



# Stoughton Health Finance Committee

April 22, 2022



# Meeting Agenda



- ▶ Call to Order
- ▶ Ziegler Capital Management Overview
- ▶ Investment Policy Review
- ▶ March Financial Review
- ▶ Patient Financial Services Compliance
- ▶ Quarterly Compliance Report
- ▶ Open Discussion
- ▶ Adjournment

# Ziegler Capital Management Overview



Stoughton Hospital Association

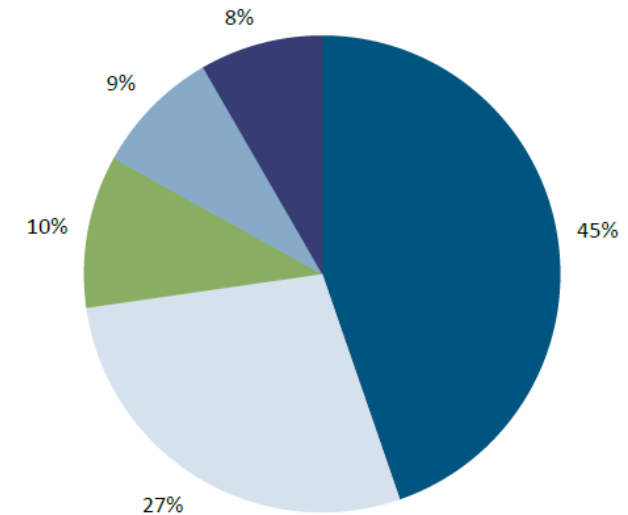
## Portfolio Overview

Gross of Fees | US Dollar  
As of March 31, 2022

### Activity Summary

	Month to Date	Quarter to Date	Year to Date
<b>Beginning Value</b>	10,361,927.62	10,887,925.09	10,887,925.09
Beginning Accrued Interest	18,756.29	21,523.56	21,523.56
Net Contributions/ Withdrawals	249,747.95	249,220.11	249,220.11
Realized Gains/Losses	9,424.19	41,879.46	41,879.46
Change in Unrealized Gains/Losses	-21,040.82	-606,353.09	-606,353.09
Net Income/Expenses	14,521.62	45,417.31	45,417.31
Change in Accrued Interest	1,470.19	-1,297.08	-1,297.08
Amortization/Accretion	-1,498.41	-5,006.73	-5,006.73
<b>Ending Value</b>	10,613,082.15	10,613,082.15	10,613,082.15
Ending Accrued Interest	20,226.48	20,226.48	20,226.48
<b>Total</b>	10,633,308.62	10,633,308.62	10,633,308.62

### Portfolio Allocation by Asset Class



Account	Market Value	Assets (%)	Target
Intermediate Fixed Income Account	4,754,976.55	45%	45%
Large Cap US Equity Account	2,978,348.78	28%	25%
Mid Cap US Equity Accounts	1,098,997.92	10%	11%
Small Cap US Equity Accounts	914,904.80	9%	9%
International Equity Account	886,080.57	8%	10%
<b>Total</b>	10,633,308.62	100%	100%

