

Bartlett Regional Hospital

FINANCE COMMITTEE MEETING
August 13, 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 participate 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 – [July 9, 2021 Minutes](#) Page 2

1. June 2021 Financial Statements Review
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EXECUTIVE SESSION

Motion by xx, to recess into executive session to discuss information presented that the immediate knowledge of which would clearly have an adverse effect upon the finances of BRH; that being a discussion about campus planning, and ask for unanimous consent.

Next Meeting: Friday, September 10, 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 – July 9, 2021

Called to order at 12:03 p.m. by Finance Chair, Deb Johnston.

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

Staff & Others: *Rose Lawhorne, CEO, Kevin Benson, CFO, Bradley Grigg, CBHO, Dallas Hargrave, HR Director, Blessy Robert, Director of Accounting, Jeff Hoover, Willy Dodd, Megan Rinkenberger, and Tiara Ward, CBJ. (Zoom attendees are italicized)*

Public Comment: None

Ms. Knapp made a MOTION to approve the minutes from the June 11, 2021 Finance Committee Meeting. Mr. Stevens seconded, and they were approved.

May 2021 Financial Review – Kevin Benson, CFO

The financial results for Bartlett Regional Hospital look very similar to April, but the final results were significantly better. Inpatient volumes and revenues continued to be depressed resulting in an inpatient revenue shortfall of \$1.3 million (-21%). After eleven months, inpatient revenues are \$13.6 million (-21%) behind the budget target. However, outpatient revenue continued to be strong with revenues \$446,000 (4.5%) over budget. The primary drivers were increased surgical procedures (16%) and unbudgeted molecular testing revenue. Year-to-date, outpatient revenue has performed well and is currently running \$4.3 million (4.1%) ahead of budget and 16.1% greater than the prior year.

Rainforest Recovery Center is still operating at 66% capacity, however new revenue from Withdrawal Management resulted in a decrease of only 18%. BHOPS revenues were 17% over budget at almost \$339,000. Physician revenue was 20% greater than budget. This resulted in Total Gross Patient Revenue of \$17.1 million, which was \$639,000 (3.6%) less than budget.

Deductions from revenue had a favorable variance of \$768,000 (9.4%). This was a result of a change in payor mix, with more revenue from commercial payors with lower deductions and reduction of Medicaid revenues.

Net Patient Revenue finished just slightly greater than budget at \$9.8 million. After Other Operating Revenue the Total Operating Revenue finished at \$10.4 million or (1.8%) greater than budget.

Expenses exceeded budget by \$598,000 or 6.1%. Unbudgeted Covid-19 related expenses continue to drive BRH's negative expense variance. Listed below are the greatest causes for this increase:

- The operation of the molecular lab added \$203,000 in unbudgeted revenue and \$53,000 in unbudgeted expense.
- Increased staff costs for ER Triage hut, front door screening, molecular lab and central staffing.
- The prior month of May reflects the finances of the organization in its second month of reopening during Covid. Net Patient Revenue was significantly depressed but was supplemented by Provider Relief Funds reflected in Other Operating Revenue.

The expense variance led to an Operating Loss of \$54,000. After Non-Operating Income of \$176,000 the final Net Income was \$122,000. After eleven months, BRH is essentially at a breakeven position of \$195,000 (1.7%) net margin.

Changes in General and Professional Liability Insurance – Kevin Benson, CFO

BRH has a long history of being a policy owner of Norcal insurance. Because of this, BRH is a part owner. Norcal has chosen to buy out owners in this situation and pursue a stock ownership model. As a result of this, BRH has received a check in the amount of \$836,377. This is a one-time payment, with potential for a second payout of \$278,792. This was recorded as non-operating income in June, the same month the staff bonuses were recorded, which totaled \$560,000.

Norcal notified BRH of an increase in premiums effective July 1st, so it was decided to issue an RFP to seek competitive bids for coverage. CBJ Risk Management and Jennifer Mannix led the project. In the end, three proposals were gathered and compared. Professional Security Insurance Company (MagMutual) was selected. The finance committee then went into a presentation on the comparison, and page 16 of the packet was reviewed. This plan is almost identical to the one Norcal provided, and became effective July 1st. Claims made through June 30th will still be covered by Norcal. There was a question on Tail Coverage – it is a one-time payment, but how much does it cost and when will it be recorded? Which will be addressed at another time.

EXECUTIVE SESSION - MOTION by Mr. Stevens, to recess into executive session to discuss information presented that the immediate knowledge of which would clearly have an adverse effect upon the finances of BRH; that being a discussion about campus planning, and ask for unanimous consent. Ms. Johnston seconded.

The Finance Committee entered executive session at 12:32pm. They returned to regular session at 12:57pm.

Mr. Stevens made a MOTION to recommend to the board approval of a \$15M bond for campus planning and improvements. Ms. Knapp seconded, and the motion was passed.

Next Meeting: Friday, August 13, 2021 at 12:00 via Zoom and in the BRH Boardroom

Board Comments: None

Adjourned – 1:04 p.m.

