GUNNISON VALLEY HEALTH

GVH and BOCC Work Session
Tuesday, September 24, 2019
BOCC Boardroom – Courthouse

AGENDA

For Gunnison Valley Health:

- Ronda Connaway, Board of Trustees, Chair
- Rob Santilli, CEO
- Mark VanderVeer, CFO

Conversation Outline

I. Opening Comments & Introductions Ronda Connaway

- GVH BOT Strategic Session – 10/22/19

II. Operational Items Rob Santilli

- Executive Leadership
- Air Medical
- OB Simulator / Resuscitation
- ED Prescription Drug Monitoring Program (PDMP)

III. Finance Mark VanderVeer

- July Financials
- HTP Final Report
- Medical Arts Building Modeling

IV. Strategic Rob Santilli

- Radiology Service – Mammography
- Behavioral Health – Crested Butte – Crisis Stabilization Unit – Peer Support Specialist – Grant
- Community Program – Ben Nemtin
- Community Behavioral Health Booklet
- Cardiology Service – Dr. Charles Wilkins / Judith Collins, NP – Cardiac Calcium Scoring
- Housing
  - Elk Crest Properties
  - Stallion Park
- Community Health Needs Assessment
- Assisted Living Agreement Balloon Payment
- SCC Repurposing

V. Commissioner Questions and Observations

GUNNISON VALLEY HEALTH

Operation review

Period Ending July 2019

COMBINED OVERVIEW:

The combined financial statements for the month show that the hospital system earned $1.6M on a budget of $1.2M, an increase in net income of $431K; as compared to same month last year, where the system earned $1.8M, this year's earnings are unfavorable $195K. YTD, the system earned $6.9M, on a budget of $6.5M, an increase of $427K; compared to last year's $6.1M net revenue, this year is favorable $802K.

July-19							
	MONTH TO DATE						
	Net Income	Budget	Var	% Var	P/Y	Var	% Var
GVH	$ 1,629,549	$ 1,149,105	$ 480,444	41.8%	$ 1,612,600	$ 16,949	1.1%
SCC	$ (27,164)	$ 76,172	$ (103,336)	-135.7%	$ 115,589	$ (142,753)	-123.5%
Hospice	$ 4,798	$ (497)	$ 5,295	1065.4%	$ 44,775	$ (39,977)	89.3%
Home Health	$ (8,427)	$ (34,198)	$ 25,771	75.4%	$ (9,267)	$ 840	9.1%
Assisted Living	$ 12,749	$ 2,621	$ 10,128	386.5%	$ 2,626	$ 10,123	-385.6%
Foundation	$ 12,846		$ 12,846	100.0%	$ 52,729	$ (39,883)	-75.6%
Grand Total	$ 1,624,352	$ 1,193,203	$ 431,149	36.1%	$ 1,819,051	$ (194,699)	-10.7%
	YEAR TO DATE						
	Net Income	Budget	Var	% Var	P/Y	Var	% Var
GVH	$ 7,511,747	$ 6,118,477	$ 1,393,270	22.8%	$ 5,297,292	$ 2,214,455	41.8%
SCC	$ (634,968)	$ 601,003	$ (1,235,971)	-205.7%	$ 849,020	$ (1,483,988)	-174.8%
Hospice	$ 40,103	$ (1,324)	$ 41,427	3128.9%	$ (5,794)	$ 45,897	792.1%
Home Health	$ (120,296)	$ (221,996)	$ 101,700	45.8%	$ (129,542)	$ 9,245	7.1%
Assisted Living	$ 57,809	$ 24,706	$ 33,103	134.0%	$ 27,450	$ 30,359	110.6%
Foundation	$ 93,810	$ -	$ 93,810	100.0%	$ 107,727	$ (13,917)	-12.9%
Grand Total	$ 6,948,204	$ 6,520,866	$ 427,338	6.6%	$ 6,146,153	$ 802,052	13.0%

DEBT SERVICE COVERAGE RATIO - The Debt Service Coverage Ratio for CoBiz was 7.96. 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 338 days as compared to the bond covenant requirement of 90 days.

