

AGENDA
COMMUNITY HEALTH SERVICES BOARD MEETING
Cordova Library Conference Room
June 8, 2011 – 7:00 PM

CCMC'S core purpose is to deliver quality health care locally.
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President
David Allison
term expires 03/12

Vice-President
Kristin Carpenter
term expires 08/12

Secretary
Sandra Cleveland Aspen, PhD, RN
term expires 08/12

Board Members
Elmer (E.J.) Cheshier
term expires 08/13
Tim Joyce
term expires 08/11
Kerin Kramer
term expires 08/12
Vacant
NVE Tribal Council Rep
term expires 08/13

Acting CEO
Stephen Sundby, PhD

- I. OPENING**
 - A. Call to Order
 - B. Roll Call – David Allison, Sandra Aspen, Kristin Carpenter, EJ Cheshier, Timothy Joyce, Kerin Kramer
 - C. Establishment of a Quorum
- II. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**
 - A. Guest Speaker
 - B. Audience Comments (limited to 3 minutes per speaker). Speaker must give name and item on the agenda which they are addressing.
- III. CONFLICT OF INTEREST**
- IV. APPROVAL OF AGENDA**
- V. APPROVAL OF CONSENT CALENDAR –**
 - A. Approval of Minutes
 - 1. HSB Meeting Minutes – 5/11/2011.....Page 1

- VI. REPORTS AND CORRESPONDENCE –**
 - A. Administrator’s Report.....Page 8
 - B. President’s Report
 - C. Finance Report.....Page 9
 - D. City Council
 - E. Native Village of Eyak
- VII. ACTION ITEMS –**
 - A. Privileging of Karen Morrissette, MD
 - B. Privileging of Lorren Weaver, MD
- VIII. DISCUSSION ITEMS –**
 - A. Management RFP
 - B. Election of Officers
- IX. AUDIENCE PARTICIPATION –**

- A. The board shall give members of the public the opportunity to comment on matters which are within the subject matter jurisdiction of the Board and are appropriate for discussion in an open session. Public comment limited to 3 minutes per speaker.

X. BOARD MEMBERS COMMENTS

XI. EXECUTIVE SESSION

XII. ADJOURNMENT

*Executive Session: Subjects that may be considered in executive session are: 1) Matters, immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity; 2) Subjects that tend to prejudice the reputation and character of any person, provided that person may require a public discussion; 3) Matters which by law, city charter, or ordinance are required to be confidential; 4) Matters involving consideration of government records that by law are not subject to public disclosure; 5) Direction to an attorney or labor negotiator regarding the handling of specific legal matters or labor negotiations.

Minutes
Community Health Services Board
Cordova Library Conference Room
May 11, 2011 – 7:00 PM

I. CALL TO ORDER AND ROLL CALL –

Sandra Aspen called the HSB meeting to order at 7:01pm. **Board members present: David Allison** (by teleconference), **Sandra Aspen, Kristin Carpenter** (by teleconference), **Tim Joyce, and Kerin Kramer**. **Absent: EJ Cheshier**. A quorum was established.

CCMC staff present: Stephen Sundby, PhD (Acting CEO, by teleconference), **Zhiyong Li** (CFO), **Tim James** (HR).

II. COMMUNICATIONS BY AND PETITIONS FROM VISITORS - None

III. CONFLICT OF INTEREST - None

IV. APPROVAL OF AGENDA

M/Joyce, S/Kramer: Move to approve the agenda.

A vote was made on the motion: 5 yeas. - 0 nays. Motion passed.

V. APPROVAL OF CONSENT CALENDAR

A. Approval of Minutes

M/Joyce, S/Kramer: Move to approve the Health Services Board minutes for 4/13/2011, and 4/25/11.

A vote was made on the motion: 5 yeas – 0 nays. Motion passed.

VI. REPORTS AND CORRESPONDENCE

A. Administrator's Report

Sundby reported he spoke with Ilanka Clinic and its decision to send laboratory work to Alaska Native Medical Center (ANMC) in Anchorage was made to save its patients money. Labs needed immediately will still use CCMC.

Sundby reported that Wrangell Medical Center's CEO, Noel Rea and Korre Pieper, Physical Therapist, visited CCMC again on Monday April 18; Wrangell's CFO, Olinda White, and QI Coordinator, Mari Selle, visited on April 27.

Sound Alternatives has submitted the continuation grants for both the Division of Health and Developmental Disabilities through "e-grant". Sound Alternatives had a booth at the Community Health Fair on April 30th; people were surveyed about where they could locate more information about mental health.

CCMC participated in the Health Fair. Between 75 and 100 people came through to get labs. As in the past, CCMC extended the period another two weeks resulting in up to 10 more people per day at the lab.

Sundby reported while advertising for a permanent LCSW, Mavon Lee, is contracted to be in Cordova once a quarter to ensure Medicare compliance for Long Term Care.

Robin James was hired as the Nursing Supervisor, which will allow the Director of Nursing to spend more time working on quality improvement and compliance.

Sundby reported than an Advanced Nurse Practitioner from Missouri was interviewed on-site; she has been asked to submit an application so that personal and professional references may be checked. Staff had mixed reviews and the applicant is unwilling to do a trial run in Cordova. A Social Worker/Registered Nurse was also interviewed on site but she may have accepted a position outside.

Joyce asked what the costs are for ANMC versus CCMC's costs for the labs. **Sundby** responded that Ilanka's costs are zero when it sends labs to ANMC.

Joyce asked, relative to the onsite interviews, if CCMC is pushing too hard, further stating that if there's not a real bona-fide interest we're spinning our wheels. **Joyce** also stated that there should be a way to obtain references before a visit is paid for – that the process seems to be backwards. **Sundby** responded the nurse practitioner was already in state, so the advantage was to pay only for a visit from Anchorage. For the second opening, it was attempted to hire her as a locum, but she would not commit

until she first saw the place. **Joyce** said he understood that it is difficult to recruit to Cordova sight unseen, and that the visit from Anchorage seemed to make sense, but suggested that CCMC conduct reference checks prior to an applicant's visit so that we don't push ahead too soon. **James** clarified that it was a misprint in the Administrator's report and that we were checking references only for the Nurse Practitioner. **James** reported that a recruitment meeting is scheduled at the hospital to discuss the issue. **Joyce** summarized that normally qualified people are brought in after references are checked; as long as references are checked before they are brought here then that is proper procedure.

B. President's Report

Allison reported that he should return to Cordova within three weeks.

C. Finance Report

Li first responded to a question from **Carpenter** on the February report regarding the discrepancies between the YTD budget vs. the YTD actual City funding and in-kind. **Li** explained that there is supposed to be \$150K in matching funds for capital improvements on top of the \$400K the city provides on an annual basis. The \$150K is in the budget, but the hospital would have to fund an equal amount to get it. If that's the case, CCMC hasn't received it based on the 2009 and 2010 audited statements. **Li** reported that there was a discrepancy of over \$300K in the in-kind non-City revenue. **Li** explained that one item is the PERS contribution from the state, which is an end-of-year adjustment based on 13 percent of the salary expense. This doesn't explain the full discrepancy, but if CCMC budgeted salary for three FTE providers, that would increase the total salary expense, and thus the state contribution. CCMC's salary expense is reduced because of using locums. **Li** further reported that the Weaver funding is a budgeted item, but that revenue was never accrued; this is a bookkeeping discrepancy. **Li** recommended that the flow-through funding be removed from the budget, because it doesn't impact the bottom line and inflates the budget number. **Carpenter** asked **Li** to clarify which items he would take out. **Li** responded that items like the state PERS contribution, where money is not actually received, but still results in a book entry. Those items that do not impact the bottom line could be left out of the budget picture. **Joyce** clarified that there would be corresponding expenses. **Li** confirmed that and **Kramer** replied that a journal entry could be applied for the auditors.

