

# Bartlett Regional Hospital

## FINANCE COMMITTEE MEETING

July 9, 2021 – Noon

Bartlett Regional Hospital – Zoom Meeting & BRH Boardroom

### Agenda

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#### Mission Statement

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

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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 – [June 11, 2021 Minutes](#)

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##### 1. May 2021 Financial Statements Review

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C. Financial Indicators

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##### 2. [Changes in General and Professional Liability Insurance](#)

##### 3. 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, August 13, 2021 at 12:00 via Zoom & BRH Boardroom**

**Committee member comments / questions**

**ADJOURN**

# Bartlett Regional Hospital

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

## Finance Committee Meeting Minutes Zoom Meeting – June 11, 2021

**Called to order at 12:04 p.m. by Deb Johnston.**

**Finance Committee (\*) & Board Members present:** *Deb Johnston\**, Brenda Knapp\*, Rosemary Hagevig, Kenny Solomon-Gross and Iola Young. (*Zoom attendees are italicized*)

**Staff & Others:** Rose Lawhorne, CEO, Kevin Benson, CFO, *Bradley Grigg, CBHO, Dallas Hargrave, HR Director*, Kim McDowell, CNO, Blessy Robert, Director of Accounting, Seanna O’Sullivan, Kris Muller, Anita Moffitt, Megan Rinkenberger, and *Bridget Dowd, KTOO*.

**Public Comment:** None

***Ms. Knapp made a MOTION to approve the minutes from the May 14, 2021 Finance Committee Meeting. Ms. Johnston seconded, and they were approved.***

### **April 2021 Financial Review – Kevin Benson, CFO**

Bartlett Regional Hospital had mixed results financially in the month of April. Inpatient volumes and revenues continued to be depressed resulting in an inpatient revenue shortfall of \$1.3 million (-22%). After ten months, inpatient revenues are \$12.3 million (-21%) behind the budget target. However, outpatient revenue continued to be strong with revenues \$618,000 (6.5%) 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 \$3.8 million (4.1%) ahead of budget and 14.2% 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 20%. BHOPS revenues were 44% over budget at almost \$400,000. Physician revenue was 3% less than budget. The result in Total Gross Patient Revenue of \$16.3 million, which was \$660,000 (3.9%) less than budget.

Deductions from revenue had a favorable variance of \$672,000 (8.7%). 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 \$9.2 million. Grant Revenue was recorded and reflected in Other Operating Revenue. This resulted in Total Operating Revenue of \$9.9 million which was \$193,000 (2.0%) greater than budget.

Expenses exceeded budget by \$984,000 or 10.3%. 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 \$186,000 in revenue and also added to the supply variance with unbudgeted supply costs of \$130,000. This accounted for the majority of the supply variance.
- Increased staff costs for ER Triage hut, front door screening, molecular lab and central staffing.



- BRH had shutdown outpatient services the entire month of April (2020) for covid preparedness to provide safe care for both patients and staff. The prior year month represents those results.

The expense variance led to an Operating Loss of \$583,000. After Non-Operating Income of \$226,000 the final Net Loss was \$357,000. After ten months, BRH is essentially at a breakeven position of \$73,000 (0.7%) margin.

**Review of Grants – Blessy Robert, Director of Accounting**

Ms. Robert reviewed the grants BRH had received and their statuses. BRH received \$6.3M in grants and donations, and the balance remaining as of the end of April is \$2.4M, which expires at the end of the fiscal year. Most of this is related to CARES funding. BRH is waiting for details on the requirement for the Provider Relief Funds, but a plan is in place to spend about \$2M of it. \$1M was received for Crisis Stabilization capital which has been applied (Premera donation), and all others were grants. Covid expenses were paid for through CARES Act funding. The remaining \$400K is expected to be conceded, but the accounting (and behavioral health) team will review them to see what those funds may be used for to ensure maximal utilization of grant funds. More grants are being looked at and will be applied for beyond the end of the fiscal year.

**Next Meeting: Friday, July 9, 2021 via Zoom and in-person in the BRH Boardroom**

**Board Comments:** Ms. Knapp emphasized that although breaking even is doing well after more than a year of Covid-19, anything that can be done to minimize unnecessary spending, travel, etc, should be done in the upcoming fiscal year. Mr. Solomon-Gross thanked the finance team and Bradley for breaking down grants received and their applications in a way that he could explain it to anyone who may ask about them.

**Adjourned – 12:45 p.m.**

# Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801

907.796.8900

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

DATE: July 6, 2021  
TO: BRH Finance Committee  
FROM: Kevin Benson, Chief Financial Officer  
RE: May Financial Performance

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.

