

Bartlett Regional Hospital

FINANCE COMMITTEE MEETING
April 9, 2021 – Noon
Bartlett Regional Hospital – Zoom Meeting
Agenda

Mission Statement

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

Public may follow the meeting via the following link: <https://bartletthospital.zoom.us/j/98393405781>
or by calling 1-888-788-0099, Meeting ID: 983 9340 5781

CALL TO ORDER

PUBLIC COMMENT

APPROVAL OF MINUTES – [March 18, 2021 Minutes](#)

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2. [Swing Beds](#)

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3. Physician Recruitment

4. Clinic Purchase

Next Meeting: Friday, May 14, 2021 at 12:00 via Zoom

Committee member comments / questions

ADJOURN

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 www.bartlethospital.org

Finance Committee Meeting Minutes Zoom Meeting – March 18, 2021

Called to order at 12:00 p.m. by Deb Johnston.

Finance Committee* & Board Members present: Deb Johnston*, Lance Stevens*, Brenda Knapp*, Kenny Solomon-Gross, Rosemary Hagevig, Hal Geiger, and Iola Young.

Staff & Others: Kevin Benson, CFO, Billy Gardner, COO, Dallas Hargrave, HR Director, Rose Lawhorne, CNO, Bradley Grigg, CBHO, Blessy Robert, Director of Accounting, Willy Dodd, Kris Muller, Megan Rinkenberger, and Tiara Ward, CBJ.

Public Comment: None

Ms. Knapp made a MOTION to approve the minutes from the February 19, 2021 Finance Committee Meeting. Mr. Stevens seconded, and they were approved.

January 2021 Financial Review – Kevin Benson, CFO

There was a decrease in total admissions (31%), leading to a decrease in inpatient revenue by 25%. This is consistent with previous months. Lower volumes in MHU contribute to this as well. Outpatient revenues continued to be strong. RRC is open at 66% capacity. BOPS continued to be strong. Physician revenue was close to budget. Total revenue was \$1.8M short of budget. There was a decrease in discounts, and net patient revenue was \$850K short of budget. Provider relief funds have been depleted and no more are expected. There was a loss of \$1.2M, and non operating income was just under \$1.2M. There was a donation from Premera for \$1M for Crisis Stabilization. Generally breaking even for the month overall.

FY22 Budget Presentation – Kevin Benson, CFO

The budget process reviews 80 Departments and 1200 GL accounts. FY22 was a difficult year to budget for, not knowing how the pandemic would affect tourism, etc. There was an assumption that the current numbers would continue. Anticipated a near return to pre-Covid numbers for RRC. Outpatient activity also anticipated a near return to pre-Covid numbers. FY20 realized \$6M in CARES Act funding, and \$7M in FY21. BRH did not budget for any relief funds, but there is a possibility that some may be available. A cost of living increase was also applied, as approved by the board. An opportunity for GPO savings of 31% discovered by potentially changing GPO providers. The cost for running the Molecular Lab is also included in the budget. Repair and Maintenance costs have increased due to Covid responses (ventilation, barriers, etc), but should decrease again in the coming year, likely not to pre-Covid numbers though. The budget can absorb capital spending of \$5.9M before reserves would need to be accessed. The capital budget is about \$5M. Most significant is the replacement of the CT scanners, with the MRI machine to follow in FY23.

Applied Behavioral Analysis incorporates certified clinicians to focus on skills building and behavior in those on the Autism spectrum. All services are reimbursable. Tied to school district, SEARHC, and others in community to serve a need. Negotiating with Mental Health Trust Authority for startup help funds.

Crisis Stabilization – Kevin Benson, CFO

The final construction bid came in at \$8.4M. This goes to the city for acceptance on the evening of 03/22/2021.

Next Meeting: April 9, 2021 at 12:00pm via Zoom.

Board Comments: None

Adjourned – 1:04 p.m.

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

www.bartletthospital.org

DATE: April 5, 2021
TO: BRH Finance Committee
FROM: Kevin Benson, Chief Financial Officer
RE: February Financial Performance

Bartlett Regional Hospital continued to incur decreases in inpatient volumes resulting in an inpatient revenue shortfall of \$1.2 million (-22%). After seven months, inpatient revenues are \$9.8 million (-21%) behind the budget target. Decreased acute admissions, longer lengths of stays and decreased volumes in the Mental Health Unit all contributed to the decrease of inpatient revenues. On a positive note, outpatient revenues were very strong, exceeding budget by \$745,000 (8.4%). Contributing to this volume and revenue were increases in the surgery, lab and pharmacy departments. Year-to-date, outpatient revenue has performed well and is currently running \$1.7 million (2.3%) ahead of budget and 65.0% greater than the prior year.

Rainforest Recovery Center was very close to its budget revenue (-2%) though operating at 66% capacity. The drop in RRC revenue due to decreased capacity is being made up due to new revenues generated from Withdrawal Management. BHOPS is steadily increasing volumes and generating greater revenues and finishing the month 30% ahead of budget. Physician revenue was also strong generating revenues that were 9% greater than budget. Total Gross Patient Revenue finished \$287,000 short of budget or 1.8%.

Deductions from Revenue was less than budget commensurate with the reduction of revenue by \$181,000 or 22.5%.

Net Patient Revenue finished \$468,000 or 5% less than budget. Having recorded all of the Provider Relief Funds, BRH is no longer able to supplement lost revenues with CARES funds. A grant that was received during Covid-19 of \$978,000 for developing telehealth services was realized in February as those funds had been expended. Therefore, Total Operating Revenue finished \$433,000 (4.7%) greater than budget.

