not in any way alter any of Wipfli's products. Client shall promptly notify Wipfli in writing of any infringement of Wipfli's intellectual property by third parties of which Client becomes aware. Neither party shall acquire any right, title, or interest in or to the other party's code, data, business processes, or other information to which such party may have access during the term of the engagement hereunder. All such code, data, business process, and other information shall be solely and exclusively the property of the originating party.

19. **Mutual Confidentiality**

During the course of performing services, the parties may have access to information that is confidential to one another, including, without limitation, source code, documentation, specifications, databases, system design, file layouts, tool combinations, development methods, or business or financial affairs, which may incorporate business methods, marketing strategies, pricing, competitor information, product development strategies and methods, customer lists, customer information, and financial results (collectively "Confidential Information"). Confidential Information may include information received from third parties, both written and oral, that each party is obligated to treat as confidential.

Confidential Information shall not include any information that (i) is already known by the recipient party or its affiliates, free of any obligation to keep it confidential, (ii) is or becomes publicly known through no wrongful act of the receiving party or its affiliates, (iii) is received by the receiving party from a third party without any restriction on confidentiality, (iv) is independently developed by the receiving party or its affiliates, (v) is disclosed to third parties by the disclosing party without any obligation of confidentiality, or (vi) is approved for release by prior written authorization of the disclosing party.

Without the advance written consent of the other party, neither party shall disclose to a third party Confidential Information of the other party. Each party agrees to maintain at least the same procedures regarding Confidential Information that it maintains with respect to its own Confidential Information. Each party may use the Confidential Information received from the other party only in connection with fulfilling its obligations under this Agreement. The parties further agree that expiration or termination of this Agreement, for any reason, shall not relieve either party, nor minimize their obligations with respect to Confidential Information, as set forth herein.

## **EMR Project Manager Engagement**

### **Background Information**

Due to the significance of the conversion to Cerner and increased work load, it has been recommended to engage a project manager who can provide guidance and project management services to ensure that the conversion is successful.

The current approved amount for this professional service (approved at the November 27, 2018 Board of Trustees meeting) is \$150,000.

Cerner has recommended Wipfli, LLP CPAs and Consultants. Wipfli has provided project management services for several other Cerner conversions, including the recent conversion in Mammoth, CA. Wipfli's proposal for these services is \$265,000. References have been contacted with 2 of them responding. Both were very positive.

### **Recommendation**

Approve the engagement of Project Manager Services with Wipfli and adjust the budget by an additional \$115,000 for a total of \$265,000 for project management services related to the Cerner conversion.

January 4, 2019

Ms. Karen Coles  
Humboldt General Hospital  
118 East Haskell Street  
Winnemucca, NV 89445

Dear Ms. Coles:

Thank you for selecting Wipfli LLP ("Wipfli") as your provider of professional consulting services to meet the unique requirements of Humboldt General Hospital ("Client"). We are looking forward to working with you to assist in achieving the business and information technology goals and objectives established by your organization.

This letter ("Engagement Letter"), together with the attached Wipfli LLP Professional Services Terms and Conditions Applicable to Nonattest and Nontax Engagements ("Terms and Conditions") records Wipfli's engagement by Client; sets forth the purpose, objective, and scope of the project; confirms our understanding of the terms of our engagement; and conveys the nature and limitations of the services provided. Client agrees that it will hold the contents of this Engagement Letter in confidence and will not disclose, use, or copy the same in whole or in part for any purpose other than to evaluate Wipfli's engagement or to meet Client's public reporting requirements.

### **Project Purpose and Objective**

The primary purpose of Wipfli's engagement is to provide project management services for Client's implementation of Cerner Community Works, MultiView financial systems, and required interfaces (the "Project"). The primary objective of the Project is for Wipfli to provide leadership, oversight, direction, and control of the project scope and timeline to successfully implement the new EHR.

*Please refer to Appendix A for the Statement of Work, which further describes the Project.*

## **Client Acceptance of Its Responsibilities**

This consulting engagement will be conducted in accordance with standards established by the American Institute of Certified Public Accountants (AICPA). When providing these services, Wipfli's professional standards require us to document that you understand and accept your responsibilities regarding these services, which include the following:

- Assume all management responsibilities.
- Oversee the service by designating an individual, preferably within senior management, who possesses suitable skills, knowledge, and/or experience.
- Evaluate the adequacy and results of the services performed.
- Accept responsibility for the results of the services.