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

www.bartletthospital.org

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

June marks the end of the 2021 fiscal year. It represents the second year impacted by the mitigation efforts required for Covid. The financial results for Bartlett Regional Hospital were very favorable due to a couple of significant and unusual events. Inpatient volumes and revenues continued to be depressed resulting in an inpatient revenue shortfall of \$1.75 million (-30%). For the year, inpatient revenues are \$15.4 million (-22%) behind the budget target. However, outpatient revenue continued to be strong with revenues \$900,000 (9.4%) over budget. The primary drivers were increased surgical procedures (16%), pharmaceuticals and unbudgeted molecular testing revenue. Year-to-date, outpatient revenue has performed well and is currently running \$5.2 million (4.6%) ahead of budget and 15.8% greater than the prior year.

BHOPS revenues continue to be well ahead of budget with a 11.3% positive variance. The limiting barrier for greater revenue is not a lack of patients but a shortage of providers on both the psychiatric and therapy services. Together with Rainforest and physician revenue the final amount of Total Gross Patient Revenue was \$16.2 million, which was \$998,000 (5.8%) less than budget. For the year Bartlett finished \$12.2 million short of budget.

Deductions from revenue had a favorable variance of \$2,700,000 (34.9%). The major reason for the positive variance is that \$2.0 million of additional reimbursement was recorded for the Rural Demonstration Project. Definitive communication was finally received from CMS. This reimbursement is an estimate of what may be realized and discussed in more detail in separate memo.

Net Patient Revenue finished well ahead of budget at \$11.0 million. Included in Operating Revenue was recognition of \$1.9 million of grant revenue as the grants were closed out for the year. After Other Operating Revenue the Total Operating Revenue finished at \$13.4 million (36%) greater than budget.

Expenses exceeded budget by \$2.1 million or 22.5%. Unbudgeted Covid-19 related expenses, staff bonuses, yearend inventory adjustments and increased physician locum agreements were the main contributors to this negative variance. Significant yearend adjustments are as follows:

- The expense for staff bonuses in the amount of \$553,000 was expensed in June.
- Grant revenue of \$1.9 million was recorded in Other Revenue.
- Norcal ownership buyout of \$836,000 was recorded as Non-Operating Revenue.

After all these revenue and expense yearend adjustments, Operating Income finished at \$1.7 million. The ownership buyout of Norcal ownership was reflected in Non-Operating Income. After Non-Operating Income of \$1.0 million the final Net Income was \$2.7 million. For the fiscal year a Net income of \$2.9 million was achieved (2.3%).

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

Facility Utilization:	CURRENT MONTH					YEAR TO DATE			
	Actual	Budget	% Over (Under) Budget	Prior Year	Prior Month (May)	Actual	Budget	% Over (Under) Budget	Prior Year
Hospital Inpatient: Patient Days									
Patient Days - Med/Surg	361	373	-3%	281	393	4,543	4,542	0%	4,251
Patient Days - Critical Care Unit	76	93	-18%	79	78	1,089	1,134	-4%	1,009
Patient Days - Swing Beds	0	0	0%	0	0	0	0	0%	0
Avg. Daily Census - Acute	14.6	15.6	-6%	12	15.2	15.4	15.6	-1%	14.4
Patient Days - Obstetrics	50	67	-25%	72	83	750	814	-8%	790
Patient Days - Nursery	36	52	-31%	57	64	591	632	-6%	622
Total Hospital Patient Days	523	585	-11%	489	618	6,973	7,122	-2%	6,672
Births	20	24	-16%	26	34	294	290	1%	287
Mental Health Unit									
Patient Days - Mental Health Unit	132	270	-51%	117	180	1,790	3,285	-46%	2,454
Avg. Daily Census - MHU	4.4	9.0	-51%	3.9	6	4.9	9.0	-46%	6.7
Rain Forest Recovery:									
Patient Days - RRC	160	387	-59%	0	161	1,434	4,703	-70%	2,538
Avg. Daily Census - RRC	5	12.9	-59%	0	5	4	12.9	-70%	6.9
Outpatient visits	22	19	17%	35	32	865	821	5%	328
Inpatient: Admissions									
Med/Surg	59	77	-24%	53	63	319	940	-66%	811
Critical Care Unit	32	43	-26%	35	32	319	526	-39%	476
Obstetrics	23	26	-11%	28	33	319	314	2%	316
Nursery	20	24	-17%	26	34	296	292	1%	289
Mental Health Unit	18	36	-50%	16	24	241	440	-45%	353
Total Admissions - Inpatient Status	152	206	-26%	158	186	1,494	2,512	-41%	2,245
Admissions - "Observation" Status									
Med/Surg	67	55	22%	62	71	738	668	10%	667
Critical Care Unit	21	29	-29%	31	23	315	358	-12%	356
Mental Health Unit	3	2	22%	2	2	24	30	-20%	29
Obstetrics	14	19	-25%	17	18	169	226	-25%	202
Nursery	0	0	-100%	0	0	0	2	-100%	2
Total Admissions to Observation	105	106	-1%	112	114	1,246	1,284	-3%	1,256
Surgery:									
Inpatient Surgery Cases	52	51	2%	52	48	594	620	-4%	562
Endoscopy Cases	113	89	27%	84	126	1,150	1,084	6%	917
Same Day Surgery Cases	93	100	-7%	133	102	1,368	1,220	12%	1,135
Total Surgery Cases	258	240	7%	269	276	3,112	2,924	6%	2,614
Total Surgery Minutes	18,410	14,939	23%	19,059	17,804	217,265	181,754	20%	188,905
Outpatient:									
Total Outpatient Visits (Hospital)									
Emergency Department Visits	1,152	1,203	-4%	897	1,096	11,592	14,636	-21%	13,093
Cardiac Rehab Visits	55	63	-13%	77	64	671	768	-13%	752
Lab Visits	493	389	27%	279	1,312	5,288	4,738	12%	3,977
Lab Tests	8,952	9,644	-7%	9,266	9,076	115,601	106,783	8%	113,220
Radiology Visits	894	813	10%	803	841	9,786	9,888	-1%	8,614
Radiology Tests	2,307	2,675	-14%	2,144	2,256	27,184	30,316	-10%	26,318
Sleep Study Visits	19	28	-32%	34	33	295	340	-13%	304
Physician Clinics:									
Hospitalists	189	230	-18%	199	221	2,517	2,796	-10%	2,320
Bartlett Oncology Clinic	92	81	14%	61	83	1,033	982	5%	862
Ophthalmology Clinic	1	53	-98%	118	83	979	642	52%	107
Behavioral Health Outpatient visits	612	373	64%	394	701	6,316	4,536	39%	4,353
Bartlett Surgery Specialty Clinic visits	275	202	36%	289	298	2,924	2,459	19%	3,016
	1,169	938	25%	1,061	1,386	13,769	11,415	21%	10,658
Other Operating Indicators:									
Dietary Meals Served	21,905	29,367	-25%	15,059	23,626	246,404	357,296	-31%	300,896
Laundry Pounds (Per 100)	371	371	0%	363	394	4,544	4,518	1%	4,252