Expenses exceeded budget by \$1.6 million or 18%. Unbudgeted Covid-19 related expenses continue to drive BRH's negative expense variance. Listed below are the greatest cause for this increase:

- Outside lab fees for increased testing was \$65,000 greater than budget.
- The operation of the molecular lab cost \$125,000 February.
- Covid-19 medical supply cost totaled \$350,000.
- Increased staff costs for ER Triage hut, front door screening and centralized staffing.

There were also increased non-Covid supply costs of \$300,000 in surgery and pharmacy departments commensurate with increased volumes and revenues.

The expense variance led to an Operating Loss of \$940,000. After Non-Operating Income of \$190,000 the final Net Loss was \$750,000. After eight months, BRH has Year-to-Date Net Income of \$58,000 or essentially a breakeven operation.

**Bartlett Regional Hospital
Dashboard Report for February 2021**

Facility Utilization:	CURRENT MONTH					YEAR TO DATE			
	Actual	Budget	% Over (Under) Budget	Prior Year	Prior Month (Jan)	Actual	Budget	% Over (Under) Budget	Prior Year
Hospital Inpatient: Patient Days									
Patient Days - Med/Surg	377	348	8%	379	407	3,010	3,024	0%	3,196
Patient Days - Critical Care Unit	92	87	6%	69	88	775	755	3%	721
Patient Days - Swing Beds	0	0	0%	0	0	0	0	0%	0
Avg. Daily Census - Acute	16.8	15.6	8%	14	16.0	15.6	15.6	0%	16.1
Patient Days - Obstetrics	60	62	-4%	56	69	502	542	-7%	536
Patient Days - Nursery	42	48	-13%	42	53	404	421	-4%	423
Total Hospital Patient Days	571	546	5%	546	617	4,691	4,741	-1%	4,876
Births	20	22	-10%	20	24	195	193	1%	192
Mental Health Unit									
Patient Days - Mental Health Unit	122	252	-52%	251	82	1,201	2,187	-45%	1,987
Avg. Daily Census - MHU	4.4	9.0	-52%	8.1	3	4.9	9.0	-45%	8.1
Rain Forest Recovery:									
Patient Days - RRC	181	361	-50%	304	198	737	3,131	-76%	2,360
Avg. Daily Census - RRC	6	12.9	-50%	9.8	6	3	12.9	-76%	9.7
Outpatient visits	101	17	477%	24	92	710	666	7%	191
Inpatient: Admissions									
Med/Surg	53	72	-27%	65	51	445	626	-29%	600
Critical Care Unit	31	40	-23%	38	30	274	350	-22%	341
Obstetrics	24	24	0%	24	27	213	209	2%	211
Nursery	20	22	-11%	20	24	195	194	0%	193
Mental Health Unit	20	34	-41%	38	16	160	293	-45%	293
Total Admissions - Inpatient Status	148	193	-23%	185	148	1,287	1,672	-23%	1,638
Admissions - "Observation" Status									
Med/Surg	56	51	9%	70	47	473	445	6%	469
Critical Care Unit	31	27	13%	39	26	214	238	-10%	250
Mental Health Unit	2	2	-13%	4	1	17	20	-15%	21
Obstetrics	9	17	-48%	12	10	103	150	-32%	144
Nursery	0	0	-100%	0	0	0	1	-100%	1
Total Admissions to Observation	98	98	-1%	125	84	807	855	-6%	885
Surgery:									
Inpatient Surgery Cases	49	48	3%	41	49	394	413	-5%	409
Endoscopy Cases	99	83	19%	95	96	719	722	0%	743
Same Day Surgery Cases	118	94	26%	110	119	936	812	15%	842
Total Surgery Cases	266	224	19%	246	264	2,049	1,947	5%	1,994
Total Surgery Minutes	17,843	13,943	28%	17,574	16,586	143,225	121,003	18%	138,849
Outpatient:									
Total Outpatient Visits (Hospital)									
Emergency Department Visits	868	1,123	-23%	1,161	910	7,474	9,744	-23%	9,657
Cardiac Rehab Visits	50	59	-15%	83	56	448	511	-12%	535
Lab Visits	298	363	-18%	292	317	2,336	3,154	-26%	2,984
Lab Tests	8,865	7,615	16%	8,839	9,454	76,838	70,308	9%	81,804
Radiology Visits	762	759	0%	739	767	6,325	6,583	-4%	6,439
Radiology Tests	1,949	2,228	-13%	2,253	2,207	18,117	20,057	-10%	19,420
Sleep Study Visits	30	26	15%	30	24	188	226	-17%	221
Physician Clinics:									
Hospitalists	227	214	6%	170	194	1,811	1,861	-3%	1,791
Bartlett Oncology Clinic	72	75	-4%	64	96	673	654	3%	614
Ophthalmology Clinic	88	49	79%	68	82	728	427	70%	107
Behavioral Health Outpatient visits	647	348	86%	355	550	3,596	3,020	19%	2,783
Bartlett Surgery Specialty Clinic visits	241	189	28%	319	252	1,858	1,637	13%	2,293
	1,275	876	46%	976	1,174	8,666	7,600	14%	7,588
Other Operating Indicators:									
Dietary Meals Served	20,101	27,409	-27%	26,031	21,267	159,897	237,871	-33%	234,293
Laundry Pounds (Per 100)	372	347	7%	358	364	2,980	3,008	-1%	2,995

