GUNNISON VALLEY HEALTH

GVH and BOCC Work Session
Tuesday, June 25, 2019
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

- Patient Care Unit Remodel

II. Operational Items Rob Santilli

- Leadership Development

III. Finance Rob Santilli

- April Financials
- CFO Recruitment
- HTP Midpoint Report

IV. Strategic Rob Santilli

- Radiology Service – Mammography Service
- Behavioral Health – Crested Butte – Crisis Stabilization Unit – Peer Support Specialist
- Cardiology Service – Dr. Charles Wilkins / Judith Collins, NP
- Housing
  - Elk Crest Properties
  - Stallion Park
- Community Health Needs Assessment
- Becker's Article – GVH Top 67 CAH
- Primary Care
- ALTO

V. Commissioner Questions and Observations

GUNNISON VALLEY HEALTH

Operation review

Period Ending April 2019

COMBINED OVERVIEW:

The combined financial statements for the month show that the hospital system earned $648K, on a budget of $-68K, an increase in net income of $716K from budget; as compared to same month last year, where the system earned $658K, this year's earnings are unfavorable to last year same month by $10K. YTD, the system has earned $4.1M, on a budget of $2.60M, an increase of $1.5M; compared to last year's $3.63M net revenue, this year is favorable $472K.

April-19							
	MONTH TO DATE						
	Net Income	Budget	Var	% Var	P/Y	Var	% Var
GVH	$ 741,298	$ 85,675	$ 655,623	765.2%	$ 474,519	$ 266,779	56.2%
SCC	$ (132,153)	$ (128,510)	$ (3,643)	2.8%	$ 184,232	$ (316,385)	-171.7%
Hospice	$ 14,615	$ (344)	$ 14,959	4348.5%	$ (10,890)	$ 25,505	234.2%
Home Health	$ (27,540)	$ (30,163)	$ 2,623	8.7%	$ (25,501)	$ (2,038)	-8.0%
Assisted Living	$ 7,331	$ 5,204	$ 2,127	40.9%	$ 2,930	$ 4,401	150.2%
Foundation	$ 44,226		$ 44,226	100.0%	$ 32,296	$ 11,930	36.9%
Grand Total	$ 647,777	$ (68,138)	$ 715,915	-1050.7%	$ 657,585	$ (9,808)	-1.5%
	YEAR TO DATE						
	Net Income	Budget	Var	% Var	P/Y	Var	% Var
GVH	$ 4,447,131	$ 3,098,851	$ 1,348,280	43.5%	$ 3,098,296	$ 1,348,835	43.5%
SCC	$ (455,782)	$ (394,784)	$ (60,998)	15.5%	$ 517,666	$ (973,448)	-188.0%
Hospice	$ 32,354	$ (647)	$ 33,001	5100.6%	$ 792	$ 31,561	-3982.8%
Home Health	$ (70,584)	$ (120,147)	$ 49,563	41.3%	$ (64,969)	$ (5,615)	-8.6%
Assisted Living	$ 47,803	$ 23,617	$ 24,186	102.4%	$ 20,311	$ 27,492	135.4%
Foundation	$ 103,187	$ -	$ 103,187	100.0%	$ 59,847	$ 43,340	72.4%
Grand Total	$ 4,104,108	$ 2,606,890	$ 1,497,218	57.4%	$ 3,631,943	$ 472,165	13.0%

DEBT SERVICE COVERAGE RATIO - The Debt Service Coverage Ratio for CoBiz was 7.3. The bond covenant requires GVH to keep a debt service ratio of 1.25.

DAYS CASH ON HAND - The cash on hand, excluding the construction cash, was 248 days as compared to the bond covenant requirement of 90 days.

OTHER OPERATING REPORTS:

SENIOR CARE CENTER

Apr-19									
	MONTH TO DATE								
	Unit	C/M	Bgt	Var	% Var		PY	Var	% Var
SCC	Days	1,428	1,380	48	3.5%		1,298	130	10.0%
H/H	Census	48	44	4	9.1%		38	10	26.3%
A. Living	Days	450	447	3	0.7%		420	30	7.1%
Hospice	Days	131	90	41	45.6%		114	17	14.9%
Palliative	Days	210	150	60	40.0%		120	90	75.0%
	YEAR TO DATE								
	Unit	C/M	Bgt	Var	% Var		PY	Var	% Var
SCC	Days	5,271	5,520	(249)	-4.5%		5,360	(89)	-1.7%
H/H	Census	202	177	25	14.1%		148	54	36.5%
A. Living	Days	1,798	1,774	24	1.4%		1,710	88	5.1%
Hospice	Days	587	360	227	63.1%		689	(102)	-14.8%
Palliative	Days	575	600	(25)	-4.2%		400	175	43.8%

SENIOR CARE CENTER

Patient days of 1,428 for the Senior Care Center were 48 above budget and were 130 days above prior year. Net operating revenue of $499K shows an increase from budget of $71K and an increase of $130K from PY. Current expenses show an increase of $165K from budget and an increase of $363K from prior year.