BARTLETT REGIONAL HOSPITAL  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE MONTH AND YEAR TO DATE OF MAY 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
\$3,853,990	\$5,062,787	-\$1,208,797	-23.9%	\$2,885,509	1. Gross Patient Revenue:						
\$994,166	\$1,075,641	-\$81,475	-7.6%	\$712,866	2. Inpatient Revenue	\$40,478,490	\$53,362,889	-\$12,884,400	-24.1%	\$44,985,270	-10.0%
\$4,848,156	\$6,138,428	-\$1,290,272	-21.0%	\$3,598,375	3. Inpatient Ancillary Revenue	\$10,586,997	\$11,337,531	-\$750,534	-6.6%	\$9,764,784	8.4%
					4. Total Inpatient Revenue	\$51,065,487	\$64,700,420	-\$13,634,934	-21.1%	\$54,750,054	-6.7%
\$10,377,400	\$9,931,639	\$445,761	4.5%	\$7,496,383	5. Outpatient Revenue	\$108,983,876	\$104,681,748	\$4,302,128	4.1%	\$93,877,619	16.1%
\$15,225,556	\$16,070,067	-\$844,511	-5.3%	\$11,094,758	6. Total Patient Revenue - Hospital	\$160,049,363	\$169,382,168	-\$9,332,806	-5.5%	\$148,627,673	7.7%
\$279,368	\$340,062	-\$60,694	-17.8%	\$3,486	7. RRC Patient Revenue	\$1,929,786	\$3,584,314	-\$1,654,528	-46.2%	\$2,661,463	-27.5%
\$339,418	\$289,024	\$50,394	17.4%	\$185,710	8. BHOPS Patient Revenue	\$3,062,377	\$3,046,396	\$15,981	0.5%	\$2,825,773	8.4%
\$1,296,987	\$1,080,901	\$216,086	20.0%	\$372,611	9. Physician Revenue	\$11,176,358	\$11,392,946	-\$216,589	-1.9%	\$9,643,183	15.9%
\$17,141,329	\$17,780,054	-\$638,725	-3.6%	\$11,656,565	10. Total Gross Patient Revenue	\$176,217,884	\$187,405,824	-\$11,187,942	-6.0%	\$163,758,092	7.6%
\$2,873,633	\$3,410,985	-\$537,352	15.8%	\$1,784,136	11. Deductions from Revenue:						
\$0	\$0	\$0		-\$308,333	10a. Inpatient Contractual Allowance	\$29,003,715	\$35,952,613	-\$6,948,898	19.3%	\$28,814,334	0.7%
\$3,866,790	\$3,545,188	-\$321,602	-9.1%	\$3,601,452	11. Rural Demonstration Project	\$0	\$0	\$0		-\$308,333	
\$513,703	\$683,601	-\$169,898	24.9%	\$292,571	12. Outpatient Contractual Allowance	\$41,481,053	\$37,367,093	-\$4,113,960	-11.0%	\$33,626,944	23.4%
\$0	\$15,724	-\$15,724	100.0%	\$16,839	13. Physician Service Contractual Allowance	\$6,509,365	\$7,205,311	-\$695,946	9.7%	\$6,002,584	8.4%
\$99,125	\$73,897	-\$25,228	-34.1%	\$22,165	14. Other Deductions	\$136,686	\$165,735	-\$29,050	17.5%	\$163,741	0.0%
\$11,568	\$403,543	-\$391,975	97.1%	\$197,256	15. Charity Care	\$1,183,761	\$778,880	-\$404,881	-52.0%	\$896,959	32.0%
					15. Bad Debt Expense	\$925,395	\$4,253,445	-\$3,328,050	78.2%	\$2,970,010	-68.8%
\$7,364,819	\$8,132,938	-\$768,119	9.4%	\$5,606,086	16. Total Deductions from Revenue	\$79,239,975	\$85,723,077	-\$6,483,103	7.6%	\$72,166,239	9.8%
42.3%	43.0%			48.7%	% Contractual Allowances / Total Gross Patient Revenue	43.7%	43.0%			41.6%	
0.6%	2.7%			1.9%	% Bad Debt & Charity Care / Total Gross Patient Revenue	1.2%	2.7%			2.4%	
43.0%	45.7%			48.1%	% Total Deductions / Total Gross Patient Revenue	45.0%	45.7%			44.1%	
\$9,776,510	\$9,647,116	\$129,394	1.3%	\$6,050,479	17. Net Patient Revenue	\$96,977,909	\$101,682,747	-\$4,704,839	-4.6%	\$91,591,853	5.9%
\$617,599	\$566,213	\$51,386	9.1%	\$5,670,715	18. Other Operating Revenue	\$14,381,622	\$5,968,020	\$8,413,602	141.0%	\$12,567,726	14.4%