**Bartlett Regional Hospital
Dashboard Report for February 2021**

Facility Utilization:	CURRENT MONTH				YEAR TO DATE			
	Actual	Budget	% Over (Under) Budget	Prior Year	Actual	Budget	% Over (Under) Budget	Prior Year
Financial Indicators:								
Revenue Per Adjusted Patient Day	4,931	5,429	-9.2%	4,901	5,612	4,658	20.5%	4,371
Contractual Allowance %	45.9%	43.0%	6.7%	42.6%	44.2%	43.0%	2.8%	40.9%
Bad Debt & Charity Care %	1.8%	2.7%	-33.5%	0.6%	1.2%	2.7%	-53.9%	2.7%
Wages as a % of Net Revenue	53.8%	46.4%	15.8%	45.5%	53.7%	47.2%	13.8%	46.5%
Productive Staff Hours Per Adjusted Patient Day	25.7	26.8	-3.9%	21.7	30.6	22.0	39.2%	21.5
Non-Productive Staff Hours Per Adjusted Patient Day	4.1	4.8	-15.6%	4.2	5.1	3.6	42.6%	3.5
Overtime/Premium % of Productive	7.12%	7.14%	-0.2%	7.14%	6.70%	6.96%	-3.7%	6.96%
Days Cash on Hand	90	108	-16.7%	86	99	108	-7.8%	96
Board Designated Days Cash on Hand	110	132	-16.7%	138	122	132	-7.8%	138
Days in Net Receivables	55.2	55	0.0%	65	55.2	55	0.0%	65
					Actual	Benchmark	% Over (Under)	Prior Year
Total debt-to-capitalization (with PERS)					58.5%	33.7%	73.5%	62.3%
Total debt-to-capitalization (without PERS)					14.7%	33.7%	-56.4%	15.8%
Current Ratio					7.87	2.00	293.3%	9.89
Debt-to-Cash Flow (with PERS)					10.37	2.7	284.0%	6.93
Debt-to-Cash Flow (without PERS)					2.60	2.7	-3.6%	1.76
Aged A/R 90 days & greater					41.4%	19.8%	109.1%	49.8%
Bad Debt Write off					0.3%	0.8%	-62.5%	-0.3%
Cash Collections					76.8%	99.4%	-22.7%	78.1%
Charity Care Write off					0.8%	1.4%	-42.9%	1.4%
Cost of Collections (Hospital only)					5.4%	2.8%	92.9%	5.0%
Discharged not Final Billed (DNFB)					10.7%	4.7%	127.7%	13.0%
Unbilled & Claims on Hold (DNSP)					10.7%	5.1%	109.8%	13.0%
Claims final billed not submitted to payor (FBNS)					0.0%	0.2%	-100.0%	0.00%
POS Cash Collection					2.6%	21.3%	-87.8%	1.5%