**Bartlett Regional Hospital
Dashboard Report for June 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	4,351	4,790	-9.1%	3,164	5,417	5,121	5.8%	4,253
Contractual Allowance %	39.2%	43.0%	-8.7%	65.1%	43.3%	43.0%	0.8%	43.5%
Bad Debt & Charity Care %	4.5%	2.7%	67.6%	0.4%	1.5%	2.7%	-45.1%	2.2%
Wages as a % of Net Revenue	60.4%	46.2%	30.8%	91.6%	53.5%	47.2%	13.4%	54.0%
Productive Staff Hours Per Adjusted Patient Day	23.2	23.9	-2.9%	18.1	29.6	24.7	20.0%	23.5
Non-Productive Staff Hours Per Adjusted Patient Day	3.6	3.6	-0.8%	2.8	4.8	3.9	21.6%	3.8
Overtime/Premium % of Productive	6.39%	3.16%	102.4%	3.16%	6.11%	5.90%	3.6%	5.90%
Days Cash on Hand	65	82	-20.0%	334	74	82	-8.8%	125
Board Designated Days Cash on Hand	131	164	-20.0%	396	150	164	-8.8%	396
Days in Net Receivables	47.1	47	0.0%	86	47.1	47	0.0%	86
					Actual	Benchmark	% Over (Under)	Prior Year Month
Total debt-to-capitalization (with PERS)					58.0%	33.7%	72.0%	61.7%
Total debt-to-capitalization (without PERS)					14.5%	33.7%	-56.9%	15.7%
Current Ratio					6.34	2.00	217.0%	8.25
Debt-to-Cash Flow (with PERS)					9.54	2.7	253.3%	6.70
Debt-to-Cash Flow (without PERS)					2.39	2.7	-11.4%	1.70
Aged A/R 90 days & greater					49.5%	19.8%	150.1%	60.1%
Bad Debt Write off					1.1%	0.8%	37.0%	0.6%
Cash Collections					100.4%	99.4%	1.0%	94.4%
Charity Care Write off					1.1%	1.4%	-18.8%	1.3%
Cost of Collections (Hospital only)					4.5%	2.8%	60.8%	5.8%
Discharged not Final Billed (DNFB)					13.3%	4.7%	183.0%	19.7%
Unbilled & Claims on Hold (DNSP)					13.3%	5.1%	160.8%	19.7%
Claims final billed not submitted to payor (FBNS)					0.0%	0.2%	-100.0%	0.00%
POS Cash Collection					1.2%	21.3%	-94.5%	2.6%

