AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Gunnison Valley Health Board of Trustees Quarterly

Action Requested:

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:

Please see the attached submitted by GVH

Fiscal Impact:

Submitted by: Josh Ost **Submitter's Email Address:** jost@gunnisoncounty.org

Finance Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ○ Required ◉ Not Required

Comments:

Reveiwed by: Discharge Date: Certificate of Insurance Required

Yes ○ No ○

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\jost Discharge Date: 6/15/2018

○ Consent Agenda ○ Regular Agenda ○ Worksession Time Allotted: 60

Agenda Date: 6/26/2018

Revised April 2015

GUNNISON VALLEY HEALTH

GVH and BOCC Work Session
Tuesday, June 26, 2018
BOCC Boardroom – Courthouse

AGENDA

For Gunnison Valley Health:

- Ronda Connaway, Board of Trustees, Chair
- Rob Santilli, CEO

Conversation Outline

I. Opening Comments & Introductions — Ronda Connaway

II. Board Strategic Planning — Ronda Connaway
- Primary Care / OB Service

III. Operational Items — Rob Santilli
- Anesthesia Services

IV. Finance — Rob Santilli
- April Financials
- Audit
- GVH 501c3 IRS
- VanTuyl Funding SCC — Ronda Connaway

V. Strategic — Rob Santilli
- Senior Care Center Development
- Medical Arts Facility
- Accountable Health Communities Model
- Behavioral Health – Crested Butte
- Ophthalmology Service
- Mountain Clinic- Recognition
- Cancer TETWP Strategic Plan
- Medical Surgical Renovation
- Medical Oncologist
- ED Physician Staffing / High Volume Support

VI. Commissioner Questions and Observations

GUNNISON VALLEY HEALTH

Operation review

Period Ending April, 2018

COMBINED OVERVIEW:

The combined financials for the month show that the hospital system earned $647K, on a budget of $184K, an increase in net income of $463K from budget; as compared to same month last year, where the system earned $752K, this year's $647K is below last year, same month by $104K. Year to date through current month, the system earned $3.26M net income, compared to a budget of $2.53M, showing an increase of $732K from budget; compared to prior year to date, where the system earned $4.01M, this year's net income to date is down $748K.

April-18							
	MONTH TO DATE						
	Net Income	Budget	Var	% Var	P/Y	Var	% Var
GVH	$ 474,545	$ 220,645	$ 253,900	115.1%	$ 576,071	$ (101,526)	-17.6%
SCC	$ 170,035	$ (29,833)	$ 199,869	-670.0%	$ 177,164	$ (7,129)	-4.0%
Hospice	$ (10,890)	$ (6,231)	$ (4,659)	-74.8%	$ (9,331)	$ (1,559)	-16.7%
Home Health	$ (25,501)	$ (13,732)	$ (11,769)	-85.7%	$ (18,107)	$ (7,394)	-40.8%
Assisted Living	$ 2,930	$ 13,085	$ (10,155)	-77.6%	$ 15,199	$ (12,269)	-80.7%
Foundation	$ 36,154		$ 36,154	100.0%	$ 10,562	$ 25,592	242.3%
Grand Total	$ 647,273	$ 183,934	$ 463,339	251.9%	$ 751,558	$ (104,285)	-13.9%
	YEAR TO DATE						
	Net Income	Budget	Var	% Var	P/Y	Var	% Var
GVH	$ 2,798,839	$ 2,635,217	$ 163,622	6.2%	$ 3,547,726	$ (748,886)	-21.1%
SCC	$ 444,991	$ (49,905)	$ 494,896	-991.7%	$ 435,569	$ 9,422	2.2%
Hospice	$ 792	$ (25,963)	$ 26,755	103.1%	$ (36,205)	$ 36,997	102.2%
Home Health	$ (64,969)	$ (52,423)	$ (12,546)	-23.9%	$ (48,841)	$ (16,128)	-33.0%
Assisted Living	$ 20,311	$ 23,789	$ (3,479)	-14.6%	$ 45,900	$ (25,589)	-55.8%
Foundation	$ 63,705	$ -	$ 63,705	100.0%	$ 67,893	$ (4,188)	-6.2%
Grand Total	$ 3,263,669	$ 2,530,715	$ 732,954	29.0%	$ 4,012,042	$ (748,372)	-18.7%

DEBT SERVICE COVERAGE RATIO - The Debt Service Coverage Ratio for CoBiz was 8.36. The bond covenant requires GVH to keep a debt service ratio of 2.0.