BARTLETT REGIONAL HOSPITAL
STATEMENT OF REVENUES AND EXPENSES
FOR THE MONTH AND YEAR TO DATE OF FEBRUARY 2021

MONTH ACTUAL	MONTH BUDGET	MO \$ VAR	MTD % VAR	PR YR MO		YTD ACTUAL	YTD BUDGET	YTD \$ VAR	YTD % VAR	PRIOR YTD ACT	PRIOR YTD % CHG
					Gross Patient Revenue:						
\$3,442,537	\$4,539,039	-\$1,096,502	-24.2%	\$4,068,503	1. Inpatient Revenue	\$29,526,636	\$38,756,467	-\$9,229,831	-23.8%	\$36,341,922	-18.8%
\$867,348	\$964,362	-\$97,014	-10.1%	\$900,525	2. Inpatient Ancillary Revenue	\$7,676,449	\$8,234,234	-\$557,785	-6.8%	\$7,753,342	-1.0%
\$4,309,885	\$5,503,401	-\$1,193,516	-21.7%	\$4,969,028	3. Total Inpatient Revenue	\$37,203,085	\$46,990,701	-\$9,787,616	-20.8%	\$44,095,264	-15.6%
\$9,649,589	\$8,904,234	\$745,355	8.4%	\$9,904,222	4. Outpatient Revenue	\$77,775,553	\$76,028,406	\$1,747,147	2.3%	\$74,042,439	5.0%
\$13,959,474	\$14,407,635	-\$448,161	-3.1%	\$14,873,250	5. Total Patient Revenue - Hospital	\$114,978,638	\$123,019,107	-\$8,040,469	-6.5%	\$118,137,703	-2.7%
\$298,494	\$304,883	-\$6,389	-2.1%	\$313,665	6. RRC Patient Revenue	\$1,083,728	\$2,603,220	-\$1,519,492	-58.4%	\$2,462,471	-56.0%
\$338,131	\$259,129	\$79,002	30.5%	\$247,189	7. BHOPS Patient Revenue	\$2,057,181	\$2,212,544	-\$155,363	-7.0%	\$2,124,183	-3.2%
\$1,057,303	\$969,085	\$88,218	9.1%	\$1,118,098	8. Physician Revenue	\$8,130,354	\$8,274,484	-\$144,130	-1.7%	\$8,227,436	-1.2%
\$15,653,402	\$15,940,732	-\$287,330	-1.8%	\$16,552,202	9. Total Gross Patient Revenue	\$126,249,901	\$136,109,355	-\$9,859,454	-7.2%	\$130,951,793	-3.6%
					Deductions from Revenue:						
\$2,615,020	\$3,058,125	-\$443,105	14.5%	\$2,617,478	10. Inpatient Contractual Allowance	\$21,465,230	\$26,111,712	\$4,646,482	17.8%	\$22,713,139	-5.5%
\$0	\$0	\$0		-\$308,333	10a. Rural Demonstration Project	\$0	\$0	\$0		-\$308,333	
\$3,912,124	\$3,178,444	-\$733,680	-23.1%	\$4,067,060	11. Outpatient Contractual Allowance	\$29,343,648	\$27,139,024	-\$2,204,624	-8.1%	\$26,187,487	12.1%
\$650,211	\$612,883	-\$37,328	-6.1%	\$682,718	12. Physician Service Contractual Allowance	\$4,955,995	\$5,233,083	-\$277,088	5.3%	\$4,958,929	-0.1%
\$15,371	\$14,097	-\$1,274	-9.0%	\$19,286	13. Other Deductions	\$106,001	\$120,370	\$14,369	11.9%	\$119,479	0.0%
\$132,164	\$66,251	-\$65,913	-99.5%	\$239,890	14. Charity Care	\$892,010	\$565,685	-\$326,325	-57.7%	\$761,465	17.1%
\$147,383	\$361,798	-\$214,415	59.3%	-\$133,632	15. Bad Debt Expense	\$671,322	\$3,089,198	\$2,417,876	78.3%	\$2,750,293	-75.6%
\$7,472,273	\$7,291,598	-\$180,675	-2.5%	\$7,184,467	16. Total Deductions from Revenue	\$57,434,206	\$62,259,072	\$4,824,866	7.7%	\$57,182,459	0.4%
45.9%	43.0%			44.5%	% Contractual Allowances / Total Gross Patient Revenue	44.2%	43.0%			40.9%	
1.8%	2.7%			0.6%	% Bad Debt & Charity Care / Total Gross Patient Revenue	1.2%	2.7%			2.7%	
47.7%	45.7%			43.4%	% Total Deductions / Total Gross Patient Revenue	45.5%	45.7%			43.7%	
\$8,181,129	\$8,649,134	-\$468,005	-5.4%	\$9,367,735	17. Net Patient Revenue	\$68,815,695	\$73,850,283	-\$5,034,588	-6.8%	\$73,769,334	-6.7%
\$1,408,796	\$507,641	\$901,155	177.5%	\$485,098	18. Other Operating Revenue	\$11,872,829	\$4,334,462	\$7,538,367	173.9%	\$3,331,591	256.4%
\$9,589,925	\$9,156,775	\$433,150	4.7%	\$9,852,833	19. Total Operating Revenue	\$80,688,524	\$78,184,745	\$2,503,779	3.2%	\$77,100,925	4.7%
					Expenses:						
\$4,034,183	\$3,565,415	-\$468,768	-13.1%	\$3,847,732	20. Salaries & Wages	\$33,360,902	\$30,942,742	-\$2,418,160	-7.8%	\$30,429,153	9.6%
\$276,465	\$333,596	\$57,131	17.1%	\$340,909	21. Physician Wages	\$2,398,356	\$2,895,144	\$496,788	17.2%	\$2,579,687	-7.0%
\$87,578	\$116,294	\$28,716	24.7%	\$74,584	22. Contract Labor	\$1,201,179	\$1,009,265	-\$191,914	-19.0%	\$1,284,594	-6.5%
\$2,207,481	\$1,989,826	-\$217,655	-10.9%	\$2,054,970	23. Employee Benefits	\$18,224,075	\$17,268,785	-\$955,290	-5.5%	\$16,057,296	13.5%
\$6,605,707	\$6,005,131	-\$600,576	-10.0%	\$6,318,195	24. Salaries and Benefits / Total Operating Revenue	\$55,184,512	\$52,115,936	-\$3,068,576	-5.9%	\$50,350,730	9.6%
68.9%	65.6%			64.1%		68.4%	66.7%			65.3%	
\$153,077	\$73,446	-\$79,631	-108.4%	\$92,283	24. Medical Professional Fees	\$836,615	\$637,399	-\$199,216	-31.3%	\$619,049	35.1%
\$318,535	\$153,646	-\$164,889	-107.3%	\$214,145	25. Physician Contracts	\$2,193,147	\$1,333,440	-\$859,707	-64.5%	\$1,782,852	23.0%
\$244,556	\$157,456	-\$87,100	-55.3%	\$212,677	26. Non-Medical Professional Fees	\$1,582,320	\$1,366,467	-\$215,853	-15.8%	\$1,329,063	19.1%
\$1,784,985	\$1,101,354	-\$683,631	-62.1%	\$1,303,503	27. Materials & Supplies	\$11,853,031	\$9,558,107	-\$2,294,924	-24.0%	\$9,455,767	25.4%
\$141,066	\$129,508	-\$11,558	-8.9%	\$133,297	28. Utilities	\$930,410	\$1,123,957	\$193,547	17.2%	\$1,029,768	-9.6%
\$396,195	\$390,400	-\$5,795	-1.5%	\$348,553	29. Maintenance & Repairs	\$3,355,728	\$3,388,094	\$32,366	1.0%	\$2,877,626	16.6%
\$59,826	\$47,237	-\$12,589	-26.7%	\$72,046	30. Rentals & Leases	\$423,966	\$409,953	-\$14,013	-3.4%	\$413,679	2.5%
\$43,647	\$48,586	\$4,939	10.2%	\$44,894	31. Insurance	\$384,577	\$421,664	\$37,087	8.8%	\$355,484	8.2%
\$585,750	\$621,560	\$35,810	5.8%	\$615,957	32. Depreciation & Amortization	\$5,104,344	\$4,726,400	-\$377,944	-8.0%	\$4,694,243	8.7%
\$49,359	\$46,286	-\$3,073	-6.6%	\$51,122	33. Interest Expense	\$405,936	\$401,696	-\$4,240	-1.1%	\$418,291	-3.0%
\$147,544	\$131,603	-\$15,941	-12.1%	\$106,377	34. Other Operating Expenses	\$809,890	\$1,142,135	\$332,245	29.1%	\$903,748	-10.4%
\$10,530,247	\$8,906,213	-\$1,624,034	-18.2%	\$9,513,049	35. Total Expenses	\$83,064,476	\$76,625,248	-\$6,439,228	-8.4%	\$74,230,300	-11.9%
-\$940,322	\$250,562	-\$1,190,884	-475.3%	\$339,784	36. Income (Loss) from Operations	-\$2,375,952	\$1,559,497	-\$3,935,449	-252.4%	\$2,870,625	-182.8%
\$102,272	\$93,980	\$8,292	8.8%	\$107,365	37. Interest Income	\$817,834	\$815,614	\$2,220	0.3%	\$821,275	-0.4%
\$87,830	\$90,753	-\$2,924	-3.2%	\$73,575	38. Other Non-Operating Income	\$1,616,445	\$787,587	\$828,858	105.2%	\$583,869	176.9%
\$190,102	\$184,733	\$5,368	2.9%	\$180,940	39. Total Non-Operating Revenue	\$2,434,279	\$1,603,201	\$831,078	51.8%	\$1,405,144	73.2%
-\$750,220	\$435,295	-\$1,185,515	272.3%	\$520,724	40. Net Income (Loss)	\$58,327	\$3,162,698	-\$3,104,371	98.2%	\$4,275,769	98.6%
-9.81%	2.74%			3.45%	Income from Operations Margin	-2.94%	1.99%			3.72%	
-7.82%	4.75%			5.29%	Net Income	0.07%	4.05%			5.55%	