Wipfli specifically does not have the authority to perform management functions, make management decisions, or act in a capacity equivalent to an employee.

## **Fees**

The fixed fee for professional services for the Project is \$265,000 and will be paid in ten equal payments of \$26,500, with the first payment due upon execution of this Engagement Letter. Travel time and travel expenses are not included in the fixed fee and will be billed as incurred. We have provided you with this fixed fee based on our knowledge of your current requirements and project goals. The stated fee will be honored for 30 days from the date of this Engagement Letter.

Client may ask Wipfli to perform tasks or projects that are outside the current scope of work. This work will be scheduled and will be covered by a Change Order or a separate Engagement Letter. This procedure protects both your organization and Wipfli from unexpected results. Client acknowledges receipt of a copy of the Terms and Conditions, and further acknowledges that, from time to time, Wipfli may change its Terms and Conditions with respect to future engagements.

Wipfli will meet with Client prior to project completion to determine the managed services plan that will best meet Client's needs for ongoing support and maintenance of Client's implementation.

*Please refer to Appendix B for the Terms and Conditions applicable to this engagement.*

## **Health Insurance Portability and Accountability Act of 1996**

Both parties recognize that some of the data exchanged as part of this engagement is subject to the privacy regulation (the "Privacy Rule") issued by the Department of Health and Human Services (DHSS) pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Client shall provide Wipfli with only that individually identifiable health information (Protected Health Information [PHI]), which is minimally necessary for Wipfli to provide services. It is agreed that Client will de-identify PHI provided by Client. In the event that PHI is transmitted to Wipfli, Wipfli shall develop, implement, maintain, and use appropriate administrative technical and physical safeguards to prevent the use or disclosure of PHI.

## **Employment of Wipfli Personnel**

Because our employees are highly qualified and knowledgeable and have had extensive training, many clients would like to employ them on a permanent basis. Because our employees are our most valuable and cherished resource, their separation would be a tremendous loss to our firm. As part of this engagement, we discourage any offers of employment from Client to our employees without prior written approval of the Engagement Manager for this engagement, without regard to whether that offer was a result of an advertisement for employment in a newspaper, recruiter, or direct solicitation from your organization.

Client agrees to pay Wipfli a placement fee of 40% of the employee's expected compensation (including bonuses) for the first 12 months at your organization if any Wipfli employee who participates in this engagement is hired by Client for any position during the period of this engagement, any other subsequent engagement, or a one-year period following the conclusion of such engagements between our organizations. This placement fee would be due and payable upon the employee's starting date of employment with your organization.

Ms. Karen Coles  
Humboldt General Hospital  
Page 4  
January 4, 2019

### Approval to Proceed

The signing of this Engagement Letter is a condition to our working with Client in accomplishing the stated goals. If the preceding terms are acceptable to you and the services as outlined are in accordance with your needs, please sign this Engagement Letter and return via email to [DDuenkel@wipfli.com](mailto:DDuenkel@wipfli.com). If you are a tax-exempt entity, please provide us with a copy of your tax exemption certificate.

We appreciate the opportunity to work with Humboldt General Hospital, and we look forward to the Project. If you have any questions or comments, please contact Daryl Duenkel at 414.259.6788.

Sincerely,

*Wipfli LLP*

Wipfli LLP

ACCEPTED AND AGREED TO: **HUMBOLDT GENERAL HOSPITAL**

By: \_\_\_\_\_

Date: \_\_\_\_\_

RE: Cerner/MultiView Implementation

# Statement of Work

## Project Purpose

The primary purpose of Wipfli's engagement is to provide project management services for Client's implementation of Cerner Community Works, MultiView financial systems, and required interfaces.

## Project Scope and Approach

### Within Scope

There are two distinct phases of this project; the Planning Phase and the Implementation Phase. The following outlines Wipfli's service responsibilities as related to the scope of the Project for each phase:

#### Planning Phase

- Facilitate a series of group discussions to develop three key project documents: 1) Project Charter, 2) Communication Plan, and 3) Risk Plan.
- Facilitate a series of group discussions leading to decisions related to: 1) creating the project governance structure, 2) the project management tools that will be used, 3) how the project issues will be managed, and 4) defining the larger project team.

