

Finance Committee Meeting

August 26, 2022



Creating Excellence Together

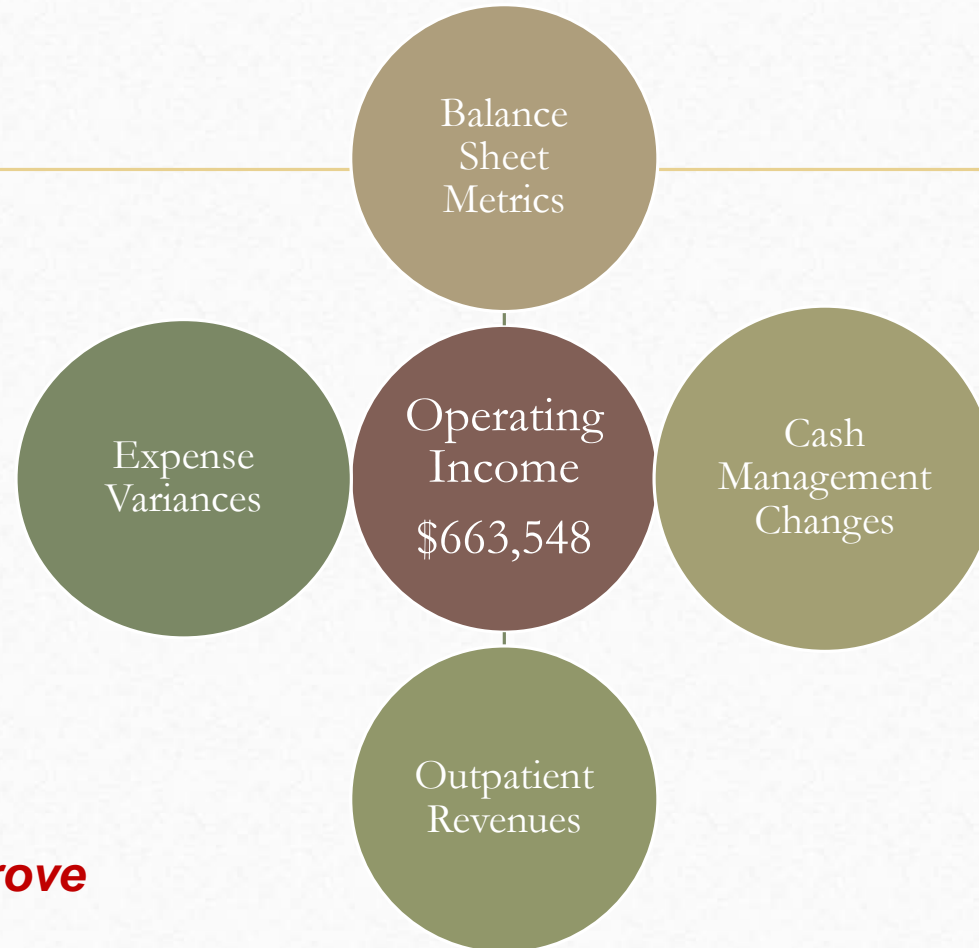
Finance Committee Agenda

- Call to Order – Steve Staton
- Review and Approval of July Financial Statements – Brian Swain
- Capital Request Approval – SSM Health Dean Clinic Tenant Improvements – Michelle Abey
- Fiscal Year 2023 Budget Review and Approval – Michelle Abey
- Audit Engagement Planning Letter – Michelle Abey
- Compliance Updates
- Open Discussion
- Adjournment



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July Financial Statements Review



****Request Motion to Approve
July 2022 Financials***

Capital Request: SSM Health Dean Clinic Tenant Improvement Agreement

- SSM Health Leases Clinic Space in Stoughton & Evansville
- Lease negotiations have been ongoing
- Clinic is in need of updates which Stoughton Health wishes to assist in funding through a tenant improvement addition to the new lease

****Request Motion to Approve SSM Health Dean Clinic Tenant Improvement Agreement, Stoughton Lease FY 2022 Capital = \$270,000***