Bartlett Regional Hospital
February 2021 Financial Operating Summary

Financial Group	In-Pt Feb	FebBudget	Out-Pt		Physician Division		BRH Total	
			FebActual	FebBudget	FebActual	FebBudget	FebActual	FebBudget
Aetna	243,296	414,828	1,470,744	1,269,561	177,991	148,343	1,892,030	1,832,732
Blue Cross	425,947	448,507	1,586,226	1,279,965	210,694	197,015	2,222,866	1,925,487
Comm	17,121	178,814	331,209	321,223	62,417	99,477	410,747	599,514
MCD	2,318,304	1,824,560	1,916,666	1,657,480	337,456	304,974	4,572,426	3,787,014
MCR	1,354,932	2,149,179	3,136,598	2,354,405	244,230	352,382	4,735,759	4,855,966
Other	59,490	64,728	168,697	206,118	9,009	15,911	237,195	286,757
SEARHC	(69,316)	31,791	100,799	112,631	7,028	10,461	38,511	154,883
Self	101,539	80,907	179,734	183,499	38,417	30,423	319,689	294,829
VA/Cham	17,326	127,421	530,076	229,176	40,073	65,538	587,475	422,135
Worker's	37,460	9,027	236,606	83,638	22,769	3,690	296,835	96,355
Grand Total	4,506,097	5,329,762	9,657,354	7,697,696	1,150,082	1,228,214	15,313,533	14,255,672

Commercial	723,823	1,051,176	3,624,785	2,954,387	473,870	448,525	4,822,478	4,454,088
Government	3,680,735	4,197,679	5,852,835	4,559,810	637,795	749,266	10,171,366	9,506,755
Self Pay	101,539	80,907	179,734	183,499	38,417	30,423	319,689	294,829
Total Charges	4,506,097	5,329,762	9,657,354	7,697,696	1,150,082	1,228,214	15,313,533	14,255,672

% of Hospital Charges	24%	29%	38%	32%	4%	5%	66.4%	66.7%
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Prior Month

Commercial	701,947	1,163,795	3,374,893	3,270,919	434,123	483,021	4,510,962	4,917,735
Government	3,963,601	4,647,437	5,671,673	5,048,349	626,444	806,902	10,261,717	10,502,688
Self Pay	13,798	89,575	214,275	203,149	7,584	32,762	235,657	325,486
Total Charges	4,679,346	5,900,807	9,260,841	8,522,417	1,068,150	1,322,685	15,008,337	15,745,909

% of Hospital Charges	26%	30%	38%	32%	4%	5%	68.4%	66.7%
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<u>Description</u>	<u>FebActual</u>	<u>FebBudget</u>	<u>FebActual</u> <u>(Over) / Under</u> <u>Budget</u>
Mgrs & Supervisors	366,438	434,036	67,598
Techs & Specs	623,106	612,544	(10,562)
RN's	841,598	858,531	16,933
Clerical & Admin	334,337	332,737	(1,600)
Clinical - Other	331,703	314,421	(17,282)
Non-Clinical - Other	249,757	272,287	22,530
Overtime	254,500	158,142	(96,358)
Premium Pay	50,762	15,188	(35,574)
Shift Differentials	134,643	120,976	(13,667)
On-Call	18,220	25,579	7,359
Non Productive	524,911	420,974	(103,937)
Premium Pay	0	-	-
Productivity Incentives	59,750	0	(59,750)
Grand Total	3,789,724	3,565,415	(224,309)
Physicians	276,465	333,596	57,131
Contract Labor	80,644	116,294	35,650
Physician Contracts	357,110	449,890	92,780