# Ziegler Capital Management Overview

## Performance Overview

Stoughton Hospital Association  
Combined Account

US Dollar  
3/31/2022

### Performance History Time Weighted Returns (%)

Inception (4/30/2017) to Date

Asset Class	Month To Date	Quarter To Date	Year To Date	Latest 1 Year	Annualized Latest 3 Years	Annualized Latest 5 Years	Annualized Inception To Date	2021	2020	2019	2018	2017
Equity	1.76	-5.60	-5.60	8.09	14.25		11.82	23.77	15.64	26.24	-11.45	
Fixed Income	-2.12	-3.99	-3.99	-3.23	2.35		2.37	-0.94	8.16	6.86	0.83	
<b>ACCOUNT - GROSS</b>	<b>0.03</b>	<b>-4.81</b>	<b>-4.81</b>	<b>3.06</b>	<b>8.85</b>		<b>7.48</b>	<b>12.49</b>	<b>12.16</b>	<b>16.56</b>	<b>-5.87</b>	
<b>ACCOUNT - NET</b>	<b>0.00</b>	<b>-4.90</b>	<b>-4.90</b>	<b>2.72</b>	<b>8.49</b>		<b>7.12</b>	<b>12.13</b>	<b>11.80</b>	<b>16.13</b>	<b>-6.23</b>	
45% BloombergIGC / 25% SP500 / 11% SP400 / 9% R2000 / 6%EAFE / 4%EM	0.05	-4.94	-4.94	1.59	8.43		7.36	10.69	11.12	18.11	-4.07	
Bloomberg Int Gov/Credit	-2.45	-4.51	-4.51	-4.10	1.50		1.71	-1.44	6.43	6.80	0.88	
S&P 500	3.71	-4.60	-4.60	15.65	18.92		16.04	28.71	18.40	31.49	-4.38	
MSCI EAFE	0.76	-5.79	-5.79	1.65	8.29		6.79	11.78	8.28	22.66	-13.36	
MSCI Emerging Markets	-2.26	-6.97	-6.97	-11.37	4.94		5.61	-2.54	18.31	18.44	-14.58	
Russell 2000	1.24	-7.53	-7.53	-5.79	11.74		9.67	14.82	19.96	25.52	-11.01	
S&P 400	1.38	-4.88	-4.88	4.59	14.14		11.11	24.76	13.66	26.20	-11.08	

# Investment Policy Review

- ▶ To be reviewed annually by the Finance Committee
- ▶ Broad Investment Objectives – pg 39 of the packet
  - ▶ Be fully invested while meeting near term anticipated liquidity needs
  - ▶ No derivative investments or interest rate swaps
  - ▶ Protection of principal is a primary objective, growth is a secondary objective
  - ▶ Asset Allocation – equity based investments should not exceed 60%
- ▶ No Suggested Edits from Ziegler or Management

**\*Motion to affirm review of the investment policy & changes, if any**

# Debt Schedule Overview

**STOUGHTON HEALTH  
LONG-TERM DEBT  
SCHEDULE OF FUTURE MATURITIES  
03/31/22**

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Thereafter</u>	<u>Total</u>
Commerce Bank Taxable note	10/1/2022	4.81%	144,012	74,884	-	-	-	-	218,896
Series 2012	10/1/2025	3.82%	129,685	263,421	268,676	274,091	23,087	-	958,960
Series 2015	9/1/2025	3.47%	245,131	505,449	522,919	542,218	561,605	4,728,530	7,105,852
Series 2018	4/1/2028	3.73%	172,967	356,701	370,225	384,674	399,476	644,487	2,328,531
			<u>\$ 691,795</u>	<u>\$ 1,200,456</u>	<u>\$ 1,161,820</u>	<u>\$ 1,200,983</u>	<u>\$ 984,169</u>	<u>\$ 5,373,017</u>	<u>\$10,612,239</u>

# Cash & Investment Recap as of March 31st

<b>Current Assets</b>		
<b>Cash and cash equivalents</b>	<b>\$</b>	<b>38,583,000</b>
<b>Assets Limited as to Use</b>		
<b>Certificates of deposit</b>		<b>5,000,000</b>
<b>Board designated investments</b>		<b>10,603,000</b>
		<b>15,603,000</b>
<b>Total Unrestricted Cash &amp; Investments</b>	<b>\$</b>	<b>54,186,000</b>



# Future Master Facility Plan Funding

- ▶ High Level Estimate of the Project Cost - \$20M
- ▶ Capital Campaign - \$2-3M
- ▶ Financing - \$18M
  - ▶ Combination of cash & long-term debt
  - ▶ Create a project account to put dollars in Treasury securities and Municipal bonds maturing in 2-3 years to keep money security but having higher rates of return than CDs and money market accounts
  - ▶ Look at tax exempt financing