OTHER OPERATING REPORTS:

SENIOR CARE CENTER

Jul-19									
	MONTH TO DATE								
	Unit	C/M	Bgt	Var	% Var		PY	Var	% Var
SCC	Days	1,487	1,426	61	4.3%		1,344	143	10.6%
H/H	Census	41	46	(5)	-10.9%		46	(5)	-10.9%
A. Living	Days	465	462	3	0.6%		465	-	0.0%
Hospice	Days	146	93	53	57.0%		119	27	22.7%
Palliative	Days	186	155	31	20.0%		183	3	1.6%
	YEAR TO DATE								
	Unit	C/M	Bgt	Var	% Var		PY	Var	% Var
SCC	Days	9,564	9,752	(188)	-1.9%		9,428	136	1.4%
H/H	Census	337	313	24	7.7%		273	64	23.4%
A. Living	Days	3,178	3,061	117	3.8%		3,079	99	3.2%
Hospice	Days	1,014	636	378	59.4%		975	39	4.0%
Palliative	Days	1,188	1,060	128	12.1%		847	341	40.3%

SENIOR CARE CENTER

Patient days of 1487 for the Senior Care Center were 61 above budget and were 143 days above prior year. Net operating revenue of $454K showed an increase from budget of $28K and an increase of $91K from PY. Current expenses showed an increase of $115K from budget and an increase of $232K from prior year.

HOME MEDICAL SERVICES

Census of 41 for home health showed a decrease of 5 from budget and a decrease of 5 from prior year. The current month net operating revenue for Home Medical Services is favorable $18K from budget and $3K from PY. Total current month operating expense showed a decrease of $7K from budget and an increase of $2K from PY.

GUNNISON VALLEY HOSPITAL
OPERATING/INCOME STATEMENT 08/21/19 05:12 PM
FOR THE 7 MONTHS ENDING 07/31/19

	SINGLE MONTH				YEAR TO DATE			
	ACTUAL	BUDGET	$ VARIANCE	% VAR	ACTUAL	BUDGET	$ VARIANCE	% VAR
PATIENT REVENUE								
INPATIENT	1,410,253	1,260,491	149,762	11	8,455,503	7,944,907	510,596	6
OUTPATIENT	4,383,143	3,342,269	1,040,874	31	27,431,271	23,264,694	4,166,577	17
EMERGENCY ROOM	1,996,110	1,654,706	341,404	20	10,182,414	8,822,361	1,360,053	15
OBSERVATION	287,852	265,873	21,979	8	1,634,640	1,582,834	51,806	3
SWING	175,674	136,171	39,503	29	1,500,819	995,393	505,426	50
PROFESSIONAL FEE	861,976	837,593	24,383	2	5,091,717	4,920,980	170,737	3
CB MTN CLINIC	152,708	195,814	(43,105)	(22)	1,101,727	1,328,550	(226,822)	(17)
GVHFM	256,670	253,754	2,916	1	1,680,373	2,042,430	(362,056)	(17)
TOTAL PATIENT	9,524,389	7,946,671	1,577,718	19	57,078,468	50,902,149	6,176,319	12
REVENUE DEDUCTIONS								
MEDICARE	(1,976,506)	(1,389,190)	(587,316)	(42)	(11,145,003)	(9,013,277)	(2,131,726)	(23)
MEDICAID	(964,360)	(765,137)	(199,223)	(26)	(5,795,235)	(4,836,667)	(958,568)	(19)
COMMERCIAL	(1,014,404)	(973,020)	(41,384)	(4)	(6,461,226)	(6,381,791)	(79,435)	(1)
CHARITY	(43,301)	(79,727)	36,425	45	(648,067)	(514,793)	(133,274)	(25)
OTHER	(38,241)	(29,672)	(8,569)	(28)	(297,407)	(192,218)	(105,189)	(54)
BAD DEBT	(379,861)	(200,851)	(179,010)	(89)	(908,483)	(1,300,357)	391,873	30
TOTAL REVENUE	(4,416,675)	(3,437,597)	(979,078)	(28)	(25,255,424)	(22,239,103)	(3,016,321)	(13)
OTHER OPERATING	11,249	19,063	(7,813)	(40)	110,537	145,888	(35,350)	(24)
NET OPERATING	5,118,963	4,528,137	590,826	13	31,933,581	28,808,934	3,124,647	10
OPERATING EXPENSES								
SALARIES	1,695,457	1,599,135	(96,322)	(6)	11,275,578	10,997,035	(278,543)	(2)
CONTRACT LABOR	61,805	5,566	(56,239)	(1010)	349,617	38,063	(311,554)	(818)
BENEFITS	189,240	419,255	230,014	54	3,135,887	2,049,325	(1,086,562)	(53)
PROFESSIONAL FEE	176,931	200,424	23,492	11	1,091,141	1,349,022	257,880	19
TRAVEL AND EDUCA	25,305	33,903	8,597	25	174,761	236,293	61,531	26
PURCHASED SERVIC	343,126	320,410	(22,716)	(7)	2,835,960	2,394,700	(441,260)	(18)
SUPPLIES	656,006	511,986	(144,020)	(28)	3,889,015	3,629,225	(259,790)	(7)
INSURANCE	47,407	29,239	(18,168)	(62)	244,218	204,673	(39,545)	(19)
DEPRECIATION/AMO	149,130	133,546	(15,584)	(11)	1,006,345	934,822	(71,523)	(7)
INTEREST	15,161	16,433	1,271	7	107,529	115,031	7,502	6
OTHER	177,869	145,729	(32,140)	(22)	834,718	976,760	142,041	14
TOTAL OPERATIN	3,537,442	3,415,626	(121,816)	(3)	24,944,773	22,924,949	(2,019,824)	(8)
NON OPERATING REV (EXP)								
INVESTMENT INCOM	50,332	33,517	16,815	50	515,951	234,619	281,332	119
DONATIONS	0	3,804	(3,804)	(100)	(3,261)	26,014	(29,275)	(112)
OTHER NON OPERAT	(2,305)	(727)	(1,578)	(217)	10,249	(26,015)	36,264	139
TOTAL NON OPER	48,027	36,594	11,433	31	522,939	234,618	288,321	122
TOTAL EXPENSE	3,489,414	3,379,032	(110,382)	(3)	24,421,834	22,690,331	(1,731,503)	(7)
NET PROFIT (LO	1,629,549	1,149,105	480,444	41	7,511,747	6,118,603	1,393,144	22