BARTLETT REGIONAL HOSPITAL
STATEMENT OF REVENUES AND EXPENSES
FOR THE MONTH AND YEAR TO DATE OF JUNE 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:											
\$3,321,408	\$4,888,202	-\$1,566,795	-32.1%	\$3,076,625	1. Inpatient Revenue	\$43,799,897	\$58,251,091	-\$14,451,194	-24.8%	\$48,061,895	-8.9%
\$851,522	\$1,038,554	-\$187,032	-18.0%	\$838,807	2. Inpatient Ancillary Revenue	\$11,438,519	\$12,376,085	-\$937,566	-7.6%	\$10,603,590	7.9%
\$4,172,930	\$5,926,756	-\$1,753,827	-29.6%	\$3,915,432	3. Total Inpatient Revenue	\$55,238,416	\$70,627,176	-\$15,388,760	-21.8%	\$58,665,485	-5.8%
\$10,492,206	\$9,589,164	\$903,042	9.4%	\$9,255,490	4. Outpatient Revenue	\$119,476,083	\$114,270,912	\$5,205,171	4.6%	\$103,133,108	15.8%
\$14,665,136	\$15,515,920	-\$850,785	-5.5%	\$13,170,922	5. Total Patient Revenue - Hospital	\$174,714,499	\$184,898,088	-\$10,183,589	-5.5%	\$161,798,593	8.0%
\$240,984	\$328,333	-\$87,349	-26.6%	\$3,048	6. RRC Patient Revenue	\$2,170,770	\$3,912,647	-\$1,741,877	-44.5%	\$2,664,511	-18.5%
\$310,660	\$279,062	\$31,598	11.3%	\$215,217	7. BHOPS Patient Revenue	\$3,373,036	\$3,325,458	\$47,578	1.4%	\$3,040,990	10.9%
\$952,323	\$1,043,627	-\$91,304	-8.7%	\$1,101,281	8. Physician Revenue	\$12,128,681	\$12,436,573	-\$307,893	-2.5%	\$10,744,464	12.9%
\$16,169,103	\$17,166,942	-\$997,840	-5.8%	\$14,490,468	9. Total Gross Patient Revenue	\$192,386,986	\$204,572,766	-\$12,185,781	-6.0%	\$178,248,558	7.9%
Deductions from Revenue:											
\$1,396,539	\$3,293,372	\$3,896,833	118.3%	\$4,985,339	10. Inpatient Contractual Allowance	\$30,400,254	\$41,245,985	\$10,845,731	26.3%	\$33,491,340	-9.2%
-\$2,000,000	\$0	\$0		-\$308,333	10a. Rural Demonstration Project	-\$2,000,000	-\$2,000,000	\$0		-\$308,333	
\$4,103,488	\$3,422,940	-\$680,548	-19.9%	\$4,288,673	11. Outpatient Contractual Allowance	\$45,584,541	\$40,790,033	-\$4,794,508	-11.8%	\$37,915,618	20.2%
\$841,479	\$660,029	-\$181,450	-27.5%	\$472,250	12. Physician Service Contractual Allowance	\$7,350,844	\$7,865,340	-\$514,496	-6.5%	\$6,474,834	13.5%
\$45,991	\$15,182	-\$30,809	-202.9%	\$12,950	13. Other Deductions	\$182,677	\$180,917	-\$1,760	-1.0%	\$176,691	0.0%
\$183,914	\$71,347	-\$112,567	-157.8%	\$193,640	14. Charity Care	\$1,367,675	\$850,227	-\$517,448	-60.9%	\$1,090,598	25.4%
\$543,808	\$389,629	-\$154,179	-39.6%	-\$139,694	15. Bad Debt Expense	\$1,469,203	\$4,643,074	\$3,173,871	68.4%	\$2,830,317	-48.1%
\$5,115,219	\$7,852,499	\$2,737,280	34.9%	\$9,504,825	16. Total Deductions from Revenue	\$84,355,194	\$93,575,576	\$9,220,382	9.9%	\$81,671,065	3.3%
26.9%	43.0%			67.3%	% Contractual Allowances / Total Gross Patient Revenue	42.3%	43.9%			43.5%	
4.5%	2.7%			0.4%	% Bad Debt & Charity Care / Total Gross Patient Revenue	1.5%	2.7%			2.2%	
31.6%	45.7%			65.6%	% Total Deductions / Total Gross Patient Revenue	43.8%	45.7%			45.8%	
\$11,053,884	\$9,314,443	\$1,739,440	18.7%	\$4,985,643	17. Net Patient Revenue	\$108,031,792	\$110,997,190	-\$2,965,399	-2.7%	\$96,577,493	11.9%
\$2,338,040	\$546,690	\$1,791,350	327.7%	\$968,256	18. Other Operating Revenue	\$6,719,662	\$6,514,710	\$204,952	3.1%	\$13,535,982	23.5%
\$13,391,924	\$9,861,133	\$3,530,791	35.8%	\$5,953,899	19. Total Operating Revenue	\$124,751,454	\$117,511,900	\$7,239,553	6.2%	\$110,113,475	13.3%
Expenses:											
\$4,903,653	\$3,820,091	-\$1,083,562	-28.4%	\$4,071,456	20. Salaries & Wages	\$51,273,615	\$46,477,780	-\$4,795,835	-10.3%	\$46,562,389	10.1%
\$327,662	\$357,424	\$29,762	8.3%	\$254,636	21. Physician Wages	\$3,533,813	\$4,348,673	\$814,860	18.7%	\$3,735,925	-5.4%
\$237,358	\$124,599	-\$112,759	-90.5%	\$241,601	22. Contract Labor	\$1,898,043	\$1,515,976	-\$382,067	-25.2%	\$1,841,826	3.1%
\$2,259,915	\$2,131,941	-\$127,974	-6.0%	-\$4,391,441	23. Employee Benefits	\$27,637,173	\$25,938,695	-\$1,698,478	-6.5%	\$17,888,203	54.5%
\$7,728,588	\$6,434,055	-\$1,294,533	-20.1%	\$176,252		\$84,342,644	\$78,281,124	-\$6,061,520	-7.7%	\$70,028,343	20.4%
57.7%	65.2%			3.0%	% Salaries and Benefits / Total Operating Revenue	67.6%	66.6%			63.6%	
\$80,048	\$78,690	-\$1,358	-1.7%	\$94,153	24. Medical Professional Fees	\$1,131,681	\$957,408	-\$174,273	-18.2%	\$965,031	17.3%
\$357,100	\$164,622	-\$192,478	-116.9%	\$144,561	25. Physician Contracts	\$3,677,800	\$2,002,906	-\$1,674,894	-83.6%	\$2,472,343	48.8%
\$263,873	\$168,700	-\$95,173	-56.4%	\$199,752	26. Non-Medical Professional Fees	\$2,433,735	\$2,052,510	-\$381,225	-18.6%	\$2,098,813	16.0%
\$1,592,997	\$1,180,017	-\$412,980	-35.0%	\$1,606,789	27. Materials & Supplies	\$17,027,923	\$14,356,828	-\$2,671,095	-18.6%	\$14,263,825	19.4%
\$96,871	\$138,762	\$41,891	30.2%	\$130,218	28. Utilities	\$1,418,425	\$1,688,246	\$269,821	16.0%	\$1,484,321	-4.4%
\$683,001	\$418,281	-\$264,720	-63.3%	\$466,981	29. Maintenance & Repairs	\$5,253,582	\$5,089,113	-\$164,469	-3.2%	\$4,498,636	16.8%
\$43,979	\$50,612	\$6,633	13.1%	\$66,652	30. Rentals & Leases	\$617,489	\$615,774	-\$1,715	-0.3%	\$609,337	1.3%
\$45,361	\$52,057	\$6,696	12.9%	\$45,044	31. Insurance	\$580,149	\$633,364	\$53,215	8.4%	\$524,306	10.7%
\$616,414	\$658,815	\$42,401	6.4%	\$633,439	32. Depreciation & Amortization	\$7,543,914	\$7,898,915	\$155,001	2.0%	\$7,185,318	5.0%
\$49,359	\$49,592	\$233	0.5%	\$51,122	33. Interest Expense	\$603,371	\$603,370	-\$1	0.0%	\$622,780	-3.1%
\$120,168	\$141,006	\$20,839	14.8%	\$55,217	34. Other Operating Expenses	\$1,257,339	\$1,715,551	\$458,212	26.7%	\$1,287,083	-2.3%
\$11,677,759	\$9,535,209	-\$2,142,549	-22.5%	\$3,670,180	35. Total Expenses	\$125,888,052	\$115,895,109	-\$10,192,943	-8.8%	\$106,040,136	-18.7%
\$1,714,165	\$325,924	\$1,388,241	425.9%	\$2,283,719	36. Income (Loss) from Operations	-\$1,136,598	\$1,616,791	-\$2,753,389	-170.3%	\$4,073,339	-127.9%
\$105,534	\$100,693	\$4,841	4.8%	\$1,911,847	37. Interest Income	\$1,233,086	\$1,225,100	\$7,986	0.7%	\$3,040,002	-59.4%
\$895,124	\$97,233	\$797,891	820.6%	\$81,592	38. Other Non-Operating Income	\$2,813,114	\$1,183,000	\$1,630,114	137.8%	\$884,042	218.2%
\$1,000,658	\$197,926	\$802,732	405.6%	\$1,993,439	39. Total Non-Operating Revenue	\$4,046,200	\$2,408,100	\$1,638,100	68.0%	\$3,924,044	3.1%
\$2,714,823	\$523,850	\$2,190,973	-418.2%	\$4,277,158	40. Net Income (Loss)	\$2,909,602	\$4,024,891	-\$1,115,289	27.7%	\$7,997,383	63.6%
12.80%	3.31%			38.36%	Income from Operations Margin	-0.91%	1.38%			3.70%	
20.27%	5.31%			71.84%	Net Income	2.33%	3.43%			7.26%	