\$10,394,109	\$10,213,329	\$180,780	1.8%	\$11,721,194	19. Total Operating Revenue	\$111,359,531	\$107,650,767	\$3,708,763	3.4%	\$104,159,579	6.9%
\$4,302,473	\$3,947,432	-\$355,041	-9.0%	\$4,108,898	20. Expenses:						
\$251,201	\$369,340	-\$118,139	32.0%	\$349,601	20. Salaries & Wages	\$46,369,962	\$42,657,689	-\$3,712,273	-8.7%	\$42,490,934	9.1%
\$210,724	\$128,757	-\$81,967	-63.7%	\$131,236	21. Physician Wages	\$3,206,151	\$3,991,249	-\$785,098	19.7%	\$3,481,289	-7.9%
\$2,599,496	\$2,203,023	-\$396,473	-18.0%	\$2,233,571	22. Contract Labor	\$1,660,685	\$1,391,377	-\$269,308	-19.4%	\$1,600,225	3.8%
\$7,363,894	\$6,648,552	-\$715,342	-10.8%	\$6,823,306	23. Employee Benefits	\$25,377,258	\$23,806,754	-\$1,570,504	-6.6%	\$22,279,644	13.9%
70.8%	65.1%			58.2%	% Salaries and Benefits / Total Operating Revenue	\$76,614,056	\$71,847,069	-\$4,766,987	-6.6%	\$69,852,092	9.7%
\$66,178	\$81,316	-\$15,138	18.6%	\$140,285	24. Medical Professional Fees	\$1,051,633	\$878,718	-\$172,915	-19.7%	\$870,878	20.8%
\$365,022	\$170,111	-\$194,911	-114.6%	\$198,107	25. Physician Contracts	\$3,320,700	\$1,838,284	-\$1,482,416	-80.6%	\$2,327,783	42.7%
\$200,348	\$174,322	-\$26,026	-14.9%	\$163,359	26. Non-Medical Professional Fees	\$2,169,862	\$1,883,810	-\$286,052	-15.2%	\$1,899,062	14.3%
\$1,242,516	\$1,219,342	-\$23,174	-1.9%	\$1,166,089	27. Materials & Supplies	\$15,434,926	\$13,176,811	-\$2,258,115	-17.1%	\$12,657,036	21.9%
\$129,644	\$143,382	-\$13,738	9.6%	\$87,865	28. Utilities	\$1,321,553	\$1,549,484	-\$227,931	14.7%	\$1,354,104	-2.4%
\$229,319	\$432,229	-\$202,910	46.9%	\$288,271	29. Maintenance & Repairs	\$4,570,581	\$4,670,832	-\$100,251	2.1%	\$4,031,655	13.4%
\$45,000	\$52,298	-\$7,298	14.0%	\$38,173	30. Rentals & Leases	\$573,510	\$565,162	-\$8,348	-1.5%	\$542,685	5.7%
\$43,207	\$53,793	-\$10,586	19.7%	\$44,061	31. Insurance	\$534,789	\$581,307	-\$46,518	8.0%	\$479,262	11.6%
\$614,334	\$677,443	-\$63,109	9.3%	\$624,313	32. Depreciation & Amortization	\$6,927,500	\$7,240,100	-\$212,600	2.9%	\$6,551,879	5.7%
\$49,359	\$1,245	-\$1,886	3.7%	\$51,122	33. Interest Expense	\$554,012	\$553,778	-\$234	0.0%	\$571,657	-3.1%
\$99,384	\$145,706	-\$46,322	31.8%	\$103,496	34. Other Operating Expenses	\$1,137,172	\$1,574,545	-\$437,373	27.8%	\$1,231,866	-7.7%
\$10,448,205	\$9,849,739	-\$598,466	-6.1%	\$9,728,447	35. Total Expenses	\$114,210,294	\$106,359,900	-\$7,950,394	-7.5%	\$102,369,959	-11.6%
-\$54,096	\$363,590	-\$417,686	-114.9%	\$1,992,747	36. Income (Loss) from Operations	-\$2,850,763	\$1,290,867	-\$4,141,630	-320.8%	\$1,789,620	-259.3%
\$102,551	\$104,050	-\$1,500	-1.4%	\$104,915	37. Non-Operating Revenue	\$1,127,552	\$1,124,407	\$3,145	0.3%	\$1,128,156	-0.1%
\$73,423	\$100,475	-\$27,052	-26.9%	\$72,659	38. Interest Income	\$1,917,990	\$1,085,767	\$832,223	76.6%	\$802,451	139.0%
\$175,974	\$204,525	-\$28,552	-14.0%	\$177,574	39. Other Non-Operating Income	\$3,045,542	\$2,210,174	\$835,368	37.8%	\$1,930,607	57.8%
\$121,878	\$568,115	-\$446,237	78.5%	\$2,170,321	40. Total Non-Operating Revenue	\$194,779	\$3,501,041	-\$3,306,262	94.4%	\$3,720,227	94.8%
-0.52%	3.56%			17.00%	Income from Operations Margin	-2.56%	1.20%			1.72%	
1.17%	5.56%			18.52%	Net Income	0.17%	3.25%			3.57%	