HOME MEDICAL SERVICES

Census of 48 for home health shows an increase of four from budget and an increase of 10 from prior year. The current month net operating revenue for Home Medical Services is favorable $17K from budget and is favorable $4K from PY. Total current month operating expense shows an decrease of $5K from budget and shows an increase of $16K from PY. The net income for the current month of negative $-138K is favorable to budget by $-154K and is favorable to prior year by $16K.

GUNNISON VALLEY HOSPITAL
OPERATING/INCOME STATEMENT 05/23/19 07:46 AM
FOR THE 4 MONTHS ENDING 04/30/19

	SINGLE MONTH				YEAR TO DATE			
	ACTUAL	BUDGET	$ VARIANCE	% VAR	ACTUAL	BUDGET	$ VARIANCE	% VAR
PATIENT REVENUE								
INPATIENT	1,045,040.14	848,834.00	196,206.14	23.11	4,992,779.63	4,498,882.00	493,897.63	10.97
OUTPATIENT	4,175,644.60	2,952,829.00	1,222,815.60	41.41	15,647,042.22	13,290,426.00	2,356,616.22	17.73
EMERGENCY ROOM	1,093,041.44	972,923.00	120,118.44	12.34	5,277,829.58	4,750,822.00	527,007.58	11.09
OBSERVATION	225,605.70	178,779.00	46,826.70	26.19	873,053.96	872,137.00	916.96	.10
SWING	210,058.59	146,606.00	63,452.59	43.28	919,146.68	558,250.00	360,896.68	64.64
PROFESSIONAL FEE	690,574.76	594,551.00	96,023.76	16.15	2,805,098.97	2,649,054.00	156,044.97	5.89
CB MTN CLINIC	25,267.84	26,671.00	(1,403.16)	(5.26)	908,042.37	1,036,769.00	(128,726.63)	(12.41)
GVHFM	234,368.16	304,565.00	(70,196.84)	(23.04)	894,113.00	1,218,562.00	(324,449.00)	(26.62)
TOTAL PATIENT	7,699,601.23	6,025,758.00	1,673,843.23	27.77	32,317,106.41	28,874,902.00	3,442,204.41	11.92
REVENUE DEDUCTIONS								
MEDICARE	(1,466,833.44)	(1,092,527.00)	(374,306.44)	(34.26)	(6,216,389.21)	(5,111,731.00)	(1,104,658.21)	(21.61)
MEDICAID	(800,390.14)	(549,313.00)	(251,077.14)	(45.70)	(3,154,474.95)	(2,734,938.00)	(419,536.95)	(15.33)
COMMERCIAL	(1,057,364.34)	(786,024.00)	(271,340.34)	(34.52)	(4,136,116.02)	(3,658,124.00)	(477,992.02)	(13.06)
CHARITY	(55,130.48)	(61,733.00)	6,602.52	10.69	(177,778.45)	(291,761.00)	113,982.55	39.06
OTHER	(34,574.74)	(23,237.00)	(11,337.74)	(48.79)	(199,174.58)	(108,978.00)	(90,196.58)	(82.76)
BAD DEBT	(45,464.56)	(157,220.00)	111,755.44	71.08	(339,889.64)	(736,982.00)	397,092.36	53.88
TOTAL REVENUE	(3,459,757.70)	(2,670,054.00)	(789,703.70)	(29.57)	(14,223,822.85)	(12,642,514.00)	(1,581,308.85)	(12.50)
OTHER OPERATING	20,313.33	(20,685.00)	40,998.33	198.20	65,489.34	(86,096.00)	151,585.34	176.06
NET OPERATING	4,260,156.86	3,335,019.00	925,137.86	27.74	18,158,772.90	16,146,292.00	2,012,480.90	12.46
OPERATING EXPENSES								
SALARIES	1,575,585.87	1,562,471.00	(13,114.87)	(.83)	6,363,329.58	6,247,981.00	(115,348.58)	(1.84)
CONTRACT LABOR	34,246.88	5,386.00	(28,860.88)	(535.84)	168,784.09	21,545.00	(147,239.09)	(683.40)
BENEFITS	495,767.43	301,194.00	(194,573.43)	(64.60)	1,796,869.31	939,136.00	(857,733.31)	(91.33)
PROFESSIONAL FEE	160,010.08	194,054.00	34,043.92	17.54	632,681.18	776,220.00	143,538.82	18.49
TRAVEL AND EDUCA	31,290.79	33,728.00	2,437.21	7.22	94,776.13	134,909.00	40,132.87	29.74
PURCHASED SERVIC	547,870.17	337,574.00	(210,296.17)	(62.29)	1,635,794.75	1,418,467.00	(217,327.75)	(15.32)
SUPPLIES	440,061.90	454,370.00	14,308.10	3.14	2,097,217.09	2,100,703.00	3,485.91	.16
INSURANCE	32,309.16	29,239.00	(3,070.16)	(10.50)	138,197.31	116,956.00	(21,241.31)	(18.16)
DEPRECIATION/AMO	141,953.54	133,546.00	(8,407.54)	(6.29)	567,814.16	534,184.00	(33,630.16)	(6.29)
INTEREST	15,394.66	16,433.00	1,038.34	6.31	61,578.64	65,732.00	4,153.36	6.31
OTHER	119,513.27	132,424.00	12,910.73	9.74	430,475.54	528,907.00	98,431.46	18.61
TOTAL OPERATIN	3,594,003.75	3,200,419.00	(393,584.75)	(12.29)	13,987,517.78	12,884,740.00	(1,102,777.78)	(8.55)
NON OPERATING REV (EXP)								
INVESTMENT INCOM	83,380.16	(33,517.00)	116,897.16	348.76	298,937.82	(134,068.00)	433,005.82	322.97
DONATIONS	(3,261.29)	(3,681.00)	419.71	11.40	(3,261.29)	(14,725.00)	11,463.71	77.85
OTHER NON OPERAT	(4,973.50)	(11,727.00)	6,753.50	57.58	(19,800.62)	(13,908.00)	(5,892.62)	(42.36)
TOTAL NON OPER	75,145.37	(48,925.00)	124,070.37	253.59	275,875.91	(162,701.00)	438,576.91	269.56
TOTAL EXPENSE	3,518,858.38	3,249,344.00	(269,514.38)	(8.29)	13,711,641.87	13,047,441.00	(664,200.87)	(5.09)
NET PROFIT (LO	741,298.48	85,675.00	655,623.48	765.24	4,447,131.03	3,098,851.00	1,348,280.03	43.50