#### Implementation Phase

- Provide overall Program and Project Management for the EHR implementation and ancillary system implementations, upgrades, or interfaces (e.g., PACs, reference lab, Pyxis, and financial system).
- Provide executive guidance and best practice advice for clinical and operational configuration decisions.
- Assist with software vendor communications (e.g., Cerner and MultiView) concerning the overall project.
- Monitor, escalate, and facilitate resolution of identified software, process, or resource issues.
- Participate in IT steering committee meetings.
- Participate in the weekly Cerner project status meetings.
- Participate in up to 8 Cerner onsite events and 4 additional weeks of onsite support.
- Lead the internal project status meetings.
- Participate in the weekly Cerner solution architect meetings as needed.
- Lead or assist various project workgroups (e.g., communication, marketing, training support).

# Statement of Work

## Changes, Review, and Control of Project Scope

The project scope will be continuously monitored by Client's Overall Project Manager. Requirements or specifications that have not been defined before the Project begins, that evolve during the Project, or that are added after the Project has begun will be evaluated by Client's Overall Project Manager to determine the impact to the overall project plan.

A formal change management approach will be used to control project scope. Any changes to the scope of the Project should be submitted to and approved by the Overall Project Manager. Change Orders will be maintained in a Change Order Log administered by the Overall Project Manager. An assessment jointly conducted by Client and Wipfli will be performed to determine the cost, effort, and time frame aspects of the proposed changes. The assessment will be reviewed with the Project's service delivery team, which will determine the disposition of any change. The Project's service delivery team will be composed of all associated Client and Wipfli project team members.

## Service Delivery Team

Depending on availability at the time of project approval, Wipfli will assign specific resources to the Project. Daryl Duenkel, Director Healthcare Consulting, will provide overall engagement management oversight and have responsibility for the successful delivery of the Project. Nick Thate, Manager, will provide project management services.

## Project Expectations and Deliverables

The nature of the Project will require involvement on the part of Client's team members. Therefore, it is important that you are committed to the Project and related project activities. The following lists the anticipated respective responsibilities for Client and Wipfli.

### Client Responsibilities

- Client will provide access to the appropriate management, administrative, and technical staff, along with other internal resources as needed to complete project activities described herein.
- Client's project sponsor will be available for project status meetings.
- Client's project sponsor will be responsible for timely approval of any milestone sign-off documents.
- Client's project team members are responsible for ensuring proper participation of Cerner and MultiView representative(s).

# Statement of Work

- Client will provide access to documentation pertaining to policies, procedures, and governance in electronic format when possible.
- Client's staff will work collaboratively with Wipfli in completion of project tasks.

## Wipfli Deliverables

The following deliverables will be developed as part of the Project:

- Project Charter
- Project Communication Plan
- Project Risk Matrix

## Overall Project Assumptions

Project assumptions include:

- Some project activities will be performed at the Wipfli offices; this may include remote project management services, analysis, research, and deliverable preparation.
- All "out of scope" requests will follow the documented change control process.
- Adequate workspace will be provided to Wipfli personnel while onsite.
- Normal work days are Monday through Friday from 8:00 a.m. to 5:00 p.m. Central Standard Time unless otherwise negotiated.
- The Cerner software vendor representative(s) will be available and cooperate fully with implementation tasks.
- The MultiView software vendor representative(s) will be available and cooperate fully with implementation tasks.
- Client, Cerner, and MultiView representative(s) will be available for meetings and provide timely information to facilitate project activities.
- Client will be ultimately accountable for the Cerner and MultiView relationship.

## Service Delivery Schedule

The actual project start and end dates depend on your timely approval of this Engagement Letter, final agreed-upon project objectives and scope, and your availability and participation. The services will be scheduled in accordance with your request when we receive a signed copy of this Engagement Letter.