DAYS CASH ON HAND - The cash on hand, excluding the construction cash, was 316 days as compared to the bond covenant requirement of 150 days.

INPATIENT VOLUMES – Admissions were 6 above budget and 12 above prior year. Year to date, admissions were 5 below budget and 22 above prior year.

OUTPATIENT VOLUMES – Outpatient visits were 88 below budget and 292 above prior year. Year to date, outpatient visits were 2,194 above budget and 1,821 above prior year. Emergency room visits were 66 below budget and 46 below prior year. Year to date, ER visits were 128 below budget and 111 below prior year.

4/30/2018	CY	Bgt	Var.	% Var.	PY	Var.	% Var.
Outpatient Visits	3,665	3,753	(88)	-2.3%	3,373	292	8.7%
Radiology	1,082	1,120	(38)	-3.4%	964	118	12.2%
Laboratory	6,428	6,598	(170)	-2.6%	6,138	290	4.7%
YTD	CY	Bgt	Var.	% Var.	PY	Var.	% Var.
Outpatient Visits	17,512	15,318	2,194	14.3%	15,691	1,821	11.6%
Radiology	5,637	5,130	507	9.9%	5,378	259	4.8%
Laboratory	28,884	26,791	2,093	7.8%	26,464	2,420	9.1%

Gross Outpatient revenues were $265K above budget and $451K above prior year. Year to date, gross outpatient revenue was up $2.46M to budget, and was up $2.19M to prior year.

The orthopedic surgeries performed during the month were 53 as compared to 58 for the prior year; a decrease of 5 cases.

2018	Griggs	Chamberland	Biem	Moore	Clifton	Elfenbein	Gueramy	Total
Surgeries as %	40%	0%	8%	0%	40%	8%	6%	100%
Surgeries	21	0	4	0	21	4	3	53
2017	Griggs	Chamberland	Biem	Moore	Clifton	Elfenbein	Gueramy	Total
Surgeries as %	31%	7%	9%	3%	26%	24%	0%	100%
Surgeries	18	4	5	2	15	14	0	58

OTHER OPERATING REPORTS:

SENIOR CARE CENTER

	MONTH TO DATE								
	Unit	C/M	Bgt	Var	% Var		PY	Var	% Var
SCC	Days	1,298	1,290	8	0.6%		1,334	(36)	-2.7%
H/H	Census	38	44	(6)	-13.6%		40	(2)	-5.0%
A. Living	Days	420	420	-	0.0%		450	(30)	-6.7%
Hospice	Days	114	63	51	81.0%		30	84	280.0%
Palliative	Days	120	113	7	6.2%		150	(30)	-20.0%

	YEAR TO DATE								
	Unit	C/M	Bgt	Var	% Var		PY	Var	% Var
SCC	Days	5,360	5,160	200	3.9%		5,292	68	1.3%
H/H	Census	148	176	(28)	-15.9%		164	(16)	-9.8%
A. Living	Days	1,710	1,680	30	1.8%		1,785	(75)	-4.2%
Hospice	Days	689	236	453	191.9%		182	507	278.6%
Palliative	Days	400	404	(4)	-1.0%		568	(168)	-29.6%

SENIOR CARE CENTER

Patient days of 1,298 for the Senior Care Center were 8 days above the budget of 1,290 days and were 36 days below prior year days of 1,334. Year to date, SCC days of 5,360 were 200 above budget of 5,160 and 68 days above prior year days of 5,292. Net operating revenue of $361K shows an increase over budgeted net operating revenue of $341K by $20K; net operating revenue shows a decrease from prior year, same month of $8K, based on prior year's net operating revenue of $369K. Expenses of $270K were $175K below budgeted expenses of $446K; current month expenses of $270K shows a decrease from prior year's expenses of $307K by $37K.