Gunnison Valley Hospital Variances

Revenue:

Total Gross Revenue was up $1.67MM compared to budget, of which $1.34MM of this variance is attributable to strong Inpatient, Outpatient and ER Department performance. Specific departments ahead of budget (within these categories) were RT, OR, Anesthesia, Lab, Ambulance & Radiology departments. We can account for $706k of the $1.065MM positive Revenue variance by applying historical contractual / deduction percentages to current month Charges

Professional Fees:

Favorable to budget $34K as 3 ER doctors replaced contracted doctors.

Other:

Favorable to budget as collection fees were favorable $17K and bank service charges were favorable $19K.

Purchased Services:

- OR Maintenance +$13K (accrual entry) emergency repair on disinfector (April Only)
- ER contract service +$27K for ER director mentor; (Ending June 2019)
- PT contract services +$9K for trainers at college (need to check budget for classification)
- Patient Accounting +$61K for Aspirion (check coding with Gloria) (April Only)
- OR Lease +$5K for video-endo equipment (On-going)
- Nursing admin +$10K CNO (Ended April 2019)
- Accounting +$6K as March invoice paid in April (not accrued)
- ER outside service +$8K as Griggs Ortho assistant not budgeted (On-Going)
- Fam Med outside service Dr. Gattis for locums coverage +$7K (April only)
- HR +$5K preceptor workshop (April Only)
- Accounting +$32K audit fees (One-time)

Benefits:

- Total expense for April was $495k on a budget of $301k; Unfavorable by $194k. It should be noted that the monthly Benefits Budget is flexible, not static; YTD monthly run rates suggest we will come in very close to budget for the full year in 2019.