# Wipfli LLP Professional Services Terms and Conditions

## Applicable to Nonattest and Nontax Engagements

### 1. Entire Agreement

These Terms and Conditions, together with the engagement letter ("Engagement Letter") to which these Terms and Conditions are attached, the Engagement Letter's other appendixes, and applicable Change Orders, if any, constitute the entire agreement between the parties on the subject matter thereof and supersede and merge all prior proposals (including prior proposals of Wipfli regarding the engagement), understandings, and agreements (oral or written) between the parties relating to the subject matter including, without limitation, the terms of any request for proposal issued to Client or the standard printed terms on any purchase order issued by Client. No modification, amendment, supplement to, or waiver of these Terms and Conditions or the Engagement Letter shall be binding upon the parties unless made in writing and duly signed by both parties. To the greatest extent reasonably possible, the provisions of the Engagement Letter, its Appendixes (including these Terms and Conditions), Implementation Plan, Change Orders, and any other exhibit, attachment, schedule, or other document referenced in or by the Engagement Letter shall be read together and harmonized to give effect to the parties' intent. In the event of a direct conflict among the express provisions of the foregoing, the Engagement Letter shall be given controlling effect. These terms and conditions do not apply to any attest services that may be performed by Wipfli for Client, such services being governed exclusively by the Engagement Letters issued with respect thereto.

### 2. Commencement and Term

An Engagement Letter or Change Order shall become effective when signed by duly authorized representatives of both parties and shall remain in full force and effect until the services to be delivered under the Engagement Letter are complete (as reasonably determined by Wipfli) unless earlier terminated by either party as provided in the Engagement Letter or these Terms and Conditions. Each person executing an Engagement Letter or Change Order on behalf of a party represents and warrants to the other that he or she has all power and authority to bind the party on whose behalf he or she is executing same.

### 3. Fee Estimates and Change Orders

Wipfli's Engagement Letter may set forth certain ranges for Wipfli's fees charged on any project or work. Wipfli provides fee estimates as an accommodation to Client. Unless otherwise indicated in the Engagement Letter, fee estimates shall not be construed as or deemed to be a minimum or maximum fee quotation. Although Wipfli reasonably believes suggested fee ranges are accurate, Wipfli's actual fees may vary from its fee estimates.

A "Change Order" means a mutually agreed-upon change in the schedule or the time for Wipfli's performance of the work on a project, the scope of specifications of a project, and/or the fees chargeable by Wipfli to Client, which is reduced to writing using an agreed-upon form that is executed by an authorized representative of each for Wipfli and Client.

If, during the course of Wipfli's engagement, Wipfli determines that more work will be required than initially estimated, Wipfli will discuss, as soon as possible, the reasons with Client. Work that falls outside the agreed-upon scope of Wipfli's engagement shall be covered by a Change Order. Service completion times are estimated and subject to change. Where applicable, all such estimates assume that Client's hardware platform/computer system will, at the commencement of the services, be fully operable as intended and designed, functioning as necessary and available to Wipfli without material restriction for the duration of the services. Such estimates also include necessary and reasonable cooperation from client personnel.

Unless otherwise agreed in the Engagement Letter, miscellaneous expenses incurred by Wipfli in the course of performing the service will be charged in addition to Wipfli's professional fees. Miscellaneous expenses may include, but are not limited to: travel, lodging, transportation, and meals for projects requiring travel; clerical processing; telecommunications charges; delivery expenses; and all sales, use, ad valorem, excise, or other taxes or other governmental charges.

### 4. Fees

Unless otherwise agreed, all invoices are due and payable within thirty (30) days of the invoice date. All business or commercial accounts will be charged interest at the lesser of one percent (1%) per month or the maximum rate permitted by law, except where prohibited by law, on Client's balance due to Wipfli that is outstanding over thirty (30) days. At our discretion, work may be suspended if Client's account becomes overdue and will not be resumed until Client's account is paid in full. Client acknowledges and agrees that we are not required to continue work in the event of a failure to pay on a timely basis for services rendered as required. Client further acknowledges and agrees that in the event Wipfli stops work or withdraws from this engagement as a result of Client's failure to pay on a timely basis for services rendered as required by this Engagement Letter, Wipfli will not be liable to Client for any damages that occur as a result of our ceasing to render services.

In the event Client requests us to, or we are required to, respond to a subpoena, court order, government regulatory inquiries, or other legal process against Client or its management for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this or any prior engagements, Client agrees to compensate us for all time we expend in connection with such response, at our regular rates, and to reimburse us for all related out-of-pocket costs that we incur.

### 5. Tax Responsibilities

Client shall pay and be solely and exclusively liable for all sales, use, ad valorem, excise, or other taxes or governmental charges imposed on the installation, implementation, licensure, or sale of goods or services by Wipfli or third parties to Client related to the Engagement Letter.