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

<b>Financial Group</b>	<b>In-Pt Actual</b>	<b>In-PT Budget</b>	<b>Out-Pt Actual</b>	<b>Out-Pt Budget</b>	<b>Physician Actual</b>	<b>Physician Budget</b>	<b>Total Actual</b>	<b>Total Budget</b>
Aetna	279,243	427,756	1,566,938	1,644,712	170,115	165,457	2,016,295	2,237,925
Blue Cross	435,868	697,006	1,683,219	1,688,805	239,678	219,745	2,358,765	2,605,556
Comm	122,257	278,441	329,968	463,798	84,082	110,955	536,307	853,194
MCD	1,809,562	2,295,797	2,261,392	1,933,673	403,137	340,163	4,474,091	4,569,633
MCR	1,763,999	2,437,420	3,600,155	3,035,138	390,560	393,041	5,754,714	5,865,599
Other	99,601	59,785	144,816	341,220	11,016	17,748	255,433	418,753
SEARHC	11,341	64,630	150,725	147,994	5,679	11,669	167,745	224,293
Self	319,480	49,072	63,015	257,323	14,905	33,932	397,399	340,327
VA/Cham	63,446	155,688	262,656	289,845	47,808	73,100	373,909	518,633
Worker's	31,954	12,895	112,016	129,131	17,978	4,115	161,947	146,141
<b>Grand Total</b>	<b>4,936,751</b>	<b>6,478,490</b>	<b>10,174,900</b>	<b>9,931,639</b>	<b>1,384,956</b>	<b>1,369,925</b>	<b>16,496,607</b>	<b>17,780,054</b>

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
<b>Total Charges</b>	<b>4,936,751</b>	<b>6,478,490</b>	<b>10,174,900</b>	<b>9,931,639</b>	<b>1,384,956</b>	<b>1,369,925</b>	<b>16,496,607</b>	<b>17,780,054</b>

% of Hospital Charges	23%	28%	39%	32%	5%	5%	66.8%	65.2%
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**Prior Month**

Commercial	844,528	1,126,255	3,897,642	3,165,415	493,730	477,272	5,235,899	4,768,942
Government	3,789,705	4,497,523	5,903,806	4,885,509	655,118	797,296	10,348,630	10,180,328
Self Pay	74,122	86,686	102,493	196,601	7,685	32,372	184,300	315,659
<b>Total Charges</b>	<b>4,708,354</b>	<b>5,710,464</b>	<b>9,903,941</b>	<b>8,247,525</b>	<b>1,156,533</b>	<b>1,306,940</b>	<b>15,768,829</b>	<b>15,264,929</b>

% of Hospital Charges	24%	29%	37%	32%	4%	5%	65.6%	66.7%
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**Bartlett Regional Hospital  
May 2021 Wages Summary**

<b>Type</b>	<b>Description</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual (Over) / Under Budget</b>
6010	Mgrs & Supervisors	484,984	480,542	(4,442)
6020	Techs & Specs	700,093	678,176	(21,917)
6030	RN's	910,134	950,515	40,381
6040	Clerical & Admin	408,316	368,388	(39,928)
6060	Clinical - Other	426,435	348,109	(78,326)
6070	Non-Clinical - Other	298,135	301,464	3,329
6100	Overtime	170,538	175,080	4,542
6110	Premium Pay	57,392	16,816	(40,576)
6120	Shift Differentials	145,856	133,938	(11,918)
6130	On-Call	18,212	28,320	10,108
6090	Non Productive	614,628	466,084	(148,544)
6105	Premium Pay	0	-	-
6190	Productivity Incentives	67,750	0	(67,750)
	<b>Grand Total</b>	<b>4,302,473</b>	<b>3,947,432</b>	<b>(355,041)</b>
6050	Physicians	251,201	369,340	118,139
6500	Contract Labor	210,724	128,757	(81,967)
	Physician Contracts	461,924	498,097	36,173