**Bartlett Regional Hospital
June 2021 Financial Operating Summary**

Financial Group	In-Pt Actual	In-PT Budget	Out-Pt Actual	Out-Pt Budget	Physician Actual	Physician Budget	Total Actual	Total Budget
Aetna	518,338	413,007	1,531,334	1,588,003	170,475	159,754	2,220,147	2,160,764
Blue Cross	388,974	672,965	2,078,813	1,630,567	303,323	212,168	2,771,110	2,515,700
Comm	142,359	268,842	408,641	447,802	75,553	107,129	626,552	823,773
MCD	1,415,483	2,216,633	1,969,613	1,866,987	268,755	328,433	3,653,852	4,412,053
MCR	1,648,181	2,353,369	3,340,433	2,930,479	340,470	379,487	5,329,084	5,663,335
Other	10,898	57,720	247,127	329,458	16,849	17,135	274,873	404,313
SEARHC	34,007	62,405	101,304	142,890	6,180	11,266	141,490	216,561
Self	103,370	47,379	243,593	248,448	(2,133)	32,763	344,830	328,590
VA/Cham	146,386	150,318	288,797	279,852	57,273	70,581	492,456	500,751
Worker's	(27,571)	12,451	307,048	124,678	1,741	3,973	281,218	141,102
Grand Total	4,380,424	6,255,089	10,516,702	9,589,164	1,238,486	1,322,689	16,135,612	17,166,942

Commercial	1,022,099	1,367,265	4,325,835	3,791,050	551,092	483,024	5,899,027	5,641,339
Government	3,254,955	4,840,445	5,947,274	5,549,666	689,527	806,902	9,891,756	11,197,013
Self Pay	103,370	47,379	243,593	248,448	(2,133)	32,763	344,830	328,590
Total Charges	4,380,424	6,255,089	10,516,702	9,589,164	1,238,486	1,322,689	16,135,612	17,166,942