HOME MEDICAL SERVICES

Census of 38 for home health was 9 below budget and 7 below prior year.

The budgeted net operating revenue for Home Medical Services of $38K, as compared to actual of $35K, shows a decrease of approximately $3K; as compared to prior year actual of $39K, current month net operating revenue shows a decrease of $4K. Total current month operating expense of $63K shows an increase of $15K from the $48K budget; the total current month operating expense of $63K shows an increase of $4K for current month from prior expense of $59K. The net income for the current month of negative $26K shows an increase of $12K from a budget of negative $14K. The net income for the current month of negative $26K shows an increase of $8K from an actual of negative $18K for prior year.

The Gunnison Consolidated Living Community's net income of $151K was favorable to the budgeted income of $5K by $146; current year net income was $151K unfavorable to prior year's net income of $165K by $14K.

GUNNISON VALLEY HOSPITAL
OPERATING/INCOME STATEMENT 05/15/18 10:36 AM
FOR THE 4 MONTHS ENDING 04/30/18

	SINGLE MONTH				YEAR TO DATE			
	ACTUAL	BUDGET	$ VARIANCE	% VAR	ACTUAL	BUDGET	$ VARIANCE	% VAR
PATIENT REVENUE								
INPATIENT	993,429	704,287	289,142	41	4,560,697	4,962,147	(401,449)	(8)
OUTPATIENT	3,034,712	2,517,419	517,293	20	12,553,558	10,207,143	2,346,415	22
EMERGENCY ROOM	831,057	861,490	(30,432)	(3)	4,275,178	3,886,456	388,722	10
OBSERVATION	107,097	201,985	(94,887)	(46)	708,698	957,251	(248,552)	(25)
SWING	186,013	170,824	15,189	8	654,503	751,068	(96,564)	(12)
PROFESSIONAL FEE	471,402	612,272	(140,869)	(23)	2,315,520	2,819,694	(504,173)	(17)
CB MTN CLINIC	34,349	32,060	2,289	7	866,770	791,681	75,089	9
GVHFM	242,612	230,598	12,014	5	1,214,070	808,379	405,691	50
TOTAL PATIENT	5,900,675	5,330,935	569,740	10	27,148,998	25,183,819	1,965,179	7
REVENUE DEDUCTIONS								
MEDICARE	(1,055,242)	(945,905)	(109,337)	(11)	(5,152,604)	(4,514,925)	(637,679)	(14)
MEDICAID	(611,681)	(425,921)	(185,760)	(43)	(2,548,730)	(2,103,787)	(444,943)	(21)
COMMERCIAL	(428,106)	(685,175)	257,068	37	(3,083,690)	(2,986,827)	(96,863)	(3)
CHARITY	(47,398)	(67,080)	19,681	29	(302,238)	(268,320)	(33,918)	(12)
OTHER	(31,892)	(19,971)	(11,921)	(59)	(136,697)	(79,884)	(56,813)	(71)
BAD DEBT	(102,868)	(78,629)	(24,239)	(30)	(534,534)	(538,345)	3,810	0
TOTAL REVENUE	(2,277,190)	(2,222,681)	(54,509)	(2)	(11,758,496)	(10,492,088)	(1,266,408)	(12)
OTHER OPERATING	10,020	29,432	(19,411)	(65)	47,822	108,621	(60,798)	(55)
NET OPERATING	3,633,505	3,137,686	495,819	15	15,438,324	14,800,352	637,972	4
OPERATING EXPENSES								
SALARIES	1,315,977	1,221,265	(94,712)	(7)	5,153,250	5,263,815	110,564	2
CONTRACT LABOR	37,076	29,182	(7,894)	(27)	134,765	127,831	(6,934)	(5)
BENEFITS	345,389	302,591	(42,798)	(14)	1,549,232	1,210,366	(338,866)	(27)
PROFESSIONAL FEE	331,510	261,379	(70,131)	(26)	1,100,988	1,067,353	(33,635)	(3)
TRAVEL AND EDUCA	25,758	37,447	11,688	31	80,261	146,645	66,383	45
PURCHASED SERVIC	368,016	313,865	(54,151)	(17)	1,321,592	1,142,927	(178,665)	(15)
SUPPLIES	430,820	415,962	(14,858)	(3)	2,159,344	1,798,504	(360,840)	(20)
INSURANCE	37,539	27,711	(9,828)	(35)	144,637	110,844	(33,793)	(30)
DEPRECIATION/AMO	129,711	158,371	28,659	18	528,844	633,484	104,639	16
INTEREST	17,681	15,833	(1,848)	(11)	69,336	63,332	(6,004)	(9)
OTHER	174,277	136,508	(37,769)	(27)	540,266	612,522	72,255	11
TOTAL OPERATIN	3,213,759	2,920,114	(293,645)	(10)	12,782,519	12,177,623	(604,896)	(4)
NON OPERATING REV (EXP)								
INVESTMENT INCOM	61,813	7,228	54,585	755	138,558	28,912	109,646	379
OTHER NON OPERAT	(7,013)	(4,155)	(2,858)	(68)	1,595	(16,424)	18,019	109
TOTAL NON OPER	54,799	3,073	51,726	1683	140,154	12,488	127,666	1022
TOTAL EXPENSE	3,158,960	2,917,041	(241,919)	(8)	12,642,365	12,165,135	(477,230)	(3)
NET PROFIT (LO	474,545	220,645	253,900	115	2,795,958	2,635,217	160,741	6