# March Financial Review

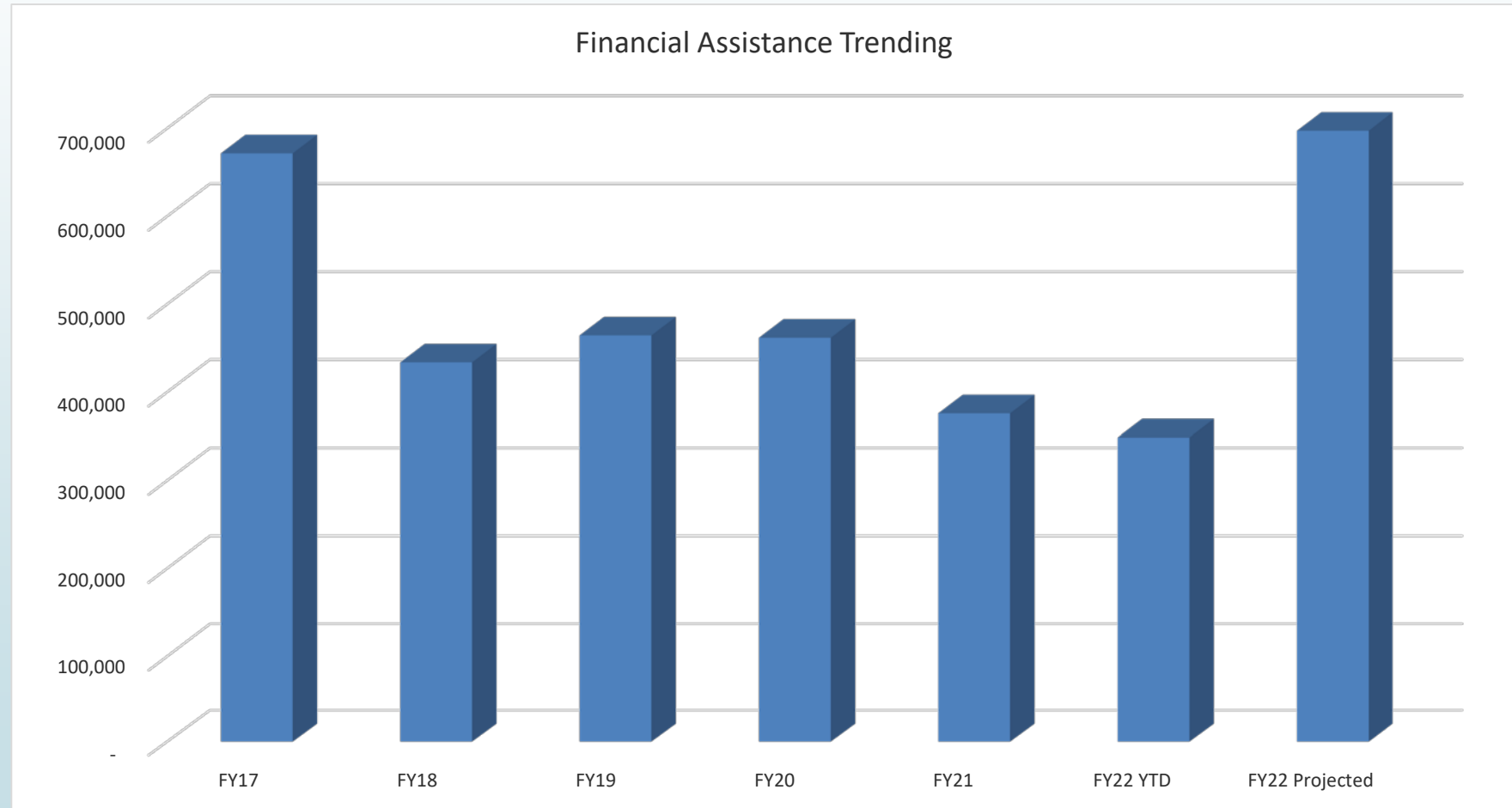


# March Surgical Services Volumes

Specialty	YTD FY21	YTD FY22	% Change from LY	Budget	% Change from Budget
Orthopedics	93	160	72%	160	0%
Gynecology	0	0	0%	0	0%
Urology	2	6	0%	6	0%
General	117	120	3%	138	-13%
Ophthalmology (Phaco)	113	94	-17%	139	-32%
Podiatry	30	36	20%	48	-25%
Dental	111	78	-30%	113	-31%
ENT	16	18	13%	27	-33%
Total OR Procedures	482	512	6%	631	-19%
GI Endoscopy	186	304	63%	200	52%
Total Surgical Procedures	668	816	22%	831	-2%