% of Hospital Charges	20%	28%	37%	32%	4%	5%	61.3%	65.2%
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Prior Month

Commercial	869,322	1,416,098	3,692,141	3,926,446	511,852	500,272	5,073,315	5,842,816
Government	3,747,949	5,013,320	6,419,744	5,747,870	858,199	835,721	11,025,893	11,596,911
Self Pay	319,480	49,072	63,015	257,323	14,905	33,932	397,399	340,327
Total Charges	4,936,751	6,478,490	10,174,900	9,931,639	1,384,956	1,369,925	16,496,607	17,780,054

% of Hospital Charges	23%	28%	39%	32%	5%	5%	66.8%	65.2%
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**Bartlett Regional Hospital
June 2021 Wages Summary**

Type	Description	Actual	Budget	Actual (Over) / Under Budget
6010	Mgrs & Supervisors	465,243	465,042	(201)
6020	Techs & Specs	632,875	656,294	23,419
6030	RN's	798,530	919,858	121,328
6040	Clerical & Admin	387,439	356,504	(30,935)
6060	Clinical - Other	417,084	336,881	(80,203)
6070	Non-Clinical - Other	283,135	291,737	8,602
6100	Overtime	246,963	169,436	(77,527)
6110	Premium Pay	47,046	16,275	(30,771)
6120	Shift Differentials	140,092	129,615	(10,477)
6130	On-Call	22,488	27,408	4,920
6090	Non Productive	696,415	451,041	(245,374)
6105	Premium Pay	0	-	-
6190	Productivity Incentives	766,342	0	(766,342)
	Grand Total	4,903,653	3,820,091	(1,083,562)
6050	Physicians	327,662	357,424	29,762
6500	Contract Labor	237,358	124,599	(112,759)
	Physician Contracts	565,020	482,023	(82,997)

BARTLETT REGIONAL HOSPITAL
BALANCE SHEET
June 30, 2021

	<u>June-21</u>	<u>May-21</u>	<u>June-20</u>	<u>CHANGE FROM PRIOR FISCAL YEAR</u>
ASSETS				
Current Assets:				
1. Cash and cash equivalents	24,125,641	21,606,056	35,074,805	(10,949,164)
2. Board designated cash	35,189,438	35,008,869	36,218,717	(1,029,279)
3. Patient accounts receivable, net	14,506,692	15,785,030	12,988,481	1,518,211
4. Other receivables	3,663,675	1,151,553	505,814	3,157,860
5. Inventories	3,438,976	3,569,923	3,027,678	411,298
6. Prepaid Expenses	1,757,985	2,272,909	1,275,406	482,580
7. Other assets	29,877	28,877	28,877	1,000
8. Total current assets	82,712,284	79,423,217	89,119,778	(6,407,494)
Appropriated Cash:				
9. CIP Appropriated Funding	13,352,751	13,352,751	4,163,554	9,189,197
Property, plant & equipment				
10. Land, bldgs & equipment	149,516,701	149,080,856	141,874,438	7,642,263
11. Construction in progress	7,264,903	7,570,489	8,431,492	(1,166,589)
12. Total property & equipment	156,781,604	156,651,345	150,305,930	6,475,674
13. Less: accumulated depreciation	(101,584,465)	(100,968,052)	(94,041,272)	(7,543,194)
14. Net property and equipment	55,197,139	55,683,295	56,264,659	(1,067,521)
15. Deferred outflows/Contribution to Pension Plan	12,403,681	12,403,681	12,403,681	-
16. Total assets	163,665,855	160,862,941	161,951,669	1,714,182
LIABILITIES & FUND BALANCE				
Current liabilities:				
17. Payroll liabilities	3,186,973	2,288,565	2,358,326	828,647
18. Accrued employee benefits	5,257,558	5,307,685	4,687,202	570,356
19. Accounts payable and accrued expenses	2,637,899	1,985,406	1,923,926	713,974
20. Due to 3rd party payors	-	4,051,027	4,250,857	(4,250,857)
21. Deferred revenue	15,404	(2,556,106)	(2,604,986)	2,620,390
22. Interest payable	315,297	252,238	329,796	(14,499)
23. Note payable - current portion	910,000	910,000	870,000	40,000
24. Other payables	467,554	408,119	868,890	(401,336)
25. Total current liabilities	12,790,685	12,646,934	12,684,011	106,675
Long-term Liabilities:				
26. Bonds payable	16,350,000	16,350,000	17,260,000	(910,000)
27. Bonds payable - premium/discount	1,053,776	1,067,476	1,227,418	(173,643)
28. Net Pension Liability	64,954,569	64,954,569	64,954,569	-
29. Deferred In-Flows	4,318,200	4,318,200	4,318,200	-
30. Total long-term liabilities	86,676,545	86,690,245	87,760,187	(1,083,642)
31. Total liabilities	99,467,230	99,337,179	100,444,198	(976,967)
32. Fund Balance	64,198,623	61,525,763	61,507,472	2,691,151
33. Total liabilities and fund balance	163,665,853	160,862,943	161,951,670	1,714,185