Gunnison Valley Hospital Variances

Revenue Deductions:

Revenue deductions were favorable to budget 7.4% in an effort to ensure GVH was not overly reserved, as a percentage of gross AR to reserves. The net effect of reducing the contractual allowances resulted in a $183K pickup in net revenue.

Salaries & Contract Labor:

Salaries and Contract Labor were unfavorable to budget $103K due to the following:

1. Respiratory $8K;
2. OR $30K;
3. EMS $15K;
4. General Surgery $18K;
5. Family Medicine $28K
6. Mountain Clinic $5K;
7. WSCU $11K.

Benefits:

Benefits were unfavorable to budget $43K as health insurance was unfavorable $16K, pension funding $16K, and social security $10K.

Professional Fees:

Unfavorable to budget $70K:

1. OB: $4K, but consistent with run rate;
2. Mtn Clinic: $21K due to budgeting error with Dr. Griggs;
3. Radiology: $56K as RIA was under-accrued;
4. Ortho: $20K due to Dr. Griggs' group billings are higher than expected as budget was straight-lined;
5. Physician Guarantee: Favorable $34K as not needed.

Purchased Services:

Unfavorable to budget $54K:

1. Mammography, as Hologic, was not budgeted for $15K;
2. Plant Maintenance $8K (parking lot and water);
3. MIS for IP Pathways for $11K (checking for prepaid status/capital status);
4. Administration for $32K for Studer Group, Myron Beard, and Press Ganey;

Other Supplies & Services:

Unfavorable to budget $38K:

1. Administration: Dues & Subscriptions: $21K un-accrued invoices from San Juan ACO from 7/2017 to 03/2018'
2. HR: recruitment of radiology director.