**BARTLETT REGIONAL HOSPITAL  
BALANCE SHEET  
May 31, 2021**

	<u>May-21</u>	<u>April-21</u>	<u>May-20</u>	<u>CHANGE FROM PRIOR FISCAL YEAR</u>
<b>ASSETS</b>				
Current Assets:				
1. Cash and cash equivalents	21,507,086	20,508,927	34,950,900	(13,443,813)
2. Board designated cash	35,107,839	35,107,839	34,523,186	584,653
3. Patient accounts receivable, net	15,785,030	15,604,356	12,774,547	3,010,483
4. Other receivables	1,151,553	1,192,861	2,870,302	(1,718,748)
5. Inventories	3,569,923	3,561,334	3,320,969	248,954
6. Prepaid Expenses	2,272,909	2,402,250	78,967	2,193,942
7. Other assets	28,877	28,877	28,877	-
8. Total current assets	79,423,217	78,406,444	88,547,748	(9,124,529)
Appropriated Cash:				
9. CIP Appropriated Funding	13,352,751	13,352,751	5,740,967	7,611,784
Property, plant & equipment				
10. Land, bldgs & equipment	149,080,856	148,367,673	141,110,718	7,970,139
11. Construction in progress	7,570,489	7,860,963	8,029,917	(459,427)
12. Total property & equipment	156,651,345	156,228,636	149,140,635	7,510,712
13. Less: accumulated depreciation	(100,968,052)	(100,353,838)	(93,407,833)	(7,560,219)
14. Net property and equipment	55,683,293	55,874,800	55,732,803	(49,508)
15. Deferred outflows/Contribution to Pension Plan	12,403,681	12,403,681	14,415,000	(2,011,319)
<b>16. Total assets</b>	<b>160,862,940</b>	<b>160,037,673</b>	<b>164,436,516</b>	<b>(3,573,570)</b>
<b>LIABILITIES &amp; FUND BALANCE</b>				
Current liabilities:				
17. Payroll liabilities	2,288,565	1,862,873	2,068,516	220,049
18. Accrued employee benefits	5,307,685	5,277,344	4,461,444	846,241
19. Accounts payable and accrued expenses	1,985,406	1,727,354	1,654,349	331,057
20. Due to 3rd party payors	4,051,027	4,051,027	4,034,639	16,388
21. Deferred revenue	(2,556,106)	(2,498,356)	(3,789,123)	1,233,018
22. Interest payable	252,238	189,179	263,837	(11,600)
23. Note payable - current portion	910,000	910,000	870,000	40,000
24. Other payables	408,119	333,511	367,078	41,041
25. Total current liabilities	12,646,934	11,852,932	9,930,740	2,716,194
Long-term Liabilities:				
26. Bonds payable	16,350,000	16,350,000	17,260,000	(910,000)
27. Bonds payable - premium/discount	1,067,476	1,081,177	1,242,255	(174,779)
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	86,690,245	86,703,946	97,275,459	(10,585,214)
31. Total liabilities	99,337,179	98,556,878	107,206,199	(7,869,020)
32. Fund Balance	61,525,763	61,480,794	57,230,316	4,295,447
<b>33. Total liabilities and fund balance</b>	<b>160,862,942</b>	<b>160,037,673</b>	<b>164,436,514</b>	<b>(3,573,572)</b>



Totals		
One Time PPD Ins		
RRC/MCR NO Enrollment		
Compliance/Risk/Adminstrative	\$1,922.61	3
SP Prompt Pay Disc	\$11,033.05	168
BOPS Provider Enrollment LPC	\$570.00	3
Authorization/Alert Missing	\$4,668.44	1
1115 Waiver Svcs on Commerical Ins	\$2,133.25	12
Denied Appeals /Timely		
BOPS/MCR Provider NOT Eligible	\$9,974.71	33
Mental Health BD MHU, RRC BOPS	\$116,328.59	121
	\$146,630.65	341

Collections		
One Time Ins PPD		
Collections SPPPD	\$70,323.19	168
	\$70,323.19	218