Li reported for March that the bad news was the loss of \$115K – a net loss of \$94K and \$20K in depreciation. **Li** also explained that he made a significant revision for November of last year for the \$132K paid to Medicare. The auditor made an adjusting entry of \$117K to last fiscal year and at the same time, the original entry should have been reversed. **Li** reported that the total YTD loss is \$144K. Following a review of the graphs, **Li** reported that next month, he will add 2 graphs to show the month-to-month revenue versus expenses, which should give the Board a better picture of the finances. The trend is that CCMC is spending more than it is making and it is spending more each month.

Carpenter asked for the good news. **Li** replied that the good news is the opportunities we have; he attended a Critical Access Hospital CFO meeting in Anchorage where he learned a lot.

Carpenter referred to page 15, where professional services were up by 63%. **Li** explained that annualized, locums cost \$400K each year, but contract providers cost more like \$170-210K, or \$280K with benefits. **Joyce** replied that would only be true if we had locums full time. **Li** and **Sundby** clarified that locums are being used all the time. **Li** further clarified that the auditors included it as an improvement area. **Li** responded that we need to maximize the Medicare payment and he will work with Marty to do an interim report. **Li** further clarified that CCMC will update charge-master by June 30th, and in 2-3 weeks CCMC is participating in a state-funded third-party, objective charge-master review. That will bring the revenue up.

Li and **Sundby** discussed when CCMC last updated charge-master. **Joyce** stated that in the present position, CCMC needs to be sure that it is getting what it can and update every two years at a minimum. **Sundby** replied that every other place updates yearly. **Joyce** replied that is a good goal for CCMC to target. **Li** cautioned that there may be a limit as to how much CCMC can increase at a single time.

Carpenter thanked **Li** and stated that she appreciated the analysis; that it is a big help to the Board. **Joyce** and **Aspen** agreed.

D. City Council

No report.

E. Native Village of Eyak

No report.

VII. ACTION ITEMS

A. Privileging of Jere Alm

M/Joyce, S/Kramer: Move to approve the privileging of **Jere Alm** as Physician Assistant at CCMC.

James reported that Alm is an independent contractor, not a locum, and is willing to return when needed. Alm is markedly less expensive than a locum.

A vote was made on the motion: 5 yeas – 0 nays. Motion passed.

B. Privileging of Irene Rooney

M/Joyce, S/Kramer: Move to approve the privileging of **Irene Rooney** as a Nurse Practitioner at CCMC.

A vote was made on the motion: 5 yeas – 0 nays. Motion passed.

VIII. DISCUSSION ITEMS

A. CODING CONCEPTS Update to 1st Quarter Onsite Report

Nichole Hunt reported that this visit was not a scheduled quarterly visit, but this report merges the mid-quarter report and her 1st quarter report. **Hunt** reported that at previous on-sites, she had not met with administration. Now, with **Sundby**, things are running smoothly, including an initial meeting, an exit meeting, and a meeting with the Department Managers. **Hunt** reported that she devises a plan, and the Manager's are able to adjust the priorities. A close-out meeting with the managers has been implemented. Moving forward, she won't visit on a calendar quarter, but will base her visits on the presence of key staff.

With respect to the Business Office, **Hunt** highlighted that CCMC should use locums who were used in the past to ease the need to enroll new providers in Medicare/Medicaid, or schedule the providers well in advance. **Hunt** also discussed the charge-master update and the need to bring everything current first as well as authorizing new

services. **Hunt** reviewed improvements in pre-certification, admission, and QA. **Hunt** discussed several self-pay issues that staff is working on, to include treatment of non-emergent patients in the ER and an on-site financial counselor to obtain insurance information or pre-screen for alternative coverage options.

Hunt reported that thanks to everyone's participation, efforts to organize the facility's medical records are moving forward in preparation for the transition to electronic records.

Regarding the medical staff, **Hunt** reported that the dictation process needs to be streamlined; locums and other temporary providers don't always understand CCMC practices. **Hunt** emphasized that it will require Administrative and HSB involvement to improve the transcription delays, which pose a liability issue to the hospital.

Hunt cited the Cordova Health Fair as an example of self-referral instances that must have an associated provider to protect CCMC's liability. **Li** clarified that CCMC switched the provider with approval from Quest prior to the Health Fair. **Hunt** stated that this was all that was needed to close out this issue.

Joyce commented that he is assuming that many of the items in the report are going to be addressed to improve efficiencies and the bottom line. **Hunt** agreed and praised administration and the fact that her report was distributed to managers for the first time. She reiterated that they are working together and moving forward.

IX. AUDIENCE PARTICIPATION

Corinne Erickson thanked the Board for their time and asked if the Board is still working on the strategic planning. **Aspen** replied that we are done with the planning and it is down to a decision by City Council. **Joyce** added that there's been no decision yet.

X. BOARD MEMBER COMMENTS

Aspen thanked one audience member for her participation. **Aspen** commented that as someone new to Cordova as of May 2009, she wanted to thank all the staff members involved. She has seen a tremendous change in morale, teamwork, and enthusiasm for moving forward. It's a 180 degree change. There is now a professional Board and she gave credit to the Board members for sticking it out.

Allison echoed the comments to staff and stated he's seen a big change. He commented that he enjoyed hearing Nichole say that everyone is working together. He also commented that with respect to a decision following the strategic planning, the RFP's have been sent, and City Council and the Health Services Board will review the responses. **Allison** thanked **Aspen** for chairing the meeting.

XI. EXECUTIVE SESSION

None.

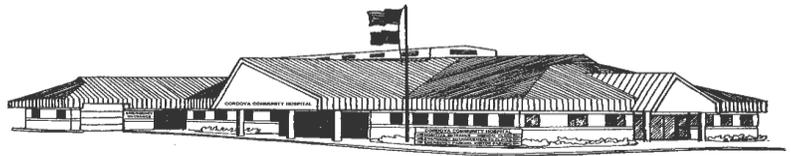
XIII. ADJOURNMENT

M/Joyce, S/Kramer: Move to adjourn. Unanimously approved. Meeting adjourned at 8:25 pm.

Transcribed by: Laura Cloward

Reviewed by: Sandra Aspen, HSB Secretary

CORDOVA COMMUNITY MEDICAL CENTER



P.O. Box 160 • 602 Chase Ave. • Cordova, Alaska 99574-0160
Phone: (907) 424-8000 • Fax: (907) 424-8116

To: Health Services Board
From: Stephen Sundby, CCMC Acting Administrator
RE: Administrator Report
Date: June 8, 2011

1. Wrangell Medical Center's Director of Nursing, Sue Nelson, RN, RAC-CT and their Director of Information Technology, Bob Shymanski visited CCMC on Monday, May 9th and Tuesday, May 10th. They were given a tour of CCMC and were able to ask questions from the staff that were available.
2. Many staff are requesting information regarding how the Strategic Planning process is continuing. The RFP process and status has been explained, but they are asking for details about the RFP scoring and selection process.
3. CCMC staff are being contacted by the media regarding the RFP process. Staff have been instructed to have the media contact the City of Cordova.
4. The FY2012 Budget is in the process of being developed. A first draft is a part of the Financial Report. I would recommend a HSB Finance Committee be established to work with the executive staff during further budget revisions and during audit times.
5. Laura Cloward has updated the CCMC webpage. We will continue to keep it current.
6. Staffing:
 - a. We are continuing to advertise nationally and through the State of Alaska ALEXsys job bank for a .5 FTE licensed clinical social worker (LCSW) to fill the vacancy for Long Term Care (LTC). A master's level social worker is a requirement for LTC social services.
 - b. Mavon Lee, LCSW is contracted to provide Social Service consultations in order to keep Long Term Care in compliance with the regulations. She will provide on-site visits on at least a quarterly basis.
 - c. Sound Alternatives is advertising for a full-time clinician with any Alaska mental health licensure due to a lack of LCSW applicants. An LCSW will continue to be the preferred candidate.
 - d. There are two new Physician Assistant graduates that are showing interest in locating to Cordova and working for CCMC. At the time this was written, one applicant was being scheduled for telephone interviews.
7. Stephen Sundby and Zhiyong Li are meeting on Fridays at 9:00 AM with Angela Arnold and Penney Benson (NVE) to coordinate and collaborate where opportunities arise.
 - a. The lease with Ilanka Community Health Center is due for renewal.