**Bartlett Regional Hospital
Accounts Receivable
6/30/2021**

Aging by Fin Grp	Unbilled A/R	0-30	31-60	61-90	91-120	121-150	151+	A/R Total	Billed & Unbilled	Billed & Unbilled
									6/30/2021	5/31/2021
Aetna	\$306,537	\$322,422	\$249,012	\$43,321	\$54,637	\$26,743	\$355,601	\$1,051,737	\$1,358,274	\$1,476,080
Blue Cross	\$201,399	\$448,985	\$92,955	\$8,076	\$135,949	\$1,066	\$545,566	\$1,232,597	\$1,433,996	\$1,572,250
CB	0	0	0	0	0	0	0	\$0	\$0	\$0
Com	\$46,954	\$0	\$228,746	\$2,157	\$33,493	\$39,566	\$139,324	\$443,286	\$490,240	\$465,443
Medicaid	\$993,001	\$428,614	\$342,521	\$29,757	\$48,372	\$147,828	\$785,551	\$1,782,643	\$2,775,643	\$4,253,336
Medicare	\$1,971,758	\$466,142	\$750,233	\$220,965	\$55,083	\$37,833	\$49,692	\$1,579,950	\$3,551,707	\$4,343,508
Medicare Rep	\$0	\$27,756	\$0	\$0	\$0	\$0	\$62,196	\$89,952	\$89,952	\$85,510
Other	\$0	\$0	\$47,897	\$0	\$0	\$0	\$0	\$47,897	\$47,897	\$203,216
SEARHC	\$19,575	\$12,297	\$16,160	\$0	\$0	\$11,984	\$218,738	\$259,178	\$278,753	\$33,874
Self	\$72,340	\$77,246	\$251,788	\$138,865	\$136,331	\$348,002	\$1,727,782	\$2,680,015	\$2,752,355	\$2,596,377
VA	\$105,137	\$90,419	\$54,883	\$3,850	\$0	\$12,561	\$24,041	\$185,753	\$290,890	\$305,964
Worker's	\$0	\$44,688	\$0	\$34,769	\$155,485	\$0	\$0	\$234,942	\$234,942	\$217,320
in-patient Total	\$3,716,701	\$1,918,570	\$2,034,196	\$481,760	\$619,350	\$625,583	\$3,908,490	\$9,587,948	\$13,304,649	\$15,552,878
Aetna	\$480,787	\$1,049,007	\$390,046	\$252,126	\$159,378	\$138,311	\$574,781	\$2,563,649	\$3,044,437	\$3,464,470
Blue Cross	\$747,740	\$1,246,079	\$487,965	\$68,919	\$92,486	\$22,674	\$495,953	\$2,414,076	\$3,161,816	\$2,452,672
CB	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Com	\$136,330	\$246,288	\$130,839	\$46,242	\$13,697	\$35,222	\$52,247	\$524,537	\$660,867	\$682,383
Medicaid	\$566,770	\$662,978	\$227,628	\$156,263	\$80,064	\$58,409	\$106,785	\$1,292,128	\$1,858,898	\$1,835,248
Medicare	\$1,255,226	\$1,298,309	\$143,209	\$130,935	\$46,231	\$30,168	\$121,169	\$1,770,021	\$3,025,247	\$3,330,057
Medicare Rep	\$6,162	\$2,166	\$19,947	\$111	\$0	\$0	\$10,751	\$32,975	\$39,137	\$50,430
Other	\$26,883	\$105,359	\$38,443	\$69,631	\$79,056	\$4,191	\$4,130	\$300,810	\$327,693	\$308,455
SEARHC	\$14,094	\$83,417	\$10,657	\$9,024	\$1,705	\$1,134	\$4,274	\$110,212	\$124,306	\$263,047
Self	\$39,918	\$233,707	\$424,564	\$365,500	\$379,961	\$365,012	\$4,607,634	\$6,376,378	\$6,416,295	\$6,539,665
VA	\$93,171	\$321,879	\$187,115	\$59,764	\$36,382	\$23,732	\$89,570	\$718,441	\$811,612	\$575,782
Worker's	\$85,196	\$204,418	\$92,399	\$64,785	\$87,017	\$29,156	\$108,983	\$586,759	\$671,955	\$639,008
out-patient Total	\$3,452,277	\$5,453,606	\$2,152,814	\$1,223,301	\$975,977	\$708,009	\$6,176,278	\$16,689,985	\$20,142,262	\$20,141,218
Aetna	\$787,324	\$1,371,429	\$639,059	\$295,447	\$214,015	\$165,054	\$930,383	\$3,615,386	\$4,402,711	\$4,940,550
Blue Cross	\$949,140	\$1,695,064	\$580,921	\$76,995	\$228,435	\$23,740	\$1,041,519	\$3,646,673	\$4,595,812	\$4,024,922
CB	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Com	\$183,284	\$246,288	\$359,585	\$48,399	\$47,191	\$74,788	\$191,571	\$967,823	\$1,151,107	\$1,147,827
Medicaid	\$1,559,771	\$1,091,592	\$570,149	\$186,019	\$128,436	\$206,237	\$892,336	\$3,074,770	\$4,634,541	\$6,088,584
Medicare	\$3,226,983	\$1,764,452	\$893,442	\$351,900	\$101,314	\$68,002	\$170,861	\$3,349,970	\$6,576,954	\$7,673,565
Medicare Rep	\$6,162	\$29,921	\$19,947	\$111	\$0	\$0	\$72,947	\$122,927	\$129,088	\$135,941
Other	\$26,883	\$105,359	\$86,340	\$69,631	\$79,056	\$4,191	\$4,130	\$348,707	\$375,590	\$511,672
SEARHC	\$33,669	\$95,714	\$26,817	\$9,024	\$1,705	\$13,118	\$223,012	\$369,390	\$403,059	\$296,921
Self	\$112,258	\$310,953	\$676,353	\$504,366	\$516,292	\$713,014	\$6,335,416	\$9,056,393	\$9,168,651	\$9,136,042
VA	\$198,308	\$412,298	\$241,998	\$63,614	\$36,382	\$36,292	\$113,611	\$904,194	\$1,102,502	\$881,746
Worker's	\$85,196	\$249,106	\$92,399	\$99,554	\$242,502	\$29,156	\$108,983	\$821,701	\$906,897	\$856,327
Grand Total	\$7,168,978	\$7,372,176	\$4,187,009	\$1,705,061	\$1,595,328	\$1,333,592	\$10,084,767	\$26,277,933	\$33,446,911	\$35,694,096