Bartlett Regional Hospital  
 Surgical Volumes  
 Calendar Year 2017 to 2021

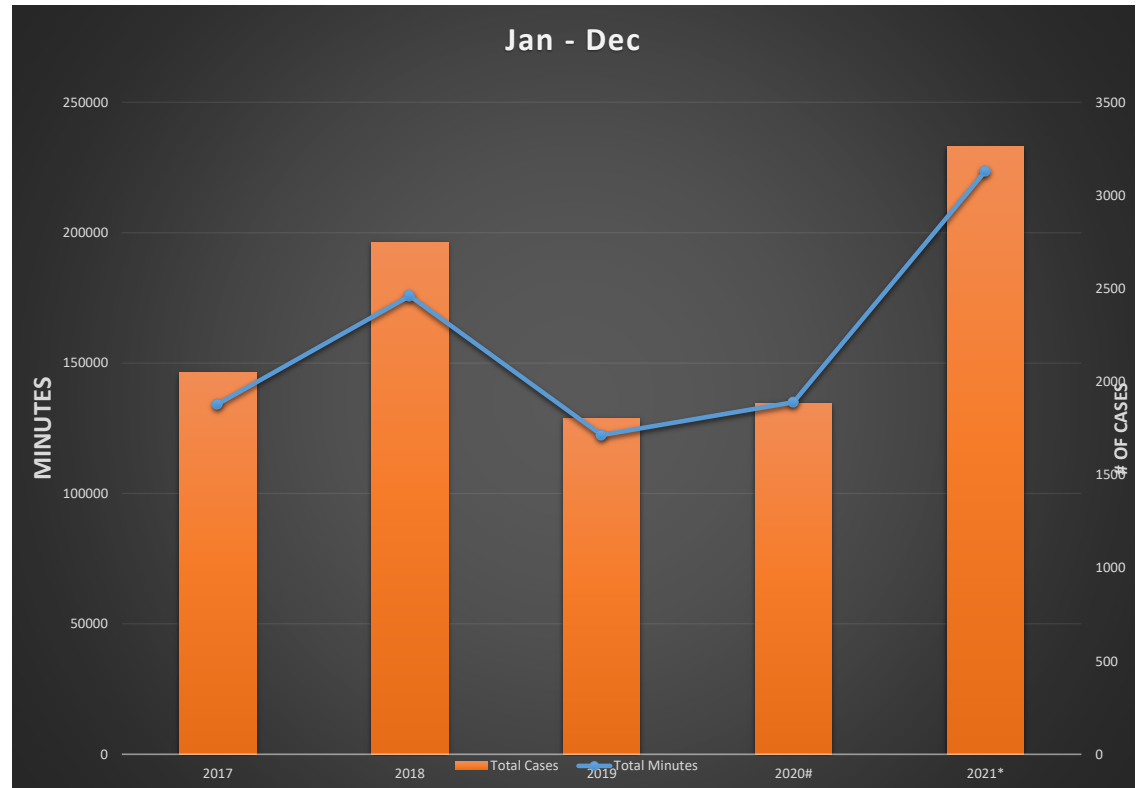
Calendar Year	Total Minutes	Total Cases	Ave Min/m onth	Average Minutes/case	% Chg
2017	134329	2048	11194	66	
2018	175771	2749	14648	64	34%
2019	122434	1804	10203	68	-34%
2020#	135006	1885	11251	72	4%
2021*	223644	3262	18637	69	73%

# Includes approx 3 mn down due to Covid 19

\* 6 months into Calendar year 2021 times 2

Reference: Director/Manager Desktop in Meditech. Calendar year

Prepared by Jim Jerins



# Bartlett Regional Hospital

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

DATE: June 30, 2019  
TO: BRH Finance Committee  
FROM: Kevin Benson, Chief Financial Officer  
RE: Changes to General Liability/Professional Liability Insurance

There are changes taking place with Bartlett's General and Professional Liability insurance coverage. Bartlett has received insurance coverage from Norcal for many years. We did not realize that Norcal's ownership structure consisted of ownership by policy owners. In addition, the value of ownership increased over time as annual profits would accrue to the policy owners. Since Bartlett was a longtime time Policy Owner, the value of ownership interest had gone to somewhere between \$800,000 and \$1.1 million. This represents an unrecorded asset to Bartlett.

Norcal has decided to convert to a stock ownership model and move away from Policy ownership. Therefore, the ownership of the Policy Owners is being purchased. A check was received recently in the amount of \$836,376.59 with the potential of receiving another amount of \$278,792.20 of "Contingency Consideration" at some point in the future.

After consulting with Bartlett's auditors, the check received will be recorded as Non-Operating Income in June's financial statement.

We had been forewarned by Norcal earlier in the year that our insurance premiums would increase July 1, 2021 for the FY2022 fiscal year. It was then determined that Bartlett would issue a Request for Proposals to seek competitive bids for coverage. Bartlett's insurance is coordinated through the Risk Management Department at CBJ and Jennifer Mannix led this project and did a great job coordinating the correspondence and keeping the process on task.