Reports from Finance Dept:

1. Balance Sheet as of 04/30/2011
2. YTD Income Statement as of 04/30/2011
3. Three Year Comparative Income Statements (YTD data)
4. Three Year Comparison in Patient Revenues (YTD)
5. Three Year Comparison in Expense Categories (YTD)
6. Two Year Net-Patient-Revenues vs. Total Expenses (YTD)
7. Two Year Total-Revenues vs. Total Expenses (YTD)
8. Cash Position and bank reconciliations
9. FY 2012 (07/1/2011 through 06/30/2012) Budget

Cordova Community Medical Center
 Balance Sheet
 April 30, 2011

	Current Year	Last Year	
	4/30/2011	4/30/2010	Increase (Decrease)
Assets			
Cash	221,145	330,078	(108,933)
Receivables			
Accounts Receivable	1,611,058	1,675,632	(64,574)
Allowance for Uncollectible	(867,833)	(754,257)	
Net Accounts Receivable	743,224	921,375	(178,151)
Other	116,577	(91,710)	208,287
Grant Programs & City Transfers	19,970	(64,641)	84,611
Supplies Inventory	143,479	136,129	7,350
Prepaid Expenses	52,365	28,908	23,457
Other Assets			
Major Moveable	10,684,096	10,625,271	58,825
Accum Depreciation	(8,319,336)	(8,056,573)	(262,763)
Total Assets	3,661,520	3,828,836	(167,316)
Liabilities and Net Assets			
Accounts Payable	479,507	400,672	78,836
Accrued Payroll & Related Liab	452,759	494,022	(41,264)
Other Liabilities	61,828	73,684	(11,856)
Total Current Liabilities	994,094	968,378	25,716
Net Pension Obligation	0	0	0
Obligations under Capital Lease	0	0	0
Total Liabilities	994,094	968,378	25,716
Prior/Current Income/(Loss)	2,667,426	2,860,458	(193,032)
Total Liabilities & Net Assets	3,661,520	3,828,836	(167,316)

**Cordova Community Medical Center
Income Statement (Fiscal Year 2011 - 7/1/10 through 6/30/11)**

	<i>Actual 2010 July</i>	<i>Actual 2010 August</i>	<i>Actual 2010 September</i>	<i>Actual 2010 October</i>	<i>Actual 2010 November</i>	<i>Actual 2010 December</i>	<i>Actual 2011 January</i>	<i>Actual 2011 February</i>
Revenue								
Acute	12,500	8,750	7,500	6,425	2,500	3,750	6,250	6,250
Long Term Care	258,111	248,325	238,713	248,325	240,315	248,326	248,326	209,074
Swing Bed	14,705	13,505	24,091	39,600	96,000	45,707	35,746	48,618
	50,379	70,494	57,831	60,582	67,309	43,438	36,650	49,587
EKG	2,952	3,280	2,788	4,100	2,460	2,132	2,132	3,772
Medical Supplies/RT (Oxygen)	35,946	22,317	21,848	22,236	20,869	23,617	23,299	27,506
Radiology/Ultrasound	16,740	17,235	15,442	16,215	16,382	10,489	11,647	16,717
Pharmacy	60,260	21,314	52,406	32,326	51,662	26,691	50,103	76,053
PT	8,773	21,989	22,194	23,478	20,094	18,136	21,685	24,065
Outpatient	8,316	12,662	15,415	7,839	5,743	4,936	3,567	9,732
Emergency Room	14,812	20,444	12,117	9,925	11,537	13,908	9,957	18,716
Short Stay-Obsv	4,264	728	5,371	9,619	2,340	4,004	7,129	8,008
Pro Fee	17,794	18,307	13,172	13,854	9,641	12,763	14,736	23,775
Clinic	17,326	18,052	17,590	13,818	15,634	11,007	12,743	17,657
BH (MH, AL, Outreach)	5,163	5,060	1,960	22,407	21,995	12,350	10,891	10,325
Other - Mortuary, Respite, L&D			190		420	192		
Gross Patient Services Revenue	528,040	502,462	508,628	530,749	584,901	481,446	494,862	549,855
Contractual Adj, Charity, Bad Debt	(81,384)	(28,738)	(83,103)	(39,433)	(42,317)	(29,196)	(35,529)	(73,968)
Net Patient Services Revenue	446,656	473,724	425,525	491,316	542,584	452,250	459,333	475,887
Interest Income	0	34	0	37	32	7	0	0
City Contributions								
City Funding	34,353	34,353	34,353	34,353	34,353	34,353	27,218	33,333
City In-Kind Contributions Utilities	1,019	1,019	1,019	1,019	1,019	1,019	1,018	1,019
In Kind Revenue - Non City	31,000	31,000	31,000	31,000	31,000	30,788	29,728	30,788
Grant and Waiver Funding	84,222	42,947	42,839	123,363	43,905	42,977	43,200	63,567
Non-Operating Revenue	10,170	13,715	2,078	3,762	20,323	3,620	13,453	10,232
Total Non-Operating Revenue	160,764	123,068	111,289	193,534	130,631	112,764	114,618	138,940
Total Revenue	607,420	596,791	536,814	684,850	673,216	565,014	573,951	614,827
Expenses								
Wages	246,117	258,110	219,388	252,488	242,028	250,814	246,190	235,204
Taxes and Benefits	115,450	109,948	100,832	90,124	104,555	106,608	120,653	114,462
Recruitment & Relocation	1,048	3,195	1,890	1,634	3,014	5,194	696	397
Professional Services	55,486	111,713	106,940	116,652	123,330	116,005	158,028	134,236
Minor Equipment		1,491	2,437	986	2,384	4,319	4,368	5,187
Supplies	42,865	26,435	38,662	33,516	40,721	35,424	38,009	39,731
Repair & Maintenance	6,018	7,935	3,191	6,012	5,128	463	3,656	1,151
Rent / Lease Equipment	275	275	5,017	4,114	3,025	3,507	756	2,247
Utilities and Fuel	16,475	19,600	27,316	22,706	26,572	27,889	44,105	19,048
USF In Kind Utilities Expense	32,019	32,019	32,019	32,019	32,019	32,019	30,746	31,807
Travel & Training	365	0	5,265	1,049	2,342	2,965	4,403	5,895
General & Malpractice Insurance	11,350	6,141	6,463	17,403	6,463	6,463	24,053	10,936
Other Expenses	2,859	2,809	8,468	3,694	94	2,608	29,356	2,234
	0							
Total Expenses	530,327	579,672	557,889	582,397	591,676	594,278	705,019	602,535
Income/(Loss) before depreciation	77,094	17,120	(21,074)	102,453	81,540	(29,264)	(131,068)	12,292
Depreciation Expense	21,105	21,105	21,105	21,105	21,105	21,105	21,212	21,295
Net Income/(Loss)	55,989	(3,985)	(42,179)	81,348	60,435	(50,370)	(152,280)	(9,004)