GUNNISON LIVING COMMUNITY
OPERATING / INCOME STATEMENT 05/14/18 08:35 AM
FOR THE 4 MONTHS ENDING 04/30/18

	SINGLE MONTH				YEAR TO DATE			
	ACTUAL	BUDGET	$ VARIANCE	% VAR	ACTUAL	BUDGET	$ VARIANCE	% VAR
PATIENT REVENUE								
HEALTH CARE CENT	368,482	366,635	1,847	0	1,513,195	1,437,260	75,935	5
HOSPICE/HM HEALT	54,257	40,871	13,386	32	233,554	213,062	20,492	9
ASSISTED LIVING	47,659	47,436	223	0	197,370	189,744	7,626	4
TOTAL PATIENT	470,399	454,942	15,457	3	1,944,120	1,840,066	104,054	5
REVENUE DEDUCTIONS								
C/A	2,634	7,725	(5,090)	(65)	2,281	30,900	(28,618)	(92)
C/A - HOSPICE	(265)	353	(618)	(175)	(9,306)	1,285	(10,591)	(824)
C/A - HOME HEALT	3,841	1,938	1,903	98	38,426	10,860	27,566	253
BAD DEBT	(1,345)	(407)	(938)	(230)	(3,505)	(1,628)	(1,877)	(115)
TOTAL REVENUE	(4,865)	(9,609)	(4,743)	(49)	(27,896)	(41,417)	(13,520)	(32)
OTHER OPERATING	(5,808)	(18,398)	(12,589)	(68)	(12,561)	(73,592)	(61,030)	(82)
NET OPERATING	481,073	482,949	(1,875)	(0)	1,984,578	1,955,075	29,503	1
OPERATING EXPENSES								
SALARIES	269,815	262,168	(7,647)	(2)	1,108,913	1,093,353	(15,560)	(1)
CONTRACT LABOR	26,891	39,114	12,222	31	30,081	156,454	126,372	80
BENEFITS	71,101	80,683	9,581	11	313,595	322,732	9,136	2
TRAVEL AND EDUCA	4,922	3,974	(948)	(23)	10,759	16,582	5,822	35
PURCHASED SERVIC	53,418	34,674	(18,744)	(54)	156,130	142,160	(13,970)	(9)
SUPPLIES	46,257	36,186	(10,071)	(27)	149,365	145,599	(3,766)	(2)
RENT/LEASE	7,084	6,961	(123)	(1)	27,840	27,842	1	0
INSURANCE	11,715	6,900	(4,815)	(69)	40,475	27,600	(12,875)	(46)
DEPRECIATION	11,681	22,524	10,842	48	46,726	90,096	43,369	48
INTEREST	(114,378)	36,250	150,628	415	19,037	145,000	125,962	86
OTHER	6,826	8,736	1,909	21	29,089	34,540	5,450	15
TOTAL OPERATIN	395,335	538,170	142,834	26	1,932,014	2,201,958	269,943	12
NON OPERATING REV (EXP)								
PROPERTY TAX REV	61,104	57,043	4,061	7	358,415	326,513	31,902	9
INVESTMENT INCOM	3,927	2,899	1,028	35	12,821	11,596	1,225	10
TOTAL NON OPER	65,032	59,942	5,090	8	371,236	338,109	33,127	9
TOTAL EXPENSE	(330,303)	(478,228)	147,924	30	(1,560,778)	(1,863,849)	303,070	16
NET PROFIT (LO	150,770	4,721	146,049	3093	423,800	91,226	332,574	364

Senior Care Center Variances

Contract Labor & Salaries:

Salaries and contract labor were favorable to budget $5K as contract labor was under budget.

Benefits:

Benefits were favorable to budget $9K due to a reduction in employee health.

Purchased Services:

Purchased services unfavorable to budget $19K:

1. Repairs and Maintenance for Assisted Living increased $3000: $1600 for fire suppression system and $1500 for floor repair;
2. Physical Therapy increased $3000;
3. Dues and Memberships increased $9000 (Brightree software fees);
4. Audit cost was unbudgeted for $1650.

Supplies:

Supplies were unfavorable $10K:

1. Nursing supplies were unfavorable $5K;
2. Drugs and Infusion supplies were unfavorable $5K.

Interest:

Interest favorable to budget $151K due to moving the interest expense from the 2017 bond issuance to the construction account for the new builing.

Depreciation:

Depreciation favorable as the budgeted expense was evenly distributed throughout the year even though the increase will not be seen until the end of the year.