Gunnison Valley Hospital Variances

Revenue:

Favorable to budget ~$1.6M:

- Inpatient (~$150K):
  - OR favorable $75K;
  - Anesthesia favorable ~$48K;
  - Other non-material, favorable variances;
- Outpatient (~1M):
  - OR favorable ~$369K;
  - PACU favorable ~$55K;
  - Oncology favorable ~$18K;
  - Pharmacy favorable ~$231K;
  - Anesthesia favorable ~$128K;
  - PT favorable ~$38K;
  - EMS favorable ~$118K;
  - MRI favorable ~$42K;
- Emergency Room (~$341K):
  - Lab favorable ~$50K;
  - Ultrasound favorable ~$16K;
  - Pharmacy favorable ~$116K;
  - Anesthesia favorable ~$45K;
  - Cat Scan favorable ~$85K;
  - Other non-material, favorable variances;
- Deductions: favorable to budget. Balance sheet allowance is ultra-conservatively stated at 62.25%.

Contract Labor:

Unfavorable to budget $56K as lab ($18K), CT ($12K), and MRI ($17K) continue to look for technicians; other non-material variances exists.

Benefits:

Employee health favorable ($257K) as prior month accrual was overstated as the lag report was not available at the time of June close. Accrual was based on usage January through May, 2019.

Professional Fees:

Favorable to budget $23K as physicians were hired to replace per-diem staff.

Supplies:

Unfavorable to budget $144K;

- OR unfavorable in billable supplies ~$83K and~$13K in non-billable supplies;
- Pharmacy unfavorable ~$45K due to increased use of infusion drugs (oncology's volume was highest to date);