  This is the benefits budget by month:

January	February	March	April	May	June	July	August	September	October	November	December	Total Budget
$ 183,000	$ 213,000	$ 242,000	$ 301,000	$ 330,000	$ 360,000	$ 419,000	$ 449,000	$ 478,000	$ 537,000	$ 566,000	$ 649,000	$ 4,727,000

GUNNISON LIVING COMMUNITY
OPERATING / INCOME STATEMENT 05/19/19 02:21 PM
FOR THE 4 MONTHS ENDING 04/30/19

	SINGLE MONTH				YEAR TO DATE			
	ACTUAL	BUDGET	$ VARIANCE	% VAR	ACTUAL	BUDGET	$ VARIANCE	% VAR
PATIENT REVENUE								
HEALTH CARE CENT	498,941	428,419	70,522	16	1,913,355	1,678,505	234,850	13
HOSPICE/HM HEALT	70,118	43,659	26,459	60	305,087	175,123	129,964	74
ASSISTED LIVING	54,449	49,619	4,830	9	217,690	196,922	20,768	10
TOTAL PATIENT	623,508	521,697	101,811	19	2,436,134	2,050,550	385,584	18
REVENUE DEDUCTIONS								
C/A	(64,120)	(2,439)	(61,681)	(2528)	(271,852)	(8,972)	(262,880)	(2930)
C/A - HOSPICE	(60)	(878)	817	93	(28,751)	(3,514)	(25,237)	(718)
C/A - HOME HEALT	(7,974)	1,645	(9,619)	(584)	(7,032)	6,616	(13,648)	(206)
BAD DEBT	0	(4,913)	4,913	100	(7,073)	(19,652)	12,578	64
TOTAL REVENUE	(72,155)	(6,585)	(65,570)	(995)	(314,710)	(25,522)	(289,188)	(1133)
OTHER OPERATING	(24,194)	18,880	(43,074)	(228)	(23,121)	75,520	(98,641)	(130)
NET OPERATING	527,159	533,992	(6,832)	(1)	2,098,301	2,100,548	(2,246)	(0)
OPERATING EXPENSES								
SALARIES	280,866	300,980	20,113	6	1,091,985	1,203,560	111,574	9
CONTRACT LABOR	89,485	8,219	(81,266)	(988)	434,751	32,876	(401,875)	(1222)
BENEFITS	79,328	81,008	1,679	2	226,031	260,062	34,030	13
TRAVEL AND EDUCA	1,573	1,964	390	19	4,106	7,863	3,756	47
PURCHASED SERVIC	39,751	32,667	(7,084)	(21)	211,428	131,115	(80,313)	(61)
SUPPLIES	35,755	35,197	(558)	(1)	165,706	140,801	(24,905)	(17)
RENT/LEASE	6,598	7,226	627	8	20,509	28,902	8,392	29
INSURANCE	9,519	8,863	(656)	(7)	46,765	35,452	(11,313)	(31)
DEPRECIATION	151,145	50,351	(100,794)	(200)	590,653	201,404	(389,249)	(193)
INTEREST	39,877	39,417	(460)	(1)	159,508	157,668	(1,840)	(1)
OTHER	5,163	8,058	2,894	35	12,781	34,355	21,573	62
TOTAL OPERATIN	739,065	573,950	(165,115)	(28)	2,964,227	2,234,058	(730,169)	(32)
NON OPERATING REV (EXP)								
PROPERTY TAX REV	65,168	(110,355)	175,523	159	341,924	(344,451)	686,375	199
INVESTMENT INCOM	8,990	(3,500)	12,490	356	27,720	(14,000)	41,720	298
OTHER NON OPERAT	0	0	0	0	498	0	498	0
TOTAL NON OPER	74,159	(113,855)	188,014	165	370,143	(358,451)	728,594	203
TOTAL EXPENSE	(664,906)	(687,805)	22,898	3	(2,594,084)	(2,592,509)	(1,575)	(0)
NET PROFIT (LO	(137,747)	(153,813)	16,065	10	(495,782)	(491,961)	(3,821)	(0)

Senior Care Center Variances

Revenue Deductions:

SCC Revenue favorable to budget $71K as budget for was set to semi private room rate producing a variance of $53K and an increase of 48 resident days resulted in $18K. Hospice and Home Health favorable $26K. SCC Revenue deductions unfavorable to budget $62K as in 2019 the daily revenue rate moved from $292 per day to $366 per day for the SCC ($62K variance) and Home Health unfavorable $10K.

Labor/Contract Labor:

Unfavorable to budget $61K; salaries were favorable $20K and contract labor was unfavorable $81K. Contract labor was unfavorable as shortages in staff for R.Ns, L.P.N.s, and C.N.As dictated more outsourcing. The contract services are expected to last throughout the year.

Depreciation:

Depreciation unfavorable $101K as the new building was forecast at 39 years but a review of the project dictated that the project depreciates over the life of the components and not the life of the building, if purchased new.