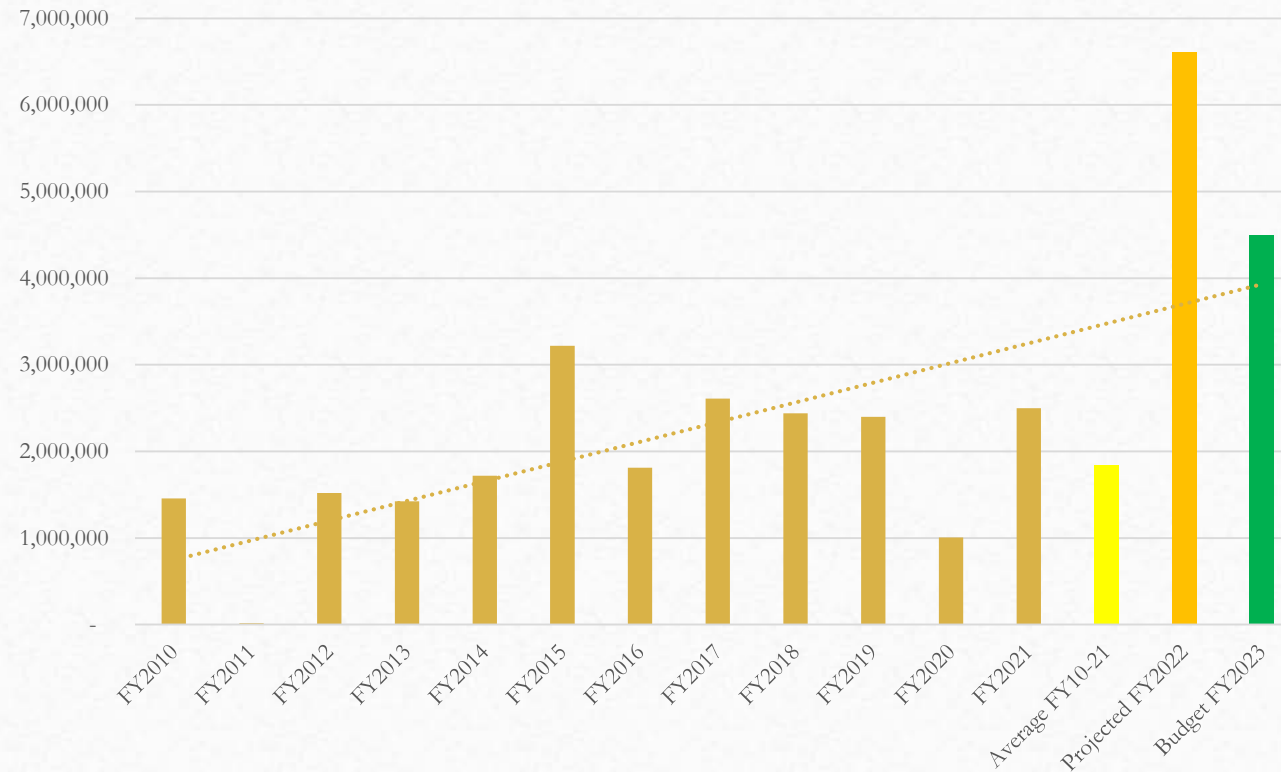
Fiscal Year 2022 Projection

- Consistent volumes from this summer
- Service Recognition Bonus Payout in September
- Recognition of Phase 4 Provider Relief Funds
- Loss on taking down of 3 houses in September