The RFP process was a long and time-consuming process. In the end, there were 3 proposals to choose from. The attached side-by-side comparison outlines the results. The decision was made to move away from Norcal as there was a 30% increase in total premium cost. Professional Security Insurance Company (Mag Mutual) was selected as the vendor of choice even though they were not the lowest bidder.

Zoom meetings were conducted with both of the finalists and Mag Mutual was selected for the final reasons:

- Mag Mutual follows a Policy ownership model and distributes dividends annually to its policy owners and has done so consistently over the past 10 years. In the current year the dividend was 7%. While there are no guarantees this will happen every year, 7% would make the cost difference between the final bidders insignificant.
- The business model of Mag Mutual includes a team of staff with various expertise that are assigned to each client so when there is an issue there will always be someone familiar with the client available to respond. Hudson would assign one primary contact who may not always be available.

General Liability / Professional Liability – BRH – Coverage Comparison – 6/28/21

	Proposed Coverage-Option 1	Proposed Coverage-Option 2	Proposed Coverage-Option 3
<b>INSURANCE COMPANY:</b>	<b>Primary: NORCAL</b> <b>Excess Follow Form: NFMIC</b>	<b>Primary and Excess:</b> <b>Professional Security Ins Co</b> <b>(MagMutual)</b>	<b>Primary and Excess:</b> <b>Hudson Excess Ins Co</b>
<b>Coverage A:</b> Hospital Professional Liability - Claims Made	Primary: \$1M/\$3M Excess Follow Form: \$4M/\$7M	Primary: \$1M/\$3M <b>Umbrella: \$4M/\$7M</b>	Primary: \$1M/\$3M <b>Umbrella: \$4M/\$7M</b>
<b>Coverage B:</b> Health Care General Liability – Occurrence Employee Benefits Administration-Claims Made	Primary: \$1M/\$3M Empl Ben: \$1M/\$1M Excess Follow Form: \$4M/\$7M	Primary: \$1M/\$3M <b>Empl Ben: \$1M/\$3M</b> <b>Umbrella: \$4M/\$7M</b>	Primary: \$1M/\$3M <b>Umbrella: \$4M/\$7M</b>
<b>Total Limits:</b>	\$5M/\$10M Separate Towers for PL/GL <sup>(3)</sup>	\$5M/\$10M Separate Towers for PL/GL	\$5M/\$10M Separate Towers for PL/GL
<b>Deductible / Retention:</b> Applicable to both Indemnity and Expense	<u>Primary Deductible</u> \$100,000 Each Claim \$200,000 Aggregate <u>Excess Follow Form:</u> <b>Maintenance Retention (New)</b> \$50,000 Per Occurrence	<u>Primary Deductible</u> \$100,000 Each Claim <b>\$300,000 Aggregate</b> <u>Employee Benefits:</u> <b>No Deductible</b>	<u>Primary Deductible</u> \$100,000 Each Claim \$200,000 Aggregate <u>Umbrella Retained Limit:</u> \$25,000
<b>Physicians Administrative Defense Reimbursement-CM</b>	\$30,000 Each Proceeding \$150,000 Aggregate	\$25,000 Each Proceeding \$75,000 Agg/\$5,000 Deductible	
<b>Medical Board Licensing Hearing Costs Reimbursement - CM</b>			\$10,000 per Claim \$30,000 Aggregate Deductible does not apply
<b>Retroactive Date – CM:</b>	02/15/1985	02/15/1985	02/15/1985
<b>Premium – Expiring:</b> \$204,653 Primary <b>\$123,000 Excess</b> \$327,653 Total Premium	\$208,904 Primary <sup>(1)</sup> <b>\$220,000 Excess<sup>(2)</sup></b> \$428,904 Total Premium (+30.90% over Expiring)	\$250,701 Primary <sup>(1)</sup> <b>\$115,752 Excess</b> \$366,453 Total Premium (+11.84% over Expiring)	\$213,421 Primary <sup>(1)</sup> <b>\$117,529 Umbrella</b> \$330,950 Total Premium (+1.00% over Expiring)
<b>HIPAA Proceeding Reimbursement:</b>			\$25,000 per Proceeding Retroactive Date: 07/01/2021
<b>Medicare/Medicaid Billing Errors/Omissions Proceeding Costs Reimbursement:</b>			\$25,000 per Proceeding Retroactive Date: 07/01/2021
<b>Emergency Evacuation Expense:</b>		\$50,000 Each/\$50,000 Agg \$5,000 Deductible	\$25,000 per Emergency Evac Retroactive Date: 07/01/2021
			<b>\$50,000 Total Aggregate Limit for Emergency Evac, Media Exp, Disciplinary Proceedings</b>
<b>Defense:</b>	Primary: Outside the Limit Excess: Inside the Limit	Primary: Outside the Limit Excess: Inside the Limit	Primary: Outside the Limit <b>Excess: Outside the Limit</b>
<b>Sexual Abuse / Molestation</b>	Indemnity and Defense, with limitations	Indemnity and Defense, with limitations	Indemnity and Defense, with limitations
<b>Terrorism:</b>	Primary: Not Excluded Excess: Included	Primary: Not Excluded Excess: Included	Charge is \$0 and is Included