2019 Budget:

The 2019 Property tax budget is uploaded incorrectly (negative not positive) into CPSI.

	Month-to-Date							Year-to-Date						
	Apr-19	Bgt	Var	% Var	Apr-18	Var	% Var	Apr-19	Bgt	Var	% Var	Apr-18	Var	% Var
Inpatient Days	111	63	48	76.2%	121	(10)	-8.3%	467	374	93	24.9%	558	(91)	-16.3%
Average Daily Census	3.7	2.1	1.6	76.2%	4.0	(0.3)	-8.3%	3.9	3.1	0.8	24.9%	4.7	(0.8)	-16.3%
Admissions	46	38	8	21.1%	47	(1)	-2.1%	194	189	5	2.6%	202	(8)	-4.0%
Avg. Length of Stay	2.41	1.66	0.76	45.5%	2.57	(0.2)	-6.3%	2.41	1.98	0.43	21.6%	2.76	(0.36)	-12.9%
Percent Occupancy	15.4%	8.8%	6.7%	76.2%	16.8%	(0.0)	-8.3%	16.2%	13.0%	0.0	24.9%	19.4%	-3.2%	-16.3%
Births	8	11	(3)	-27.3%	14	(6.0)	-42.9%	38	37	1	2.7%	40	(2)	-5.0%
Swing Bed Days	58	55	3	5.5%	58	-	0.0%	263	190	73	38.4%	198	65	32.8%
Observation Patients	30	25	5	20.0%	25	5	20.0%	145	139	6	4.3%	128	17	13.3%
Lab Exams	8,040	6,663	1,377	20.7%	6,428	1,612	25.1%	32,511	30,261	2,250	7.4%	28,884	3,627	12.6%
EMS Patients	72	63	9	14.3%	42	30	71.4%	312	261	51	19.5%	219	93	42.5%
ER Visits	480	460	20	4.3%	428	52	12.1%	2,024	2,129	(105)	-4.9%	2,031	(7)	-0.3%
Cardiopulmonary Exams	754	465	289	62.2%	493	261	52.9%	2,517	2,232	285	12.8%	2,345	172	7.3%
X-Ray Exams	571	534	37	6.9%	520	51	9.8%	2,340	2,413	(73)	-3.0%	2,189	151	6.9%
Ultrasound Exams	172	140	32	22.9%	156	16	10.3%	733	593	140	23.6%	707	26	3.7%
Mammo Exams	172	162	10	6.2%	124	48	38.7%	645	618	27	4.4%	537	108	20.1%
CT Scan Exams	219	166	53	31.9%	162	57	35.2%	1,023	935	88	9.4%	914	109	11.9%
MRI Exams	146	90	56	62.2%	87	59	67.8%	558	537	21	3.9%	416	142	34.1%
Physical Therapy Patients	729	628	101	16.1%	613	116	18.9%	2,940	2,438	502	20.6%	2,470	470	19.0%
Physical Therapy Modalities	2,028	1,732	296	17.1%	1,695	333	19.6%	8,151	6,704	1,447	21.6%	6,868	1,283	18.7%
CB Clinic Patients	253	153	100	65.4%	169	84	49.7%	1,095	795	300	37.7%	957	138	14.4%
CB Clinic Modalities	725	457	268	58.6%	463	262	56.6%	2,870	2,409	461	19.1%	2,489	381	15.3%
Occup Therapy Modalities	73	151	(78)	-51.7%	269	(196)	-72.9%	858	1,091	(233)	-21.4%	1,041	(183)	-17.6%
Anesthesia Stats														
Surgery - Inpatient	22	14	8	57.1%	16	6	37.5%	99	82	17	20.7%	88	11	12.5%
Surgery - Outpatient	72	71	1	1.4%	62	10	16.1%	279	310	(31)	-10.0%	271	8	3.0%
Scopes	30	35	(5)	-14.3%	33	(3)	-9.1%	139	173	(34)	-19.7%	131	8	6.1%
Surgeries - Total	124	120	4	3.3%	111	13	11.7%	517	565	(48)	-8.5%	490	27	5.5%
Outpatient visits	4,115	3,822	293	7.7%	3,665	450	12.3%	18,195	17,760	435	2.4%	17,569	626	3.6%
Imaging	1,295	1,127	168	14.9%	1,082	213	19.7%	6,054	5,972	82	1.4%	5,637	417	7.4%
Laboratory	1,054	1,198	(144)	-12.0%	1,122	(68)	-6.1%	5,144	5,470	(326)	-6.0%	5,948	(804)	-13.5%