**Cordova Community Medical Center
Income Statement (Fiscal Year 2011 -**

					Period	Ending	
	Actual	Actual	Actual	Actual	Actual	Budget	Variences
	2011	2011	2011	2011	YTD	YTD	Favorable
	March	April	May	June	Total	Total	(unfavorable)
Revenue							
Acute	7,500	17,500			78,925	163,636	(84,711)
Long Term Care	284,123	257,328			2,480,965	2,348,634	132,331
Swing Bed	436	24,000			342,407	414,960	(72,553)
	65,225	101,216			602,711	634,674	(31,963)
EKG	2,788	2,624			29,028	32,800	(3,772)
Medical Supplies/RT (Oxygen)	26,970	26,135			250,745	185,163	65,582
Radiology/Ultrasound	20,161	15,539			156,567	159,161	(2,594)
Pharmacy	49,116	47,915			467,846	480,584	(12,738)
PT	10,298	14,240			184,952	195,934	(10,982)
Outpatient	9,797	7,017			85,024	74,373	10,651
Emergency Room	14,874	13,583			139,873	142,157	(2,284)
Short Stay-Obsv	5,200	1,352			48,015	44,247	3,768
Pro Fee	17,345	17,240			158,627	194,487	(35,860)
Clinic	15,967	22,351			162,145	200,472	(38,327)
BH (MH, AL, Outreach)	10,151	9,616			109,918	116,945	(7,027)
Other - Mortuary, Respite, L&D	150	360			1,312	9,423	(8,111)
Gross Patient Services Revenue	540,101	578,016	0	0	5,299,060	5,397,651	(98,591)
Contractual Adj, Charity, Bad Debt	(69,242)	(110,597)			(593,508)	(917,601)	324,093
Net Patient Services Revenue	470,858	467,419	0	0	4,705,552	4,480,050	225,502
Interest Income	0	0			111		111
City Contributions					0		0
City Funding	33,333	33,333			333,334	458,333	(125,000)
City In-Kind Contributions Utilities	1,019	1,019			10,191	10,192	(0)
In Kind Revenue - Non City	30,788	30,788			307,880	698,087	(390,207)
Grant and Waiver Funding	44,193	46,251			577,464	765,417	(187,953)
Non-Operating Revenue	7,989	13,659			99,002	79,170	19,832
Total Non-Operating Revenue	117,322	125,051	0	0	1,327,982	2,011,198	(683,216)
Total Revenue	588,180	592,470	0	0	6,033,534	6,491,248	(457,714)
Expenses							
Wages	250,427	296,479			2,497,245	2,885,584	388,339
Taxes and Benefits	122,387	103,997			1,089,017	1,605,478	516,462
Recruitment & Relocation	314	4,111			21,492	0	(21,492)
Professional Services	179,542	54,787			1,156,720	726,419	(430,301)
Minor Equipment	2,747	6,225			30,144	22,188	(7,955)
Supplies	44,509	36,178			376,051	314,983	(61,067)
Repair & Maintenance	5,676	1,378			40,608	33,262	(7,346)
Rent / Lease Equipment	3,290	1,029			23,534	12,068	(11,467)
Utilities and Fuel	25,885	41,913			271,507	200,794	(70,713)
USF In Kind Utilities Expense	31,807	31,807			318,284	310,000	(8,284)
Travel & Training	3,843	1,504			27,632	20,833	(6,799)
General & Malpractice Insurance	10,936	25,911			126,119	87,756	(38,363)
Other Expenses	1,411	2,767			56,299	53,558	(2,741)
Total Expenses	682,775	608,085	0	0	6,034,651	6,272,924	238,273
Income/(Loss) before depreciation	(94,594)	(15,615)	0	0	(1,117)	218,324	(219,441)
Depreciation Expense	21,295	20,874			211,308	229,953	(18,648)
Net Income/(Loss)	(115,890)	(36,489)	0	0	(212,424)	(11,629)	(200,795)