FY 2023 Budget Process

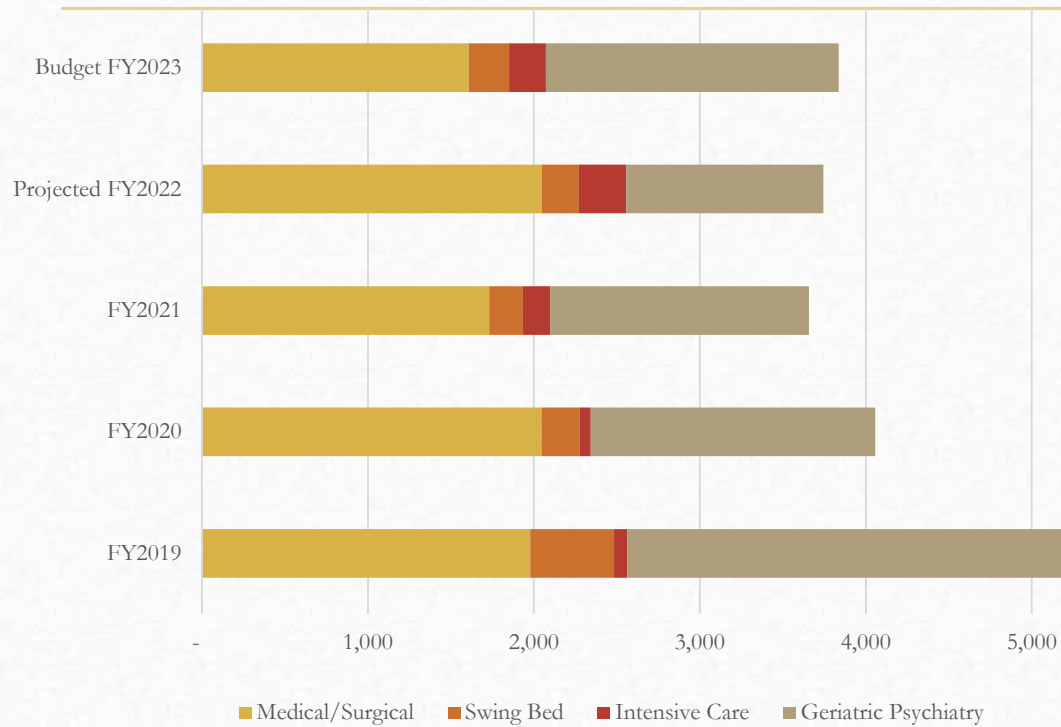
- Use of Multiview for first time
- Accounting team met individually with each manager
- Overarching Assumptions
 - No further COVID-19 grant funding
 - Lower volumes in some areas
 - Increased compensation and benefits costs
 - Increased expenses as a result of supply chain and inflationary pressures

Operating Income Trends Over Time



FY 2023 Budget – Revenue Trends

Inpatient Days Trends



Inpatient Days by Type	Budgeted % Change from FY2022	FY2023 Budgeted Daily Room Rate
Medical/Surgical	-21.5%	\$ 1,767
Swing Bed	8.4%	\$ 1,684
Intensive Care	-22.3%	\$ 4,106
Geriatric Psychiatry	48.6%	\$ 2,475

FY 2023 Budget – Revenue Trends

Stoughton Health Surgical Cases Budget FY2023								
Specialty	Final FY19	Final FY20	Final FY21	YTD FY22 thru Jul	Annualized FY2022	% Change from LY	FY23 Budget	% Change from Annualized FY2022
Orthopedics	381	282	277	257	309	12%	375	18%
Gynecology	8	1	0	0	0	0%	35	100%
Urology	9	11	7	6	7	0%	10	30%
General	307	250	255	203	233	-9%	265	12%
Ophthalmology (Phaco)	290	211	225	185	223	-1%	225	1%
Podiatry	11	44	58	65	85	47%	90	6%
Dental	34	130	199	132	156	-22%	170	8%
ENT	52	37	30	28	32	7%	40	20%
Total Surgical Procedures	1092	966	1051	876	1045	-1%	1210	14%
GI Endoscopy	517	379	423	514	601	42%	605	1%
Total OR Procedures	1609	1345	1474	1390	1646	12%	1815	9%