**NOTES:**

- (1) Includes shared limits for the current schedule of covered physicians.
- (2) Managed Care is excluded in the excess, as of July 1, 2019. (NFMIC)
- (3) **Excess Aggregate Changes:** National Fire & Marine will convert current Split GL and PL aggregates into a Single / Shared Policy aggregate on 7/1/2022 (if coverage renews with National Fire & Marine). The 7/1/2021 renewal is the last year for the Split GL/PL aggregates.

**Norcal Notes:**

1. Each new health care professional must be underwritten individually and is subject to underwriting approval prior to binding.
2. All health care professionals employed by the hospital are required to be insured by NORCAL. Coverage for the hospital is contingent upon all health care professionals meeting NORCAL's underwriting guidelines. If at any time a health care professional fails to meet underwriting standards or becomes insured elsewhere, the hospital is subject to non-renewal or cancellation.
3. Coverage would apply to insureds only while they are acting within the course and scope of their duties for the Named Insured.

**MagMutual / Professional Security Insurance Co Notes:**

1. Dual towers of limits apply to both Primary and Excess
2. No maintenance retention on the Excess
3. 5% dividend discount is available. Receive guaranteed 5% dividend OR receive full 2022 declaration as authorized by the Board of Directors.  
If you elect the 5% dividend option, it is paid upon binding coverage and you forgo any ability to participate in the regular policyholder dividends that the Board may declare based on the 2021 calendar year. Dividends and Owners Circle allocations are declared at the discretion of the MagMutual Board of Directors and are subject to eligibility requirements.
4. No Sublimit on Claims involving Sexual Abuse or Molestation
5. Kidnap and ransom coverage can be included for an additional \$2,415.
6. Active and departed physicians on the attached list are included on shared limits basis with the hospital, and the policy's deductibles apply to the physicians as well. Departed physicians are insured on the hospital's policy with us for as long as the hospital and its employed physicians are insured with Professional Security. There is no return premium when a physician departs.
7. The hospital may add physicians during the policy term, and they are automatically covered by the policy. We do need to be notified about a physician being added to the policy, so that we may schedule the physician, and determine if an additional premium is needed. There will be no additional premium for physicians added to a slot, as long as the number of the physician hours and FTEs to be insured has not increased; if the number of hours in the slot increase, then an additional premium for the slot may apply. An additional premium will be charged for each mid-term physician added during the policy period.
8. Agency Bill – can be set up on Quarterly Installments with NO finance charge.

**Hudson Excess Insurance Co Notes:**

1. The reporting form endorsement ("tail coverage") is provided automatically and at no additional charge to any physician who dies, is disabled (disability is defined as any total and permanent disability in the physician's own specialty or testing HIV positive), or to any physician age 55 or over who retires completely from the private practice of medicine and who has been continuously insured for the last five years, the most recent year with Hudson (per END705).
2. Premium will be payable in installments of 40% due at inception, with an additional 20% due at the beginning of each subsequent quarter in accordance with the attached sample endorsement (END720).

3. Coverage applies for the departed practitioners listed on the attached sample endorsement (END726C). The practitioners listed on this endorsement share in the limit of insurance provided to the first Named Insured.
4. Within 10 days of the end of each 12 month period, we will review the updated exposures provided by the insured and compare it to the premium charged at inception date of the policy period. If the results of our review show the premium is greater than 110%, there will be additional premium due for the amount above 110%. Hudson will issue an invoice and payment will be due within 45 days of the date of the invoice. If the results of our review show that the premium is less than 90%, we will return premium for the amount below 90%. It can be applied to the next renewal period or a check can be issued and forwarded to the insured (END791).
5. The addition of any doctor will require an application and currently valued loss runs. Additional premium for Physicians subject to #4 above.

**Hudson Conditions:**

1. Prior to binding, this proposal is subject to our risk manager, Jose Guzman, having a favorable risk management/patient safety discussion with the hospital clinical risk manager. COMPLETED
2. Please advise if there are any updates to the physician schedules.
3. Please provide a roster of nurse practitioners and physician assistants at 1/1/22.