

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

**Finance Committee Meeting Minutes**

**Zoom Meeting – October 8, 2021**

**Called to order at 12:01 p.m. by Finance Chair, Deb Johnston.**

**Finance Committee (\*) & Board Members:** Deb Johnston*\**, Brenda Knapp\*, Lance Stevens\*, and Rosemary Hagevig.

**Staff & Others:** Kathy Callahan, Interim CEO, Kevin Benson, CFO, Alice Nichols, Interim CBHO, Dallas Hargrave, HR Director, Blessy Robert, Director of Accounting, Seanna O’Sullivan, Megan Rinkenberger, and Gage Thompson. (All via Zoom)

**Public Comment:** None

***Following a date correction, Mr. Stevens made a MOTION to approve the minutes from the September 10, 2021 Finance Committee Meeting. Ms. Knapp seconded, and they were approved.***

**August 2021 Financial Review – Kevin Benson, CFO**

Bartlett Regional Hospital had a busy month with the highest number of Covid-19 patients it has cared for during this pandemic. Inpatient revenue for the month was down $635,000 (-11%) from budget in August. The departments of CCU, MHU, Obstetrics and Rainforest contributed to this shortfall. This is consistent with the related departmental statistics which were also down. Opposite of that, Outpatient revenue was greater than budget by $766,000 (7.4%) driven by increases in many departments but particularly Emergency Department visits, BOPS visits and Lab tests (molecular). This left Total Hospital Patient Revenue $268,000 (1.5%) ahead of budget. After Rainforest, BHOPS and physician revenue, the month ended $268,000 (1.5%) ahead of budget for Gross Patient Revenue.

Deductions from revenue were almost right on budget consistent with revenue finishing close to budget.

Net Patient Revenue finished ahead of budget with positive variance of $271,000 (2.8%). Other Operating Revenue was well below budget with the loss of 340B revenue and lower grant revenues. As a result, Total Operating Revenue finished at $-215,000 (-2.0%) less than budget.

Total Expenses were over budget, finishing $-204,000 (-1.9%) yielding an Operating Loss of $498,000 as compared to a budgeted Operating Loss of -$79,000. After Non-Operating Income the Final Net Loss was $-330,000 for a minus -3.8% margin. After two months, the Net Income is $126,000 for a 0.59% margin.

Expense variances incurred in August were as follows:

* Contract Labor was $44,000 over budget as the hospital struggles to maintain staffing levels.
* Physician Contracts were $288,000 over budget as additional mental health providers are needed to provide for increased volumes.
* Supply costs were $285,000 over budget, driven almost exclusively by increased pharmaceuticals for increased Infusion Therapy services and Covid-19 related drugs.

Molecular Testing volumes have increased dramatically generating $497,000 in revenue as opposed to $48,000 in the budget. These volumes have put a heavy burden on not just the Lab staff, but on registration staff as well.

Committee members requested a clarification of some details around Bad Debt at the next meeting.

**Surprise Billing Act – Kevin Benson, CFO**

The act will be effective January 1, 2022. There may still be changes to the legislation before it is implemented. Mr. Benson provided a summary of the act and the possible effect on BRH, almost entirely from outside providers who Bartlett works with. The details of the act are provided in the packet. Bartlett will be hosting a discussion for providers and staff to ask questions they may have about the impact to the hospital and the community.

**New Provider Relief Funds – Kevin Benson, CFO**

Provider Relief Funds are reported and filed based on how they were spent. Once that is submitted, BRH can apply for the next two phases of PRF, including an amount for rural providers. Bartlett has received $7.2 million in distributions, which covered about half the losses and expenses incurred.

**Next Meeting:** ***Friday, November 12th, 2021 at 12:00 via Zoom***

**Additional Comments:** Mr. Benson informed the committee that the CBJ Assembly pushed the bonding issue to their November 2nd meeting, and he will update the committee at the next meeting.

**Adjourned – 12:45 p.m.**