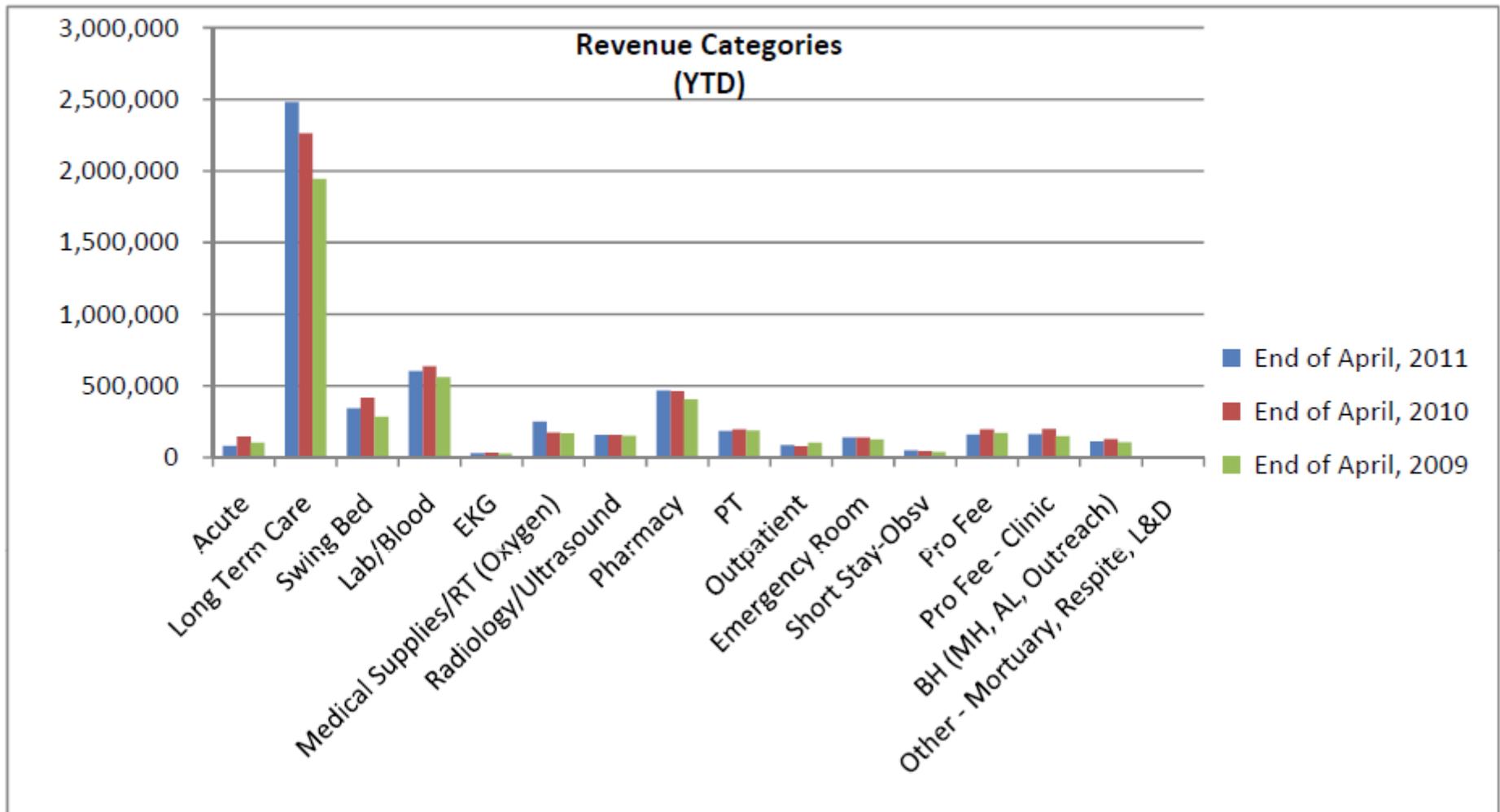
Cordova Community Medical Center

Three Year Comparative Income Statements

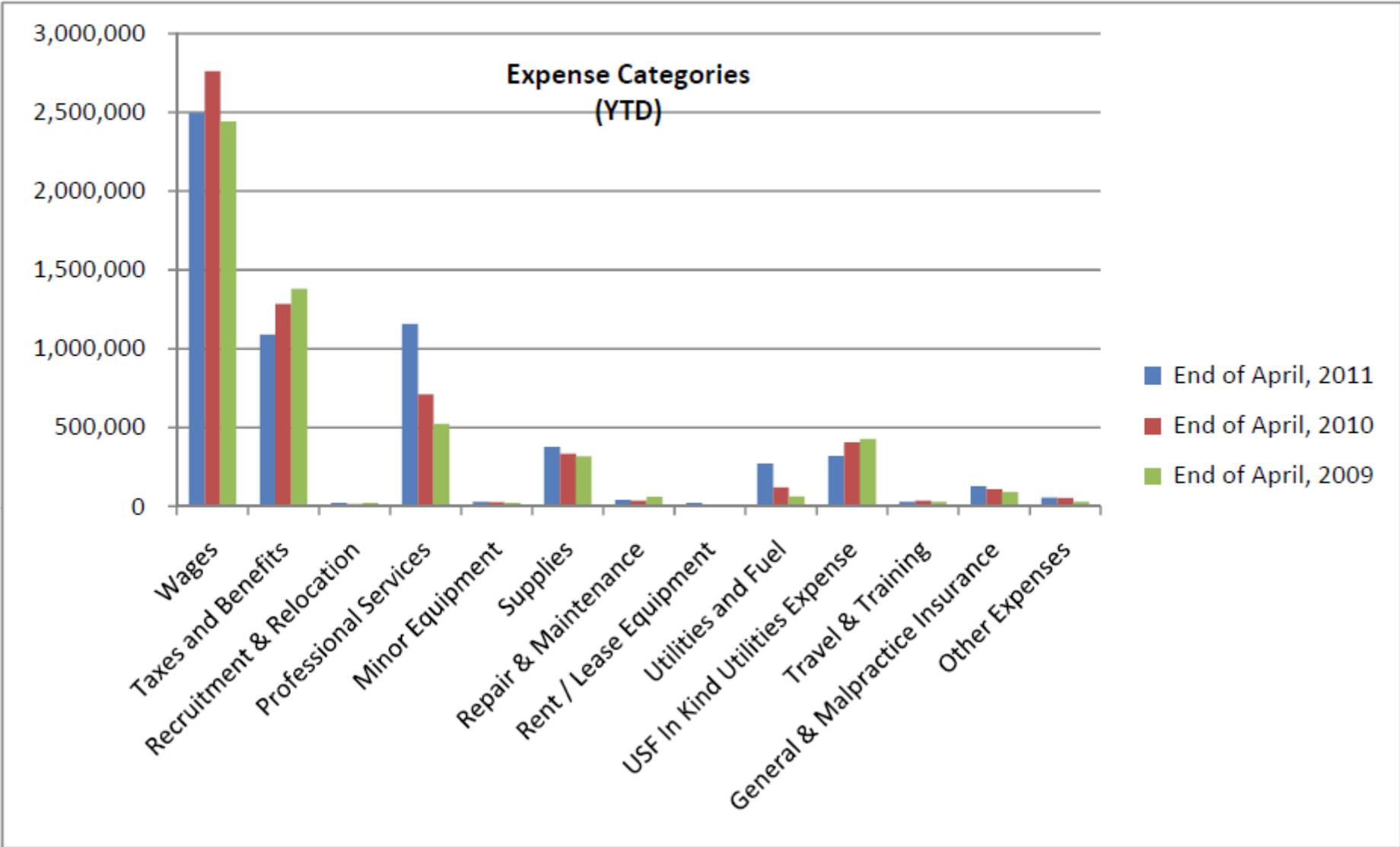
	Current to Last Year Comparison	FY 2011 YTD End of April, 2011	FY 2010 YTD End of April, 2010	FY 2009 YTD End of April, 2009
Revenue				
Acute	-45.57%	78,925	145,000	103,200
Long Term Care	9.54%	2,480,965	2,264,930	1,946,015
Swing Bed	-17.62%	342,407	415,656	284,400
Lab/Blood	-5.33%	602,711	636,625	559,396
EKG	-12.81%	29,028	33,292	25,782
Medical Supplies/RT (Oxygen)	45.18%	250,745	172,714	167,097
Radiology/Ultrasound	-0.97%	156,567	158,093	148,278
Pharmacy	1.84%	467,846	459,377	403,645
PT	-5.99%	184,952	196,743	189,026
Outpatient	11.89%	85,024	75,987	103,470
Emergency Room	0.39%	139,873	139,332	125,729
Short Stay-Obsv	8.00%	48,015	44,460	36,652
Pro Fee	-18.15%	158,627	193,798	169,446
Pro Fee - Clinic	-18.43%	162,145	198,769	148,124
BH (MH, AL, Outreach)	-14.89%	109,918	129,155	105,620
Other - Mortuary, Respite, L&D	-77.89%	1,312	5,935	4,911
Gross Patient Services Revenue	0.55%	<u>5,299,060</u>	<u>5,269,865</u>	<u>4,520,790</u>
Contractual Adj, Charity, Bad Debt	-44.38%	(593,508)	(1,067,094)	(912,827)
Net Patient Services Revenue	11.96%	<u>4,705,552</u>	<u>4,202,771</u>	<u>3,607,963</u>
Interest Income		111	7	251
City Contributions		0		
City Funding	0.00%	333,334	333,332	868,698
City In-Kind Contributions Utilities	-0.02%	10,191	10,193	10,193
In Kind Revenue - Non City	-22.16%	307,880	395,515	417,200
Grant and Waiver Funding	-19.40%	577,464	716,485	692,460
Non-Operating Revenue	12.83%	99,002	87,744	177,193
Total Non-Operating Revenue	-13.95%	<u>1,327,982</u>	<u>1,543,276</u>	<u>2,165,995</u>
Total Revenue	5.00%	<u>6,033,534</u>	<u>5,746,047</u>	<u>5,773,958</u>
Expenses				
Wages	-9.55%	2,497,245	2,761,062	2,440,120
Taxes and Benefits	-15.28%	1,089,017	1,285,444	1,380,462
Recruitment & Relocation	49.17%	21,492	14,408	21,571
Professional Services	62.51%	1,156,720	711,773	523,197
Minor Equipment	15.27%	30,144	26,150	22,877
Supplies	12.34%	376,051	334,734	316,618
Repair & Maintenance	15.40%	40,608	35,190	59,008
Rent / Lease Equipment	118.69%	23,534	10,761	11,574
Utilities and Fuel	127.98%	271,507	119,090	60,772
USF In Kind Utilities Expense	-21.55%	318,284	405,709	427,393
Travel & Training	-26.51%	27,632	37,597	30,304
General & Malpractice Insurance	18.02%	126,119	106,864	91,601
Other Expenses	8.44%	56,299	51,918	29,663
Total Expenses	2.27%	<u>6,034,651</u>	<u>5,900,700</u>	<u>5,415,160</u>
Income/(Loss) before depreciation	-99.28%	<u>(1,117)</u>	<u>(154,653)</u>	<u>358,798</u>
Depreciation Expense	-0.14%	211,308	211,609	218,972
Net Income/(Loss)	-42.0%	<u>(212,424)</u>	<u>(366,262)</u>	<u>139,826</u>

Cordova Community Medical Center

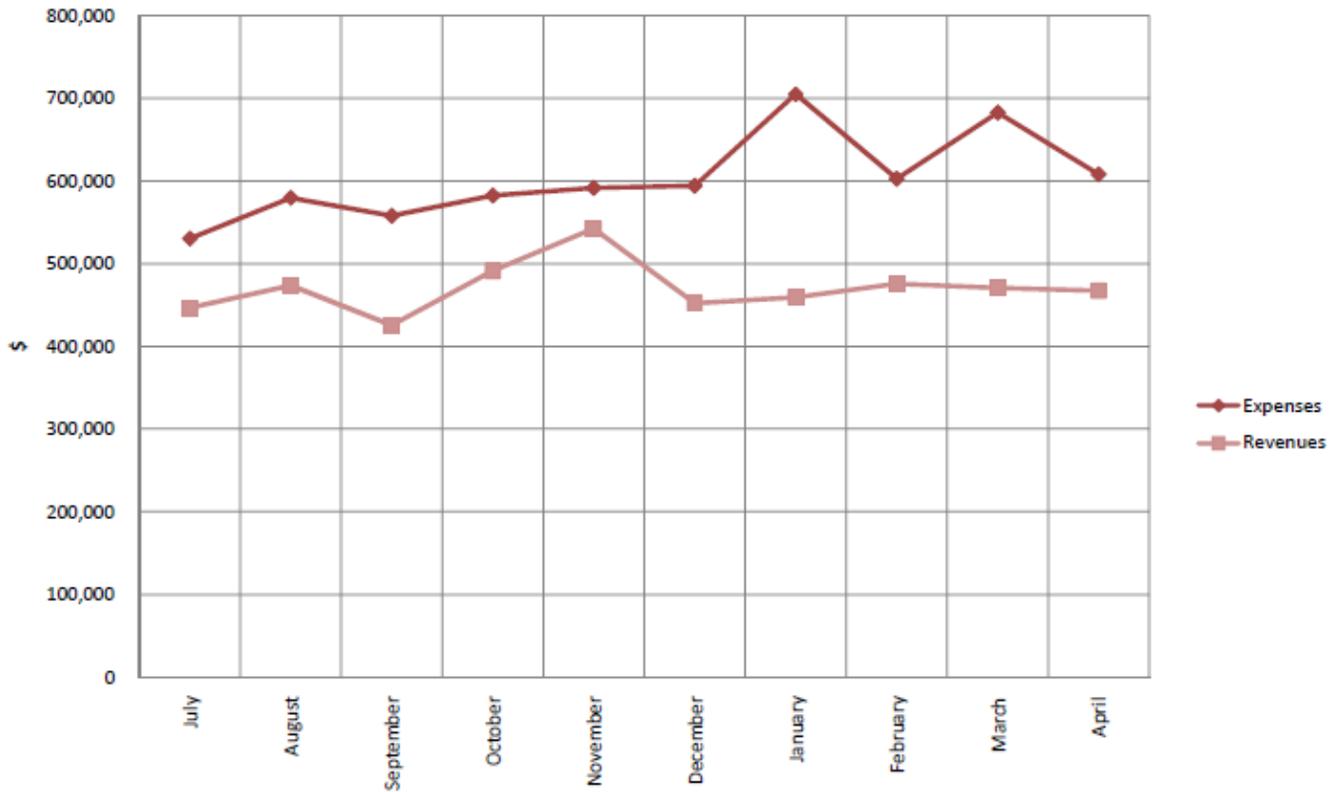
Three Year Comparative Income Statements