BARTLETT REGIONAL HOSPITAL
BALANCE SHEET
February 28, 2021

	<u>February-21</u>	<u>January-21</u>	<u>February-20</u>	<u>CHANGE FROM PRIOR FISCAL YEAR</u>
ASSETS				
Current Assets:				
1. Cash and cash equivalents	31,905,997	32,427,186	27,382,844	4,523,153
2. Board designated cash	35,717,268	35,512,770	39,303,472	(3,586,203)
3. Patient accounts receivable, net	15,317,033	13,865,116	18,244,443	(2,927,410)
4. Other receivables	(877,588)	(353,955)	2,385,573	(3,263,161)
5. Inventories	3,336,125	3,318,451	3,284,336	51,788
6. Prepaid Expenses	2,773,269	3,021,336	738,598	2,034,671
7. Other assets	28,877	28,877	28,877	-
8. Total current assets	88,200,981	87,819,781	91,368,143	(3,167,162)
Appropriated Cash:				
9. CIP Appropriated Funding	3,311,630	3,597,217	4,678,117	(1,366,487)
Property, plant & equipment				
10. Land, bldgs & equipment	146,798,545	146,734,223	140,503,388	6,295,157
11. Construction in progress	7,939,704	7,609,601	5,027,288	2,912,416
12. Total property & equipment	154,738,249	154,343,824	145,530,676	9,207,573
13. Less: accumulated depreciation	(99,145,256)	(98,559,626)	(91,550,197)	(7,595,059)
14. Net property and equipment	55,592,993	55,784,200	53,980,480	1,612,513
15. Deferred outflows/Contribution to Pension Plan	12,403,681	12,403,681	14,415,000	(2,011,319)
16. Total assets	159,509,285	159,604,879	164,441,740	(4,932,454)
LIABILITIES & FUND BALANCE				
Current liabilities:				
17. Payroll liabilities	1,072,426	1,064,006	892,563	179,863
18. Accrued employee benefits	5,175,726	5,186,823	3,916,455	1,259,271
19. Accounts payable and accrued expenses	3,051,336	2,391,091	3,060,408	(9,073)
20. Due to 3rd party payors	4,051,027	4,051,027	2,948,925	1,102,102
21. Deferred revenue	(3,322,181)	(3,264,431)	(2,589,523)	(732,658)
22. Interest payable	63,060	1	65,959	(2,900)
23. Note payable - current portion	910,000	910,000	870,000	40,000
24. Other payables	210,743	205,294	171,125	39,618
25. Total current liabilities	11,212,137	10,543,811	9,335,912	1,876,223
Long-term Liabilities:				
26. Bonds payable	16,350,000	16,350,000	17,260,000	(910,000)
27. Bonds payable - premium/discount	1,108,578	1,122,279	1,286,767	(178,189)
28. Net Pension Liability	64,954,569	64,954,569	72,600,321	(7,645,752)
29. Deferred In-Flows	4,318,200	4,318,200	6,172,883	(1,854,683)
30. Total long-term liabilities	86,731,347	86,745,048	97,319,971	(10,588,624)
31. Total liabilities	97,943,484	97,288,859	106,655,883	(8,712,401)
32. Fund Balance	61,565,801	62,316,020	57,785,854	3,779,947
33. Total liabilities and fund balance	159,509,285	159,604,879	164,441,740	(4,932,454)