FY 2023 Budget – Revenue Trends

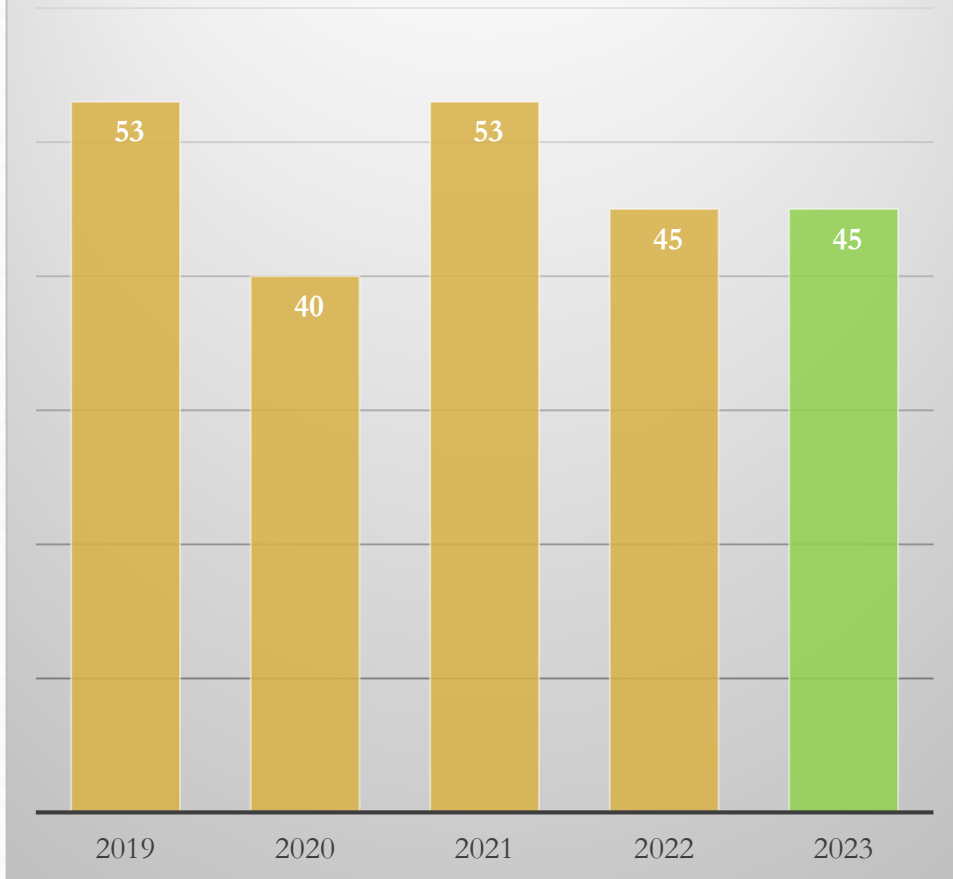
Emergency Services Visits Trends	FY2019	FY2020	FY2021	Projected FY2022	Budget FY2023	Budgeted % Change from FY2022
Emergency Room	4,971	4,891	5,319	6,207	6,249	1%
Urgent Care - Stoughton	15,210	13,551	12,433	19,446	16,597	-15%
Urgent Care - Oregon	2,960	2,369	2,301	2,970	2,775	-7%
Urgent Care - McFarland	-	-	771	3,937	5,369	36%
	23,141	20,811	20,824	32,560	30,990	-5%