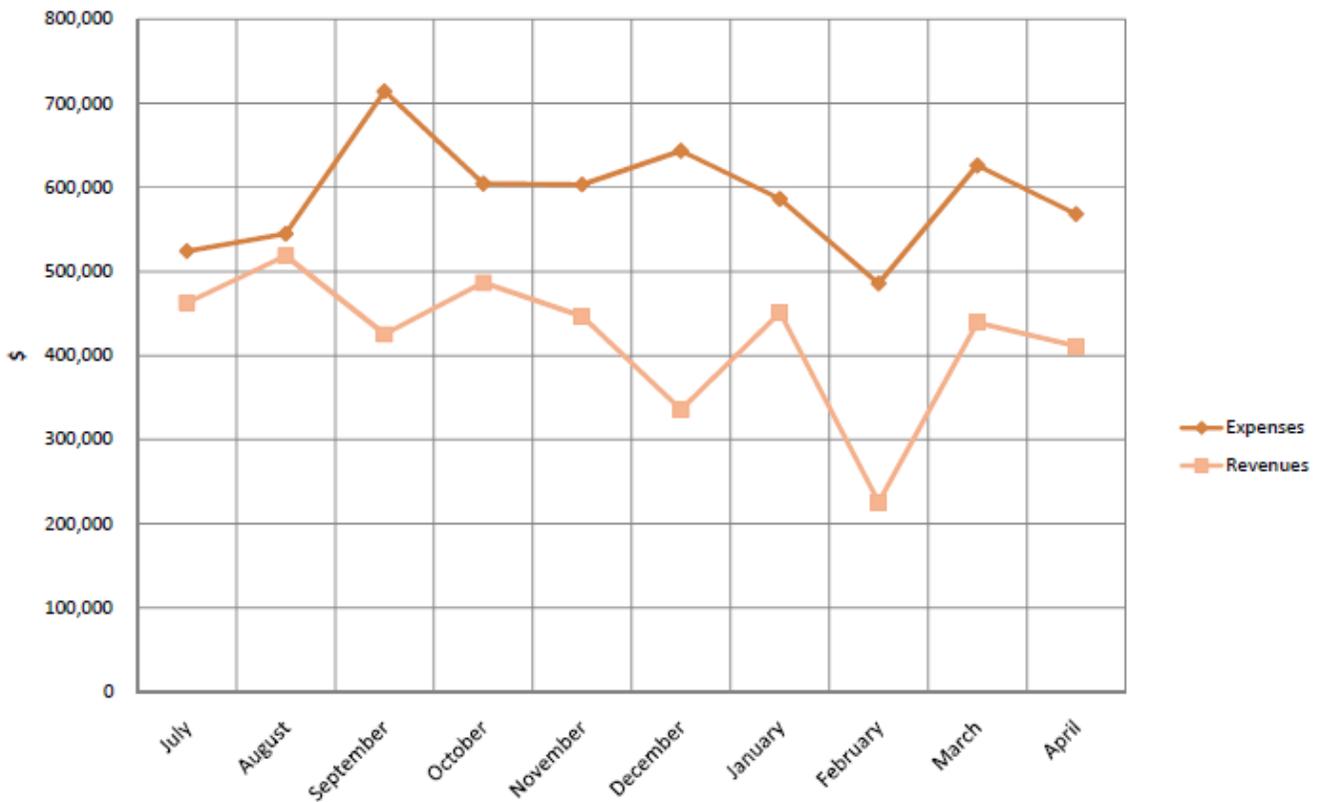
Cordova Community Medical Center Three Year Comparative Income Statements



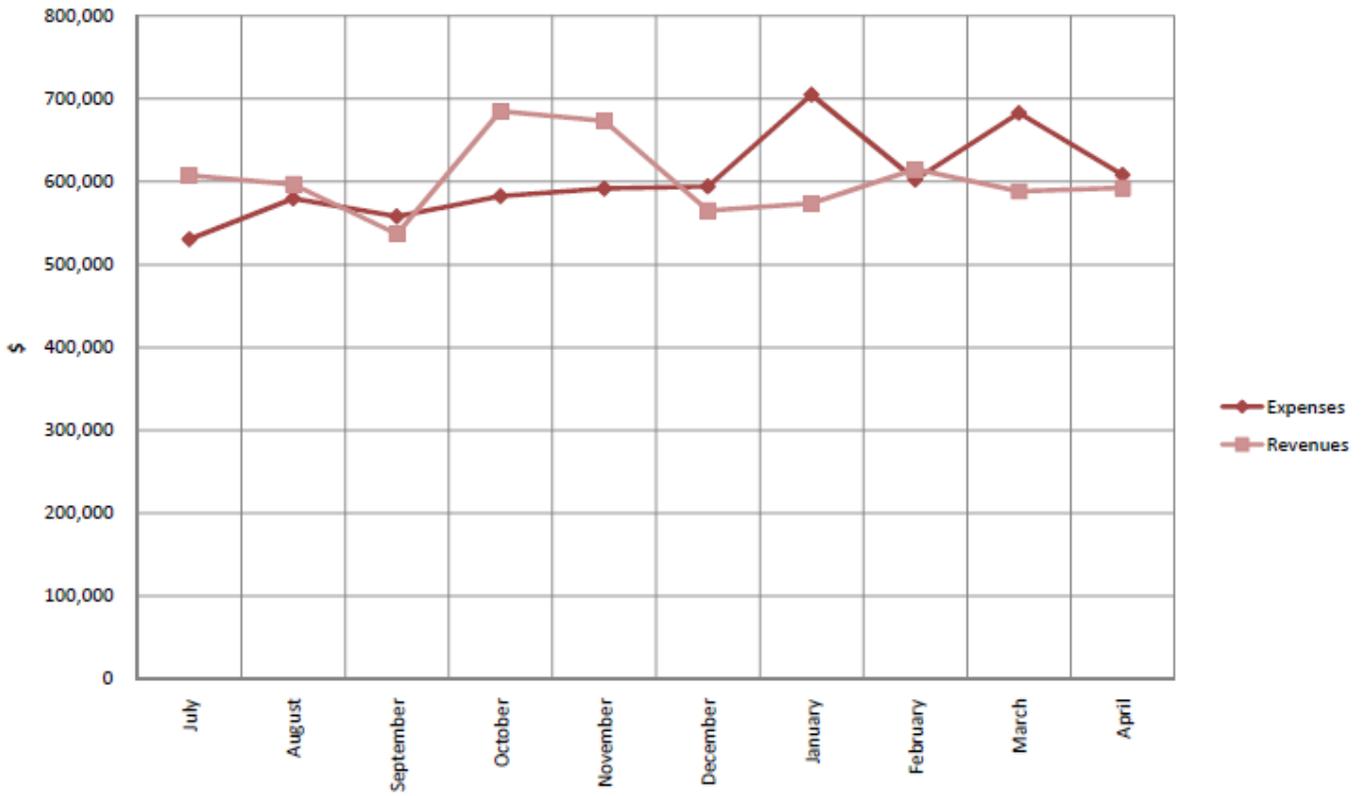
Net Patient Service Revenues Vs. Expenses, FY2011