**Bartlett Regional Hospital
Accounts Receivable
2/28/2021**

Aging by Fin Grp									Billed & Unbilled	Billed & Unbilled
	Unbilled A/R	0-30	31-60	61-90	91-120	121-150	151+	A/R Total	2/28/2021	1/31/2021
Aetna	\$65,404	\$311,958	\$314,353	\$167,427	\$260,036	\$114,845	\$626,060	\$1,794,679	\$1,860,083	\$1,932,285
Blue Cross	\$236,187	\$298,963	\$217,448	\$70,621	\$66,147	\$67,956	\$349,322	\$1,070,458	\$1,306,644	\$1,057,506
CB	0	0	0	0	0	0	0	\$0	\$0	\$0
Com	\$0	\$30,620	\$0	\$1,408	\$10,273	\$0	\$124,792	\$167,093	\$167,093	\$189,237
Medicaid	\$1,368,516	\$1,810,384	\$1,154,221	\$733,886	\$264,781	\$275,752	\$370,606	\$4,609,630	\$5,978,146	\$4,551,255
Medicare	\$914,099	\$1,285,718	\$942,411	\$162,541	\$142,847	\$176,429	\$198,365	\$2,908,311	\$3,822,410	\$2,716,523
Medicare Rep	\$0	\$0	\$0	\$18,229	\$0	\$0	\$90,234	\$108,463	\$108,463	\$110,364
Other	\$0	\$63,649	\$197,929	\$42,146	\$23,144	\$10,749	\$29,052	\$366,669	\$366,669	\$353,033
SEARHC	\$7,937	\$61,361	\$19,624	\$29,000	\$0	\$24,103	\$1,562	\$135,651	\$143,588	\$332,726
Self	\$22,264	\$144,219	\$72,842	\$106,332	\$185,196	\$72,809	\$2,123,783	\$2,705,182	\$2,727,446	\$2,518,715
VA	\$0	\$17,501	\$46,955	\$7,293	\$4,329	\$0	\$8,750	\$84,828	\$84,828	\$98,319
Worker's	\$42,420	\$39,566	\$0	\$0	\$0	\$0	\$0	\$39,566	\$81,985	\$0
in-patient Total	\$2,656,827	\$4,063,940	\$2,965,784	\$1,338,882	\$956,753	\$742,643	\$3,922,527	\$13,990,529	\$16,647,356	\$13,859,962
Aetna	\$577,513	\$932,054	\$355,724	\$213,476	\$262,476	\$11,676	\$530,175	\$2,305,581	\$2,883,094	\$3,331,789
Blue Cross	\$503,339	\$961,897	\$654,711	\$232,522	\$128,019	\$73,185	\$262,145	\$2,312,479	\$2,815,818	\$2,637,647
CB	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Com	\$71,586	\$313,070	\$99,704	\$64,872	\$11,927	\$1,747	\$150,351	\$641,670	\$713,256	\$769,408
Medicaid	\$642,852	\$714,509	\$279,165	\$84,681	\$58,609	\$44,199	\$148,486	\$1,329,649	\$1,972,501	\$1,901,336
Medicare	\$882,489	\$1,693,948	\$785,661	\$89,617	\$57,713	\$81,630	\$109,939	\$2,818,508	\$3,700,997	\$3,186,478
Medicare Rep	\$0	\$2,633	\$51,807	\$0	\$0	\$0	\$54,467	\$108,908	\$108,908	\$110,402
Other	\$8,694	\$49,044	\$131,754	\$45,582	\$1,426	\$18,579	\$43,390	\$289,776	\$298,470	\$310,890
SEARHC	\$34,986	\$83,782	\$43,361	\$24,151	\$6,289	\$3,830	\$3,650	\$165,063	\$200,049	\$224,937
Self	\$46,589	\$191,915	\$452,236	\$313,305	\$267,316	\$198,075	\$4,623,128	\$6,045,976	\$6,092,565	\$6,155,482
VA	\$80,904	\$535,319	\$77,695	\$33,351	\$1,992	\$9,941	\$50,451	\$708,750	\$789,653	\$496,965
Worker's	\$31,830	\$113,106	\$87,658	\$152,818	\$23,299	\$13,667	\$26,785	\$417,331	\$449,162	\$295,948
out-patient Total	\$2,880,781	\$5,591,278	\$3,019,476	\$1,254,374	\$819,066	\$456,529	\$6,002,967	\$17,143,691	\$20,024,472	\$19,421,284
Aetna	\$642,917	\$1,244,012	\$670,077	\$380,903	\$522,512	\$126,521	\$1,156,236	\$4,100,261	\$4,743,177	\$5,264,074
Blue Cross	\$739,526	\$1,260,861	\$872,159	\$303,143	\$194,166	\$141,141	\$611,467	\$3,382,937	\$4,122,462	\$3,695,154
CB	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Com	\$71,586	\$343,690	\$99,704	\$66,280	\$22,199	\$1,747	\$275,143	\$808,763	\$880,349	\$958,645
Medicaid	\$2,011,368	\$2,524,893	\$1,433,386	\$818,566	\$323,390	\$319,952	\$519,092	\$5,939,279	\$7,950,647	\$6,452,591
Medicare	\$1,796,588	\$2,979,667	\$1,728,072	\$252,158	\$200,560	\$258,059	\$308,304	\$5,726,819	\$7,523,407	\$5,903,001
Medicare Rep	\$0	\$2,633	\$51,807	\$18,229	\$0	\$0	\$144,702	\$217,371	\$217,371	\$220,766
Other	\$8,694	\$112,693	\$329,684	\$87,727	\$24,570	\$29,328	\$72,442	\$656,445	\$665,139	\$663,922
SEARHC	\$42,923	\$145,144	\$62,985	\$53,151	\$6,289	\$27,933	\$5,212	\$300,713	\$343,637	\$557,663
Self	\$68,853	\$336,135	\$525,078	\$419,637	\$452,512	\$270,884	\$6,746,911	\$8,751,157	\$8,820,010	\$8,674,197
VA	\$80,904	\$552,821	\$124,650	\$40,645	\$6,321	\$9,941	\$59,201	\$793,578	\$874,482	\$595,284
Worker's	\$74,250	\$152,671	\$87,658	\$152,818	\$23,299	\$13,667	\$26,785	\$456,897	\$531,147	\$295,948
Grand Total	\$5,537,608	\$9,655,219	\$5,985,260	\$2,593,256	\$1,775,818	\$1,199,172	\$9,925,494	\$31,134,220	\$36,671,827	\$33,281,246

Aged Balance excludes Credit Balances

	February-21	January-21
Aging	\$31,134,220	\$26,972,352
Unbilled	\$5,537,608	\$6,308,894
Total	\$36,671,827	\$33,281,246

Totals		
One Time PPD Ins		
RRC/MCR NO Enrollment	\$104.00	1
Compliance/Risk/Adminstrative	\$745.69	1
SP Prompt Pay Disc	\$7,951.78	125
BOPS Provider Enrollment LPC	\$9,956.14	25
Authorization/Alert Missing	\$435.50	1
1115 Waiver Svcs on Commerical Ins	\$241.50	5
Denied Appeals /Timely		
BOPS/MCR Provider NOT Eligible		
Mental Health BD MHU, RRC BOPS	\$14,082.14	62
Statement Errors/Old Accounts	\$1,366.97	1
	\$34,883.72	221

Collections

One Time Ins PPD		
Collections SPPPD	\$44,085.62	125
	\$44,085.62	125

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

www.bartlethospital.org

DATE: April 5, 2021
TO: BRH Finance Committee
FROM: Kevin Benson, Chief Financial Officer
RE: Swing Bed Update

In June of 2019 A study was completed to determine the feasibility of Bartlett licensing some number of beds as Swing beds. The summary of that study follow this memo. It was determined at that time not to pursue this project as the timing would have been detrimental to BRH's finances.

This project was to be reviewed in the next Demonstration Project base year which is FY2021. BRH staff is scheduled to meet on Wednesday and an update will be provided to the Finance Committee as to the outcome of this meeting.

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

www.bartlethospital.org

DATE: June 4, 2019
TO: Charles Bill
FROM: Kevin Benson, Chief Financial Officer
RE: Swingbed Project

Introduction:

A project included in the strategic plan for the current year was to investigate the possibility of implementing a swing bed program at BRH. The reasons this item is included in the strategic plan is twofold.