GUNNISON LIVING COMMUNITY
OPERATING / INCOME STATEMENT 08/18/19 08:31 AM
FOR THE 7 MONTHS ENDING 07/31/19

	SINGLE MONTH				YEAR TO DATE			
	ACTUAL	BUDGET	$ VARIANCE	% VAR	ACTUAL	BUDGET	$ VARIANCE	% VAR
PATIENT REVENUE								
HEALTH CARE CENT	536,443	416,024	120,419	28	3,470,203	2,968,531	501,672	16
HOSPICE/HM HEALT	69,961	45,374	24,587	54	519,975	309,530	210,445	67
ASSISTED LIVING	54,883	51,284	3,599	7	381,785	339,785	42,000	12
TOTAL PATIENT	661,288	512,682	148,606	28	4,371,963	3,617,846	754,117	20
REVENUE DEDUCTIONS								
C/A	(78,858)	(3,647)	(75,211)	(2062)	(499,341)	(17,549)	(481,792)	(2745)
C/A - HOSPICE	2,715	(908)	3,623	399	(37,465)	(6,208)	(31,257)	(503)
C/A - HOME HEALT	(3,823)	(1,719)	(2,104)	(122)	(31,446)	(11,699)	(19,747)	(168)
BAD DEBT	(11,346)	(4,913)	(6,433)	(130)	(18,419)	(34,391)	15,971	46
TOTAL REVENUE	(91,311)	(11,187)	(80,124)	(716)	(586,671)	(69,847)	(516,824)	(739)
OTHER OPERATING	8,210	18,880	(10,669)	(56)	(18,532)	132,160	(150,692)	(114)
NET OPERATING	578,186	520,375	57,811	11	3,766,759	3,680,159	86,600	2
OPERATING EXPENSES								
SALARIES	297,464	311,423	13,958	4	1,977,935	2,126,790	148,854	6
CONTRACT LABOR	131,334	8,493	(122,841)	(1446)	759,139	58,081	(701,058)	(1207)
BENEFITS	2,132	109,438	107,305	98	495,957	552,838	56,880	10
TRAVEL AND EDUCA	8,014	1,995	(6,019)	(301)	15,888	13,817	(2,071)	(14)
PURCHASED SERVIC	33,274	31,435	(1,839)	(5)	320,155	225,494	(94,661)	(41)
SUPPLIES	39,735	36,216	(3,519)	(9)	278,542	248,418	(30,124)	(12)
RENT/LEASE	1,169	7,243	6,073	83	40,841	50,614	9,772	19
INSURANCE	11,226	8,863	(2,363)	(26)	79,620	62,041	(17,579)	(28)
DEPRECIATION	154,953	50,351	(104,602)	(207)	1,055,710	352,457	(703,253)	(199)
INTEREST	39,009	39,417	407	1	278,272	275,919	(2,353)	(0)
OTHER	2,683	7,226	4,542	62	20,308	56,226	35,917	63
TOTAL OPERATIN	720,999	612,100	(108,899)	(17)	5,322,371	4,022,695	(1,299,676)	(32)
NON OPERATING REV (EXP)								
PROPERTY TAX REV	122,182	132,323	(10,140)	(7)	845,380	707,193	138,187	19
INVESTMENT INCOM	2,586	3,500	(913)	(26)	52,880	24,500	28,380	115
OTHER NON OPERAT	0	0	0	0	498	0	498	0
TOTAL NON OPER	124,769	135,823	(11,053)	(8)	898,758	731,693	167,065	22
TOTAL EXPENSE	(596,229)	(476,277)	(119,952)	(25)	(4,423,613)	(3,291,002)	(1,132,611)	(34)
NET PROFIT (LO	(18,043)	44,098	(62,141)	(140)	(656,854)	389,157	(1,046,011)	(268)

Senior Care Center Variances

Revenue & Deductions:

Gross Revenue favorable to budget $148 as there were increased volumes for all entities. Revenue deductions unfavorable to budget $80K as the revenue rate for the SCC moved from $292 per day to $366 per for the SCC creating higher deductions for Medicaid.

Labor/Contract Labor:

Unfavorable to budget $109K; salaries were favorable $14K and contract labor was unfavorable $123K. Contract labor was unfavorable as shortages in staff for R.Ns, L.P.N.s, and C.N.As dictated more outsourcing. The contract labor services are expected to last throughout the year.

Benefits:

Employee benefits favorable to budget $107K as health insurance was favorable $95K due to charge lag not received during June close and estimate was $100K too high (accrual was based on prior months, YTD).

Depreciation:

Depreciation unfavorable $105K 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.