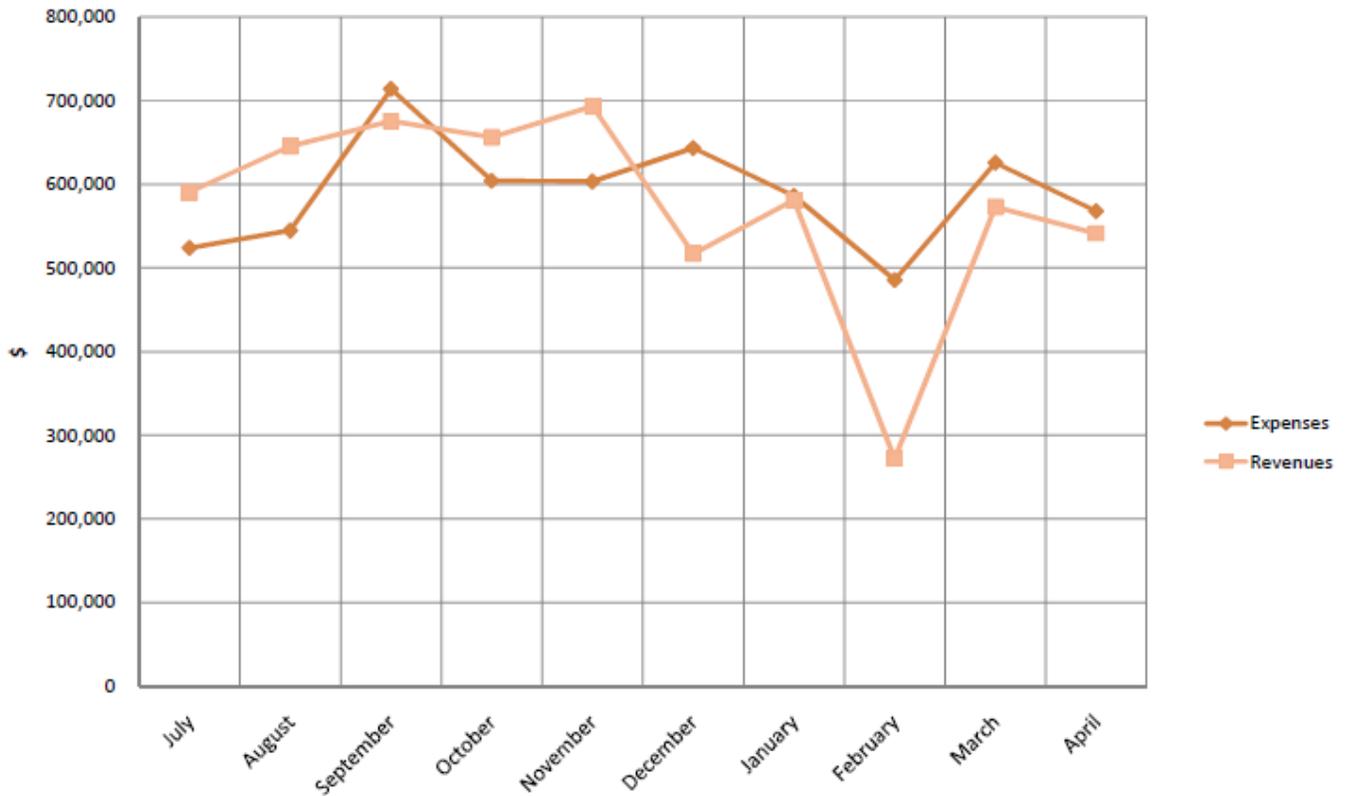
Net Patient Service Revenues Vs. Expenses, FY 2010



Total Revenues Vs. Expenses, FY2011



Total Revenues Vs. Expenses, FY 2010



Budget

Cordova Community Medical Center Proposed Operating Budget Fiscal Year 2012 Discussions

Revenue Assumptions:

- 1 Chargemaster is outdated. Based on Blue Cross inquire, at least a 13.7% increase in our fee schedule will take place by A limited chargemaster review will be completed by Wipfli LLP (CPA & Consultants) in June. We anticipate an overall revenue increase for FY 2012 due to price update.
- 2 Revenues projected for FY 2012, using past three years' average and add a 10% increase in patient service revenue.
- 3 One key management goal is to stabilize provider force by employing permanent providers to cover our emergency services, satisfy LTC residents' needs, and keep the clinic open. With stabilized providers, CCMC could potentially increase clinic visits (revenues). Reducing dependence on locums can also reduce professional services costs. However, potential volume (revenue) increase is not factored into FY 12 budget. Relative cost saving benefits (EE provider) is reflected in the budget.
- 4 City contributions:
 - Yearly City Support (general funds) for \$400,000 is anticipated
 - City In-Kind services for Water/Sewer/Garbage - \$12,230
 - City Promise for Matching funds for Capital Improvements (see item 5)
- 5 Grant funding for Capital Improvement has great potential. It is not reflected in budget for FY2012. We hope City would keep the commitment for matching funds for capital improvement. Grant revenues are based on level funding for Senior Services, Behavior Health and Waiver programs.
- 6 Contractual Adjustments, Bad Debt and Charity budget at 18% of patient services revenues, based on experience

Expenses Assumptions:

- 7 No wage increase is projected for all employees for FY 12.
- 8 Taxes and benefits are a function of wages and will increase proportionately. Additional increases to fringe include a projected 32% increase to medical insurance (approximate \$80,000).
- 9 Other Operating Expenses are projected at 5% increases from this year.

FY2012 Projection

Scenario - 1

Revenue	Actual for 10 mo. - (Annualized to			
	Actual FY09	Actual FY10	12) FY11	Projected FY12
Acute	145,700	187,500	94,710	156,900
Long Term Care	2,379,335	2,744,460	2,977,158	2,970,350
Swing Bed	335,548	470,832	410,889	446,332
Lab/Blood	736,700	744,149	723,253	808,171
EKG	29,226	38,376	34,834	37,560
Medical Supplies/RT (Oxygen)	195,579	233,438	300,893	267,634
Radiology/Ultrasound	186,013	189,439	187,880	206,555
Pharmacy	480,339	569,479	561,415	590,785
Physical Therapy	238,100	228,667	221,942	252,527
Outpatient	129,516	87,694	102,029	117,054
Emergency Room	160,865	175,252	167,848	184,787
Short Stay - Ovsv	40,760	50,752	57,618	54,681
Pro Fee	204,652	232,567	190,352	230,110
Clinic	189,426	226,959	194,574	224,018
BH (MH, AL, Outreach)	131,105	154,873	131,902	153,222
Other - Mortuary, Respite, L&D	4,960	3,315	1,574	3,611
Gross Patient Services Revenue	5,587,825	6,337,750	6,358,872	6,704,298
Contractual Adj, Charity, Bad Debt	(1,063,816)	(1,179,251)	(712,209)	(1,206,774)
	19.04%	18.61%	11.20%	18.00%
Net Patient Services Revenue	4,524,009	5,158,500	5,646,663	5,497,524
Interest Income	270	7	133	150
Grants - Required Match - ?????	0	0	0	
City of Cordova:				
City In-Kind	24,481	12,232	12,231	12,231
City Funding	980,365	400,000	400,000	400,000
Non City				
PERS State Contribution	353,558	148,919	124,186	136,552
USAC - Tel Comm Support	305,326	308,596	381,940	471,940
MH Grant/DD/Waiver/Grants Funding	852,881	911,887	692,957	692,957
Other Non Operating Revenues	169,730	128,504	118,802	118,802
Total Non-Operating Revenue	2,686,612	1,910,146	1,730,249	1,832,633
Total Revenue	7,210,621	7,068,645	7,376,912	7,330,157
Expenses	FY09	FY10	FY11	FY12
Wages	2,950,433	3,253,403	2,996,695	3,225,671
Taxes and Benefits	1,784,429	1,496,340	1,431,006	1,620,348
Recruitment & Relocation	21,300	21,634	25,791	27,080
Professional Services	632,148	903,936	1,388,064	975,398
Minor Equipment	20,392	31,640	36,172	37,981
Supplies	442,042	419,354	451,261	473,824
Repair & Maintenance	88,911	46,510	48,729	51,166
Rent / Lease Equipment	13,673	14,197	28,241	29,653
Utilities and Fuel	274,320	323,895	325,808	342,099
USF In Kind Utilities Expense	305,326	308,596	381,940	471,940
Travel & Training	33,665	41,320	33,158	34,816
General & Malpractice Insurance	110,301	118,684	151,343	158,910
Other Expenses	42,652	62,371	67,559	70,937
Depreciation Expense	270,417	253,972	253,569	265,569
Total Expenses	6,990,007	7,295,852	7,619,336	7,785,336
Net Gain/Loss	220,614	(227,207)	(242,424)	(455,235)