### 6. Termination of Agreement

An Engagement Letter may be terminated as follows: (i) by either party immediately upon written notice to the other if either party hereto becomes the subject of voluntary or involuntary bankruptcy or other insolvency proceeding, (ii) by Wipfli or Client if either party defaults in the performance of any of its covenants and agreements set forth in an Engagement Letter or Change Order (except when such default is due to a cause beyond the control of the party) and such default is not cured within thirty (30) days after notice from either party specifying the nature of such default, and (iii) by Wipfli or Client with or without cause upon providing thirty (30) days written notice. Termination of an Engagement Letter shall have no effect on either party's obligation to pay any amount due and owing with respect to such periods prior to the effective date of such termination.

### 7. Ongoing Support and Advice

Wipfli ongoing support and advice, whether or not it is defined by an Engagement Letter or Change Order, shall be subject to Wipfli's Terms and Conditions and will be provided under the same terms and conditions that would apply to services defined in Wipfli's Engagement Letters or Change Orders.

## Wipfli LLP Professional Services Terms and Conditions Applicable to Nonattest and Nontax Engagements

8. **Third-Party Products and Subcontractors**

When Wipfli is requested by Client through an Engagement Letter or Change Order to provide assistance with third-party products, Wipfli will use commercially reasonable efforts (as defined by Wipfli) to research, learn, and assist Client in the use of third-party products. However, Wipfli shall not be held liable for software or other products or services that have been written, produced, or provided by third parties. Client accepts all responsibility for, and risk-of-loss associated with, Client's use of third-party software, hardware, and products. Client accepts full responsibility for all communications with, and indemnifies and holds Wipfli harmless from, claims by third-party software developers, vendors, contractors, and/or subcontractors who have not been directly commissioned, engaged, retained, or hired by Wipfli. Wipfli hereby expressly disclaims all liability to Client or to any third parties that might be affected by the services performed or equipment installed by a third party who has not been directly commissioned, engaged, retained, or hired by Wipfli.
9. **Independent Contractor**

The relationship between Wipfli and Client is solely and exclusively that of independently contracting parties.
10. **Nonexclusivity**

No right of exclusivity is granted, guaranteed, or implied by Wipfli and Client entering into any Engagement Letter or Change Order. Client acknowledges that Wipfli regularly performs the same or similar services as are being provided hereunder to third parties.
11. **Wipfli Employees and Owners**

Wipfli expressly reserves the right to replace, in its sole discretion upon notice to Client, any of our professional project team members, as necessary, to provide quality and timely service to Client. From time to time, and depending upon circumstances, personnel from affiliates of Wipfli and other Wipfli-related entities or any of their respective affiliates or from independent third-party service providers (including independent contractors) may participate in providing services related to our engagement hereunder. In addition, Wipfli may utilize cloud-based services in connection with the delivery of certain services. Solely for the purpose of rendering services hereunder, Client acknowledges that we may share with these parties information obtained in the course of rendering our services. Wipfli remains committed to maintaining the confidentiality and security of Client's information, and accordingly, Wipfli maintains internal policies, procedures, and safeguards to protect the confidentiality of client information and in addition, ensures that our agreements with all service providers appropriately maintain and protect the confidentiality of client information. Some persons who own an interest in Wipfli may not be licensed as Certified Public Accountants and may provide services related to this engagement.
12. **Limitation of Liability**

Except for liability for personal injury damages caused by Wipfli's gross negligence or willful misconduct, and regardless of whether any remedy as set forth in these Terms and Conditions fails in its essential purpose, in no event shall Wipfli's cumulative liability to Client (or its successors, assigns, or affiliates) from all causes of any kind including liability based on contract, in tort, or otherwise arising from, out of, or related to the services or transactions contemplated in the Wipfli Engagement Letter or Change Order exceed the amount actually paid to Wipfli by Client under such Engagement Letter or Change Order.
13. **Dispute Resolution**

If any dispute arises among the parties regarding the subject matter hereof and such dispute cannot be resolved through informal negotiations and discussion, the parties agree to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to arbitration or litigation. Costs of any mediation proceeding shall be shared equally by all parties.
14. **Governing Law**

All agreements between Wipfli and Client for any service shall be governed by and construed in accordance with the internal laws of the state in which the Wipfli office which issues the Engagement Letter related to the services is located.
15. **Severability**