KEY STATISTICS

	Month-to-Date							Year-to-Date						
	Jul-19	Bgt	Var	% Var	Jul-18	Var	% Var	July-19	Bgt	Var	% Var	Jul-18	Var	% Var
Inpatient Days	135	104	31	29.8%	112	23	20.5%	830	641	189	29.5%	809	21	2.6%
Average Daily Census	4.4	3.4	1.0	29.8%	3.6	0.7	20.5%	3.9	3.0	0.9	29.5%	3.0	0.9	29.5%
Admissions	61	46	15	32.6%	51	10	19.6%	345	327	18	5.5%	316	29	9.2%
Avg. Length of Stay	2.2	2.3	(0.0)	-2.1%	2.2	0.0	0.8%	2.4	2.0	0.4	22.7%	2.0	0.4	22.7%
Percent Occupancy	18.1%	14.0%	4.2%	29.8%	15.1%	3.1%	20.5%	16.3%	12.6%	3.7%	29.5%	0.1	0.0	29.5%
Births	14	11	3	27.3%	13	1	7.7%	74	68	6	8.8%	72	2	2.8%
Swing Bed Days	53	47	6	12.8%	28	25	89.3%	446	342	104	30.4%	342	104	30.4%
Observation Patients	21	45	(24)	-53.3%	42	(21)	-50.0%	242	263	(21)	-8.0%	230	12	5.2%
Lab Exams	9,434	8,955	479	5.3%	8,352	1,082	13.0%	58,601	55,199	3,402	6.2%	51,688	6,913	13.4%
EMS Patients	123	95	28	29.5%	93	30	32.3%	573	522	51	9.8%	433	140	32.3%
ER Visits	729	866	(137)	-15.8%	771	(42)	-5.4%	3,836	4,169	(333)	-8.0%	3,928	(92)	-2.3%
Cardiopulmonary Exams	781	563	218	38.7%	607	174	28.7%	4,608	3,883	725	18.7%	3,922	686	17.5%
X-Ray Exams	765	818	(53)	-6.5%	641	124	19.3%	4,301	4,496	(195)	-4.3%	4,020	281	7.0%
Ultrasound Exams	189	197	(8)	-4.1%	162	27	16.7%	1,299	1,159	140	12.1%	1,269	30	2.4%
Mammo Exams	188	137	51	37.2%	150	38	25.3%	1,189	1,148	41	3.6%	1,119	70	6.3%
CT Scan Exams	336	293	43	14.7%	323	13	4.0%	1,845	1,639	206	12.6%	1,636	209	12.8%
MRI Exams	132	121	11	9.1%	150	(18)	-12.0%	934	909	25	2.8%	794	140	17.6%
Physical Therapy Patients	751	566	185	32.7%	564	187	33.2%	5,084	4,316	768	17.8%	4,151	933	22.5%
Physical Therapy Modalities	1,984	1,632	352	21.6%	1,467	517	35.2%	13,835	12,177	1,658	13.6%	11,295	2,540	22.5%
CB Clinic Patients	211	155	56	36.1%	154	57	37.0%	1,736	1,283	453	35.3%	1,479	257	17.4%
CB Clinic Modalities	621	572	49	8.6%	437	184	42.1%	4,731	4,073	658	16.2%	3,991	740	18.5%
Occup Therapy Patients	121	112	9	8.0%	122	(1)	-0.8%	623	782	(159)	-20.3%	706	(83)	-11.8%
Occup Therapy Modalities	293	126	167	132.5%	317	(24)	-7.6%	1,612	1,764	(152)	-8.6%	1,867	(255)	-13.7%
Surgery - Inpatient	27	23	4	17.4%	18	9	50.0%	157	145	12	8.3%	138	19	13.8%
Surgery - Outpatient	74	51	23	45.1%	69	5	7.2%	492	498	(6)	-1.2%	458	34	7.4%
Scopes	44	35	9	25.7%	45	(1)	-2.2%	242	284	(42)	-14.8%	245	(3)	-1.2%
Surgeries - Total	145	109	36	33.0%	132	13	9.8%	891	927	(36)	-3.9%	841	50	5.9%
Outpatient visits	5,403	5,011	392	7.8%	4,940	463	9.4%	32,968	31,687	1,281	4.0%	31,140	1,828	5.9%
Imaging	1,726	1,651	75	4.5%	1,590	136	8.6%	10,487	10,361	126	1.2%	9,905	582	5.9%
Laboratory	1,566	1,490	76	5.1%	1,423	143	10.0%	9,684	9,652	32	0.3%	9,886	(202)	-2.0%