FY2012 Projection

Scenario - 2

	Actual FY09	Actual FY10	Actual for 10 mo. - (Annualized to 12) FY11	Projected FY12	
Revenue					
Acute	145,700	187,500	94,710	164,745	
Long Term Care	2,379,335	2,744,460	2,977,158	3,118,867	
Swing Bed	335,548	470,832	410,889	468,649	
Lab/Blood	736,700	744,149	723,253	848,579	
EKG	29,226	38,376	34,834	39,438	
Medical Supplies/RT (Oxygen)	195,579	233,438	300,893	281,016	
Radiology/Ultrasound	186,013	189,439	187,880	216,883	
Pharmacy	480,339	569,479	561,415	620,325	
Physical Therapy	238,100	228,667	221,942	265,153	
Outpatient	129,516	87,694	102,029	122,907	
Emergency Room	160,865	175,252	167,848	194,026	
Short Stay - Ovsv	40,760	50,752	57,618	57,415	
Pro Fee	204,652	232,567	190,352	241,615	
Clinic	189,426	226,959	194,574	235,219	
BH (MH, AL, Outreach)	131,105	154,873	131,902	160,884	
Other - Mortuary, Respite, L&D	4,960	3,315	1,574	3,792	
Gross Patient Services Revenue	5,587,825	6,337,750	6,358,872	7,039,512	
Contractual Adj, Charity, Bad Debt	(1,063,816)	(1,179,251)	(712,209)	(1,267,112)	
	19.04%	18.61%	11.20%	18.00%	
Net Patient Services Revenue	4,524,009	5,158,500	5,646,663	5,772,400	
Interest Income	270	7	133	150	
Grants - Required Match - ?????	0	0	0		
City of Cordova:					
City In-Kind	24,481	12,232	12,231	12,231	
City Funding	980,365	400,000	400,000	400,000	
Non City					
PERS State Contribution	353,558	148,919	124,186	136,552	
USAC - Tel Comm Support	305,326	308,596	381,940	471,940	
MH Grant/DD/Waiver/Grants Funding	852,881	911,887	692,957	692,957	
Other Non Operating Revenues	169,730	128,504	118,802	118,802	
Total Non-Operating Revenue	2,686,612	1,910,146	1,730,249	1,832,633	
Total Revenue	7,210,621	7,068,645	7,376,912	7,605,033	
Expenses	FY09	FY10	FY11	FY12	
Wages	2,950,433	3,253,403	2,996,695	3,225,671	Proj
Taxes and Benefits	1,784,429	1,496,340	1,431,006	1,620,348	Proj
Potential Travel Nurse Savings				(36,000)	
Recruitment & Relocation	21,300	21,634	25,791	27,080	
Professional Services	632,148	903,936	1,388,064	975,398	Proj
Minor Equipment	20,392	31,640	36,172	37,981	
Supplies	442,042	419,354	451,261	473,824	
Repair & Maintenance	88,911	46,510	48,729	51,166	
Rent / Lease Equipment	13,673	14,197	28,241	29,653	
Utilities and Fuel	274,320	323,895	325,808	342,099	
USF In Kind Utilities Expense	305,326	308,596	381,940	471,940	Act
Travel & Training	33,665	41,320	33,158	34,816	
General & Malpractice Insurance	110,301	118,684	151,343	158,910	
Other Expenses	42,652	62,371	67,559	70,937	20
Depreciation Expense	270,417	253,972	253,569	265,569	20
Total Expenses	6,990,007	7,295,852	7,619,336	7,749,392	
Net Gain/Loss	220,614	(227,207)	(242,424)	(144,359)	

FY2012 Projection

Scenario - 3

Revenue	Actual for 10 mo. - (Annualized to 12)			
	Actual FY09	Actual FY10	FY11	Projected FY12
Acute	145,700	187,500	94,710	156,900
Long Term Care	2,379,335	2,744,460	2,977,158	2,970,350
Potential LTC residents				600,000
Swing Bed	335,548	470,832	410,889	446,332
Lab/Blood	736,700	744,149	723,253	808,171
EKG	29,226	38,376	34,834	37,560
Medical Supplies/RT (Oxygen)	195,579	233,438	300,893	267,634
Radiology/Ultrasound	186,013	189,439	187,880	206,555
Pharmacy	480,339	569,479	561,415	590,785
Physical Therapy	238,100	228,667	221,942	252,527
Outpatient	129,516	87,694	102,029	117,054
Emergency Room	160,865	175,252	167,848	184,787
Short Stay - Ovsv	40,760	50,752	57,618	54,681
Pro Fee	204,652	232,567	190,352	230,110
Clinic	189,426	226,959	194,574	224,018
BH (MH, AL, Outreach)	131,105	154,873	131,902	153,222
Other - Mortuary, Respite, L&D	4,960	3,315	1,574	3,611
Gross Patient Services Revenue	5,587,825	6,337,750	6,358,872	7,304,298
Contractual Adj, Charity, Bad Debt	(1,063,816)	(1,179,251)	(712,209)	(1,314,774)
	19.04%	18.61%	11.20%	18.00%
Net Patient Services Revenue	4,524,009	5,158,500	5,646,663	5,989,524
Interest Income	270	7	133	150
Grants - Required Match - ?????	0	0	0	
City of Cordova:				
City In-Kind	24,481	12,232	12,231	12,231
City Funding	980,365	400,000	400,000	400,000
Non City				
PERS State Contribution	353,558	148,919	124,186	136,552
USAC - Tel Comm Support	305,326	308,596	381,940	471,940
MH Grant/DD/Waiver/Grants Funding	852,881	911,887	692,957	692,957
Other Non Operating Revenues	169,730	128,504	118,802	118,802
Total Non-Operating Revenue	2,686,612	1,910,146	1,730,249	1,832,633
Total Revenue	7,210,621	7,068,645	7,376,912	7,822,157
Expenses	FY09	FY10	FY11	FY12
Wages	2,950,433	3,253,403	2,996,695	3,225,671
Taxes and Benefits	1,784,429	1,496,340	1,431,006	1,620,348
Potential Travel Nurse Savings				(36,000)
Recruitment & Relocation	21,300	21,634	25,791	27,080
Professional Services	632,148	903,936	1,388,064	975,398
Minor Equipment	20,392	31,640	36,172	37,981
Supplies	442,042	419,354	451,261	473,824
Repair & Maintenance	88,911	46,510	48,729	51,166
Rent / Lease Equipment	13,673	14,197	28,241	29,653
Utilities and Fuel	274,320	323,895	325,808	342,099
USF In Kind Utilities Expense	305,326	308,596	381,940	471,940
Travel & Training	33,665	41,320	33,158	34,816
General & Malpractice Insurance	110,301	118,684	151,343	158,910
Other Expenses	42,652	62,371	67,559	70,937
Depreciation Expense	270,417	253,972	253,569	265,569
Total Expenses	6,990,007	7,295,852	7,619,336	7,749,392
Net Gain/Loss	220,614	(227,207)	(242,424)	72,765