The first is related to patient care. Once a patient no longer meets medical necessity for inpatient care they need to be discharged. However, the patient can't be discharged without appropriate placement in a safe environment. So while a patient may not meet criteria for being in the hospital they may not be able to care for themselves requiring placement in a skilled nursing facility. At any one time there may be few or no skilled nursing beds available in Juneau. This means looking for placement in a community outside of Juneau such as a Nursing Home or Swing Bed placement in another hospital. Until appropriate placement is found the patient must remain in the hospital

Placement in a community outside of Juneau requires flying out to another community and in some cases this may require an escort depending on the health of the patient and support of the family. The patient will then remain in that facility separated from friends and family until placement can be found in Juneau or they are deemed well enough to return home.

If BRH were to have a swing bed program discharging a patient to another facility would not be necessary and the patient could remain in the community until placement was found.

The second reason this project was included in the strategic plan is for financial purposes. With sustainability being a key component of the mission of the organization it is important this program be able to be financially viable.

Evaluation:

To evaluate implementing a swing bed program it was determined the financial viability would first be examined. Previous research determined the program was marginal at best but this was based on the assumption BRH would receive RUG payments (RUGs are the equivalent of DRG payments but is the reimbursement model for long term care patients). It was determined that as a Rural Demonstration Project Hospital that BRH would be cost based reimbursed for swing bed days rather than on RUG reimbursement. This was confirmed through our consultants at Eide Bailey, CPAs and the hospital in Soldotna which has swing beds and is also a Rural Demonstration Project Hospital.

The evaluation began with determining the volume of patients that could qualify for swing bed status. With the assistance of Case Management, a list of patients that were transferred to another facility for swing bed placement during the 2018 year was developed. It was found the patient volume was approximately 2 patients per day throughout the year.

The services of Eide Bailly were enlisted to rerun the Medicare Cost Report for 2018 with these added volumes to see what the impact might be. There were assumptions that were made as to what additional revenues these patients might generate while in Swing Bed status and what additional costs would be incurred to operate this program. The results showed that BRH would receive an additional \$1.1 in net reimbursement after the additional expenses (see attached email).

Having determined that this project appears financially viable we needed to figure how to enroll and get into the program. There are very few Rural Demonstration Project hospitals and it is unknown if any of them have ever tried to add a Swing Bed program. Eide Bailly who works with Noridian, our CMS administrator, was tasked with finding out the answer to that question. In the meantime, a site visit to Soldotna was scheduled to review and observe their Swing Bed program.

The CFO, CCO and Case Management manager completed this site visit to learn and understand operational aspects of running a Swing Bed program.

The following is a list of what was learned:

- The hospital would average as many as 8 or nine swing bed patients per day.
- The CFO was very satisfied with the program wanting first acute care patients followed by swing bed patients and finally empty beds.
- A dedicated nurse is needed to maintain the MDS (this is the long term care medical record). The MDS has a different set of documentation and medical record that needs to be maintained.
- Patient billing is different.
- Activity services need to be provided.

Set-Back:

Upon returning from the site visit to Soldatna an email was received from CMS addressing reimbursement for Swing Bed patients at BRH. (see email below). It states that cost based reimbursement is not available to BRH because swing beds were not included in the base year where rates were determined.

This was very disappointing information and makes the financial viability of the program very questionable. BRH could implement the program based on the assumption that cost based reimbursement would be available if the program were in place for the next Rural Demonstration Project base year which would be 2021. BRH could then implement this program at the end of the 2020 fiscal year. During the 2021 fiscal year the reimbursement would be based on RUG rates but should after the filing of the cost report see retroactive reimbursement for the cost-based rates.

Of course this assumes Rural Demonstration Project reimbursement will be renewed which is believed it will but there is always a chance it will not.

Conclusion:

BRH should proceed with the implementation of a Swing Bed program effective in the 4th quarter of FY2020. For those patients in Swing Bed Status in FY202 BRH would receive reimbursement based on RUG rates. However, the days would be in the FY2021 base year Medicare Cost Report to established cost based rates which would be much higher. Cost based reimbursement would fulfill the sustainability mission of the organization and keeping patients locally would fulfill the patient care mission of the organization.

From: CMS RCH Demo <RCHDemo@cms.hhs.gov>
Sent: Tuesday, May 14, 2019 9:10 AM
To: Brian Bertsch <BBertsch@eidebailly.com>
Subject: RE: Swingbed - Rural Demo Facility

Mr. Bertsch –

We are sorry for the delay in responding.

Cost-based reimbursement under the Rural Community Hospital Demonstration is not allowable for this situation. The authorizing statute, section 410A of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, prescribes a specific payment methodology for the 5-year demonstration period. In the first (or base) year, payment for Medicare covered inpatient hospital services is the reasonable cost amount associated with providing those services. During years 2 through 5, payment is *the lesser of* the current year's reasonable cost amount *or* the base year amount updated by the applicable percentage increase.

The hospital's base year for the 5-year participation period authorized by the Cures Act is 1/1/2017 - 12/31/2017. Thus, the payment amount for Medicare inpatient services in the current year is limited by the cost amount in CY 2017 (updated by the inflation factor). The statutory language in section 410A says explicitly that the "lesser of" comparison applies to the reasonable costs of covered inpatient hospital services during the first cost reporting period, and that swing bed services are included. Thus, the appropriate comparison for the current round of participation is to the base year, i.e., 1/1/2017 – 12/31/2017. Since the hospital did not provide swing bed services in that year, newly added swing bed services cannot be reimbursed under the demo cost-based methodology at this time.

Siddhartha Mazumdar
Seamless Care Models Group
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