FY 2023 Budget – Expense Notes

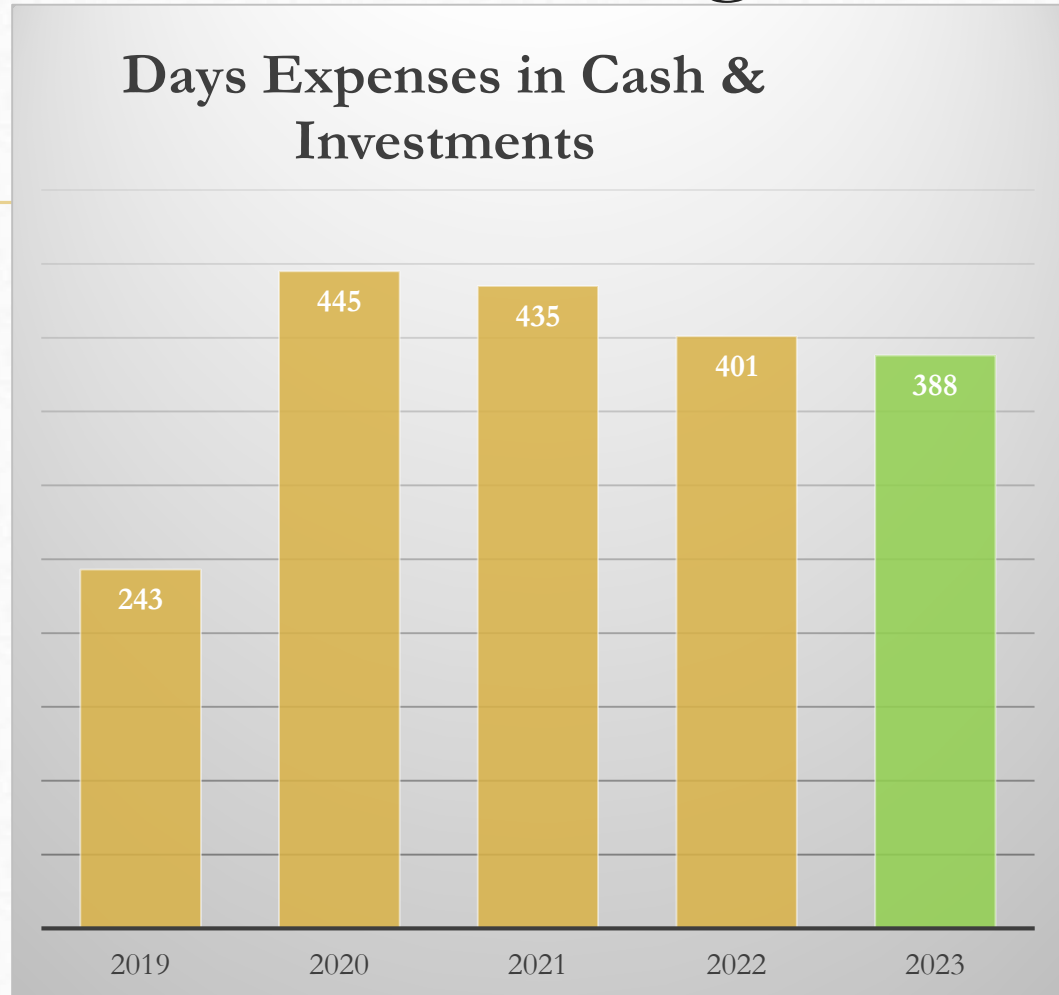
- Compensation & Benefits Increase – 12%
 - Maintaining the changes in staffing in departments so that productivity standards are met
 - 5% wage increase effective in January 2023, if feasible – not communicated to staff
 - Programs and incentives remain in place – shift differential increase
 - Health Insurance Cost Increases Expected in January 2023
- Increases in other line items consistent with anticipated increases in volumes and inflation

Budget Goal: Balance Sheet Strength

Days Revenue in AR (net)



Days Expenses in Cash & Investments



FY 2023 Budget – Balance Sheet

- Continued focus on AR days and collection %
- Additional \$1,000,000 into the Investment Portfolio
- Further laddering of CDs/Sweeps

Capital Budget FY2023

- Requested Routine Capital Budget: \$3,000,000
- Additional Capital Budget for EUA Design Costs: \$500,000
- Large Items:
 - Laboratory Chemistry Analyzer
 - Network Switch & Wireless Access Points Replacements
 - Parking Lot Repaving

Questions?

- Request Motion to Recommend Approval of the FY2023 Budget to the Governing Board

Audit Planning Letter

- Required Communication Outlining the Upcoming Audit Process
- Preliminary Audit Dates: September 22-23, 2022
- Final Audit Dates: October 24-28, 2022
- Presentation to the Finance Committee: November 18, 2022

Compliance Update – OCI Complaint

- Sleep Study Estimate Provided indicating 10% coinsurance = \$115
- Anthem of Michigan processes as not a covered benefit
- Stoughton Health has contacted Anthem of WI and Anthem of Michigan
- Response to OCI

Compliance Update – COVID Testing Billing

- Billed two codes when we should have billed a different combination of codes
- Voluntary Refund for claims older than one year
- Corrected claims for August 2021 to present

Open Discussion

Adjournment



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