**\*Approval Needed**

# Patient Financial Services Compliance





# Patient Financial Services Compliance- Financial Assistance Policy

- Key Points to the Policy
  - Written policy including a plain language summary posted to the website
  - A form is required to be completed by patients
  - Determine eligibility on the basis of the patient's income
    - Income threshold for all fees waived – 150% of Federal Poverty level
  - Extraordinary collection actions (ECA) & reasonable efforts to collect documented
    - Only ECA which Stoughton Health does is reporting to national credit bureaus after at least 120 days from the first post-discharge billing statement

**\*Approval Needed**



# Patient Financial Services Compliance- Price Transparency Update

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## Price Transparency

### Hospital Services

We provide pricing and quality information from Stoughton Health for the 75 most common inpatient stays and the 75 most frequent outpatient surgical procedures in Wisconsin. For additional information please go to [PricePoint](#).

For these sample stays and procedures and assuming no medical complications, the information includes:

- The median billed charges for these stays and procedures at Stoughton Health
- The average allowable payment under Medicare for these stays and procedures
- The average allowable payment from insurers and health plans for these stays and procedures

In addition, you can request a copy of public information regarding the quality of health care services at Stoughton Health as compared to other hospitals for these stays and procedures.

If you have any questions about the above information, please contact Patient Financial Services at **(608) 873-2257**, or visit the Patient Registration Department located at Stoughton Health.

### Your Rights and Protections Against Surprise Medical Bills

When you receive emergency care or are treated by an out-of-network provider at an in-network hospital or ambulatory surgical center, you are protected from surprise billing or balance billing. To learn more please click here: [Your Rights and Protections Against Surprise Medical Bills](#)

### Additional Information from Your Insurer or Health Plan

You also have the right to request from your insurer or health plan an estimate of your total out of pocket costs related to these stays and procedures. You will need to contact your insurer or health plan to find out how to obtain this information.

[Click here for price transparency and estimates](#)

[Click here for our machine readable chargemaster](#)



# Patient Financial Services Compliance- No Surprises Act

- ▶ December 2020 – No Surprises Act signed into law as part of the Consolidated Appropriations Act (CAA) of 2021
  - ▶ Addresses unexpected gaps in insurance coverage that result in ‘surprise medical bills’ when patients unknowingly obtain medical services from physicians and other providers outside their health insurance network
  - ▶ Patients are only responsible for cost-sharing amounts that would be their responsibility if care had been provided by an in-network provider or facility
- ▶ July 2021 – the Department of Health and Human Services (HHS) released Part I of the Interim Final Rule (IFR) requiring any health plan or coverage providing any benefits for emergency services cover such emergency services:
  - ▶ Without any prior authorization
  - ▶ Regardless of whether the provider is an in-network provider or an in-network facility
  - ▶ Regardless of any other term or condition of the plan or coverage other than the exclusion or coordination of benefits, or a permitted affiliation or waiting period.
- ▶ September 2021- Part II Interim Final Rule



# Patient Financial Services Compliance- No Surprises Act Implementation

## ► Scheduled Appointments

- We need signage at all locations specific to the No Surprises Act and it must be posted on our website.
- We must provide No Surprise Act information to patients in-person, through the mail or email, as selected by the patient.
  - Self-pay and out of network patients must be provided a notice, consent and a good faith estimate at least 72 hours prior to a scheduled service.
  - If scheduled less than 72 hours in advance, the notice, consent and estimate must be provided on the day the service is scheduled.
- If scheduled for a same day appointment, documents must be provided at least 3 hours in advance.
- Good faith estimate should include expected charges for the primary item or service they're getting, and **any** other items or services that are provided as part of the same scheduled experience.