The provisions of these Terms and Conditions shall be severable, so that the invalidity or unenforceability of any provisions will not affect the validity or enforceability of the remaining provisions; provided that no such severability shall be effective if it materially changes the economic benefit of these Terms and Conditions to either party.
16. **Record Retention**

We will retain records related to this engagement pursuant to our record retention policy. At the end of the relevant time period, we will destroy our records related to this engagement. However, original records will be returned to Client upon the completion of the engagement. When records are returned, it is Client's responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.
17. **Assignment**

The Engagement Letter to which these Terms and Conditions are attached shall be binding on the parties hereto and their respective successors and assigns. Neither party may assign this Engagement Letter without prior written consent of the other, except that Wipfli may assign its rights and obligations under this Engagement Letter without approval of Client to an entity that acquires all or substantially all of the assets of Wipfli or to any subsidiary or affiliate or successor in a merger, acquisition, or change of control of Wipfli, provided that in no event shall such assignment relieve Wipfli of its obligations under this Engagement Letter.
18. **Intellectual Property Rights**

Client acknowledges that Wipfli owns all intellectual property rights, title, and interest to all information provided or developed throughout the duration of this engagement. Any use of this material, other than for the stated purposes in this Engagement Letter, is not authorized. In addition, Client shall not alter or remove any of Wipfli's trademarks, copyright registration marks, patent, or other intellectual property notices applicable to any of Wipfli's goods, marketing material, or advertising media and shall not in any way alter any of Wipfli's products. Client shall promptly notify Wipfli in writing of any infringement of Wipfli's intellectual property by third parties of which Client becomes aware. Neither party shall acquire any right, title, or interest in or to the other party's code, data, business processes, or other information to which such party may have access during the term of the engagement hereunder. All such code, data, business process, and other information shall be solely and exclusively the property of the originating party.

## Wipfli LLP Professional Services Terms and Conditions Applicable to Nonattest and Nontax Engagements

### 19. Mutual Confidentiality

During the course of performing services, the parties may have access to information that is confidential to one another, including, without limitation, source code, documentation, specifications, databases, system design, file layouts, tool combinations, development methods, or business or financial affairs, which may incorporate business methods, marketing strategies, pricing, competitor information, product development strategies and methods, customer lists, customer information, and financial results (collectively "Confidential Information"). Confidential Information may include information received from third parties, both written and oral, that each party is obligated to treat as confidential.

Confidential Information shall not include any information that (i) is already known by the recipient party or its affiliates, free of any obligation to keep it confidential, (ii) is or becomes publicly known through no wrongful act of the receiving party or its affiliates, (iii) is received by the receiving party from a third party without any restriction on confidentiality, (iv) is independently developed by the receiving party or its affiliates, (v) is disclosed to third parties by the disclosing party without any obligation of confidentiality, or (vi) is approved for release by prior written authorization of the disclosing party.

Without the advance written consent of the other party, neither party shall disclose to a third party Confidential Information of the other party. Each party agrees to maintain at least the same procedures regarding Confidential Information that it maintains with respect to its own Confidential Information. Each party may use the Confidential Information received from the other party only in connection with fulfilling its obligations under this Agreement. The parties further agree that expiration or termination of this Agreement, for any reason, shall not relieve either party, nor minimize their obligations with respect to Confidential Information, as set forth herein.

## **EMR End User Devices**

### **Background Information**

During initial conversations with Wipfli about project management services, it was discovered that it may be necessary to replace some of the end user devices we currently have. It is also possible that some of the current computers or laptops will have to be upgraded.

One specific example of potential upgrade is the current signature pads. Currently they capture only the signature and the patient cannot see the screen with the document being signed. In order for the patient to read the document that is being signed, the consent form is physically signed by the patient and then scanned into the patient record. Copies of the consent form have to be kept on hand for every registration in the hospital and clinic.

Replacing the signature pads with iPads will allow the patient to scroll through and read the document prior to signing, the document will be automatically saved to the patient chart, and a copy can be available to the patient electronically. This will reduce the amount of copies that have to be made and reduce the amount of data storage required because of scanning.

These replacements and upgrades were not anticipated or budgeted in the proposal presented and approved at the November 27, 2018 Board of Trustees meeting.

It is estimated that end user devices will cost about \$75,000.

### **Recommendation**

Approve the adjustment of the budget for additional funds up to \$75,000 for the replacement, or purchase of end user devices related to the Cerner conversion.