Aged Balance excludes Credit Balances

	June-21	May-21
Aging	\$26,277,933	\$29,592,581
Unbilled	\$7,168,978	\$6,101,515
Total	\$33,446,911	\$35,694,096

Totals		
One Time PPD Ins	\$0.00	
RRC/MCR NO Enrollment	\$0.00	
Compliance/Risk/Adminstrative	\$24.21	1
SP Prompt Pay Disc	\$16,027.74	208
1115 No Provider Enrollment LPC MCD	\$18,912.90	198
Authorization/Alert Missing	\$95,303.44	13
1115 Waiver Svcs on Commerical Ins	\$5,615.45	25
Denied Appeals /Timely	\$37,721.89	10
BOPS/MCR Provider NOT Eligible	\$10,108.96	30
Mental Health BD MHU, RRC BOPS	\$31,683.05	64
No provider enrollment for Commerical	\$6,343.55	20
	\$221,741.19	569

Collections		
One Time Ins PPD		
Collections SPPPD	\$90,738.80	208
	\$90,738.80	208

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

www.bartletthospital.org

DATE: August 5, 2021
TO: BRH Finance Committee
FROM: Kevin Benson, Chief Financial Officer
RE: Rural Demonstration Project Reimbursement

Correspondence was received from CMS regarding Bartlett's participation in the Rural Demonstration Project for fiscal year 2021. We received the attached letter indicating Bartlett will receive \$4,052,930 of a lump sum payment for Fiscal Year 2021 (which was subsequently received).

We spoke with our Cost Report preparer in an effort to determine how much should be recorded as realized in FY2021. There are many factors that affect the final amount of reimbursement and what will need to be refunded to CMS. In the prior year the benefit of the Rural Demonstration Project was estimated to be \$4.2 million. However, the following factors will reduce the amount for FY21:

- Bartlett applied for and was approved to receive the Low Volume Reimbursement which increased Medicare reimbursement by 50%.
- The change of Inpatient versus Outpatient revenues will change the cost allocations assigned to inpatient activity.
- The reduction of Medicare inpatient days will reduce Rural Demonstration reimbursement.

While \$2.0 million was recorded into FY21, the final amount will be determined by the Medicare Cost Report which is due to be filed on November 30, 2021. At that point, if significant, an audit entry will be made to the Financial Statements and a settle up made with CMS.



Healthcare Solutions

PO Box 6722

Fargo, ND 58108-6722

July 30, 2021

Kevin Benson, CFO
Bartlett Regional Hospital
3260 Hospital Drive
Juneau, AK 99801

RE: Lump Sum Adjustment
Provider Number: 02-0008
Cost Report Period Ending: 06/30/2021

Dear Mr. Benson

Based on the bi-weekly pass-through payment adjustments that were calculated from the FYE 6/30/2020 tentatively settled Medicare cost report, we have calculated the following lump sum adjustments applicable to the fiscal year end noted above. For Medicare cost reporting purposes, these lump sum adjustments must be reported separately, as listed below.

	<u>02-0008</u>
Part A	\$4,052,930
Part B	<u>\$0</u>
	\$4,052,930

Total Lump Sum \$4,052,930

Our determination of the amount due to your facility at this time of \$4,052,930 will be included with a Medicare Remittance Advice within 15 days from the date of this letter.

Please contact us at JF-Reimb@noridian.com if you have any questions on the determination of the lump sum adjustment amount. Please direct any other questions to the Provider Contact Center at (877) 908-8431.

If your facility has an approved Extended Repayment Schedule prior to determination of this underpayment, you will have fifteen (15) calendar days from the date of this letter to submit a written statement explaining why we should not apply this underpayment to the Extended Repayment Schedule per 42 CFR 405.374(a).

Your response must be received in our office on or before August 13, 2021 for it to be considered timely. In the event your response is not received timely, we will offset the funds to reduce the outstanding balance of the Extended Repayment Schedule. If the response is received timely, we will not offset the funds until we complete our review of the submitted documentation. Should we determine that the offset is appropriate, in whole or in part, we will notify you in writing of our specific findings of the conditions on which the offset was based



Bartlett Regional Hospital
July 30, 2021
Page 2

per 42 CFR 405.375. To avoid delay due to mailing, you may email your statement to JF-ERS@noridian.com. Please use a subject of "02-0008 ERS Rebuttal".

Sincerely,

/s/

Provider Audit and Reimbursement Department
Noridian Healthcare Solutions

ep