# Patient Financial Services Compliance- No Surprises Act Implementation

## ► Emergency Services

- Health plans that provides emergency coverage must provide that coverage without prior authorization, regardless of network status or other terms of the plan, except for exclusions or coordination of benefits.
- Health care facilities can not balance bill patients for out of network emergency care.
- Emergency care also includes post-stabilization services and items provided as part of inpatient or observation stay.
- Only after a patient is stable can they be moved to an in-network facility using non-medical transport.
  - Should the patient choose to stay at an out of network facility they must sign a consent acknowledging they are out of network and agree/wish to stay.

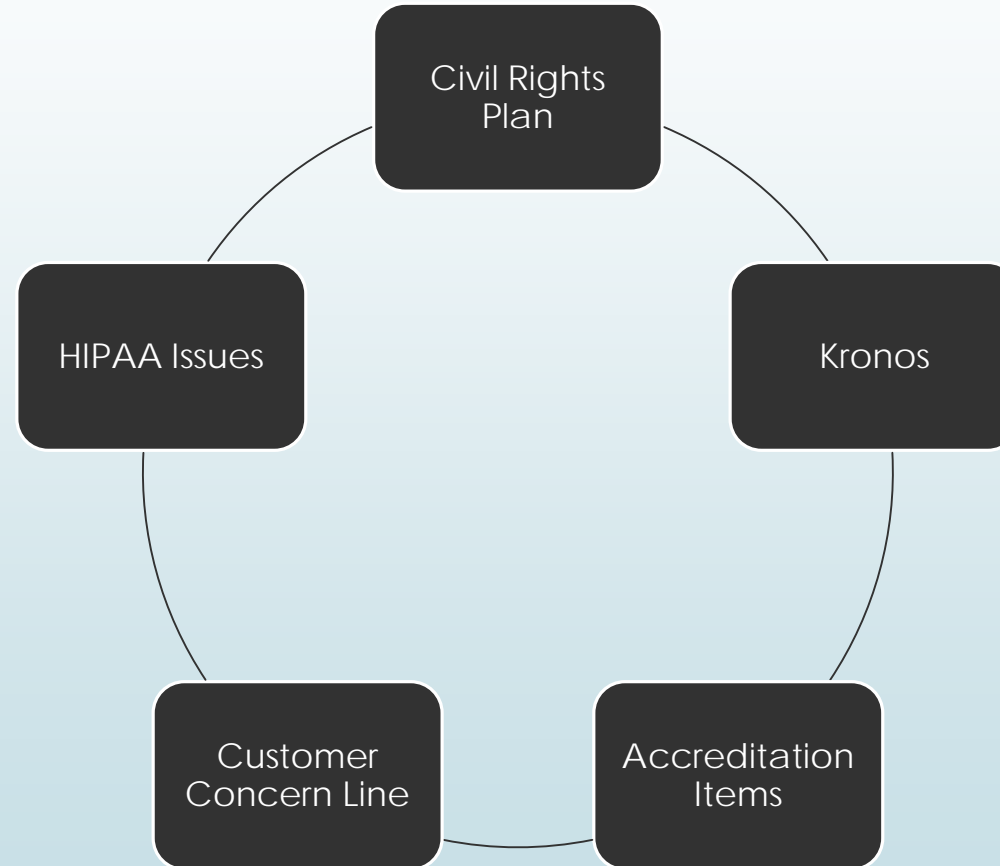




# Patient Financial Services Compliance- No Surprises Act Enforcement

- ▶ States will have primary enforcement authority for the No Surprises Act. CMS may step in if necessary.
- ▶ CMS and States may conduct random, targeted, market conduct investigations on health plans to ensure compliance.
- ▶ CMS may conduct random or targeted investigations of providers or facilities.
- ▶ The No Surprises Act imposes civil monetary penalties of up to \$10,000. In determining what penalty to impose, CMS may consider a variety of factors, including the degree of culpability, history and frequency of prior violations, the impact on affected individuals, the gravity of the violation, and whether any violations have been corrected.

# Quarterly Compliance Report



**\*Approval Needed**

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- Open Discussion
  - Adjournment

Thank you for joining us today!