

Stoughton Hospital Association Finance Committee

Friday, April 22, 2022 | 7:30 a.m. – 9:00 a.m.

Phone: 312.626.6799 | Meeting ID: 865 4940 9821 | Passcode: 812521

Zoom Link: <https://us06web.zoom.us/j/86549409821?pwd=V3NndnhWd2VWaHRtYjFCbTZxcXEwZz09>

Board Members Present: Tom Fendrick, Donna Olson, Steve Staton, Matt Kinsella, Margo Francisco, Dr. Aaron Schwaab, Glenn Kruser, David Locke

Hospital Staff Present: Michelle Abey, Dan DeGroot, Teresa Lindfors, Christopher Schmitz, Laura Mays, Brian Swain, Angie Polster

Guest Presenter: Matt O’Neil (Ziegler Capital Management)

Item	Discussion	Presenter
1.	Call to Order	Steve Staton
	Mr. Staton called the April 22, 2022 Finance Committee meeting to order at 7:31 a.m.	
2.	Ziegler Capital Management Overview	Matt O’Neil
	Mr. Matt O’Neil from Ziegler Capital Management presented a summary of Stoughton Health’s investment portfolio which can be found in the April 22, 2022 Finance Committee packet.	
	Mr. O’Neil stated there has been significant uncertainty in the financial markets for short-term investors due to current events in Ukraine. Ziegler Capital Management believes long-term investors should follow long-term investment strategies and periodically rebalance portfolios as needed. Mr. O’Neil also provided an in-depth overview of Stoughton Health’s portfolio.	
	Mr. O’Neil stated Ziegler Capital Management does not recommend any changes to Stoughton Health’s investment policy. They plan to continue working with Stoughton Health management to explore investment opportunities for cash with special liquidity needs to prepare for capital needs for Stoughton Health’s Master Facility Plan. Mr. Fendrick stated he would like to see Stoughton Health’s equity portfolio at least 60%. Mr. O’Neil responded stating the maximum limit for equities is 60% per section II. Asset Allocation – Total in the Stoughton Health Investment Policy.	
A	3. Investment Policy Review	Michelle Abey
	a. Debt Schedule Overview	

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	<p>Ms. Abey provided a brief review of the Stoughton Health’s Investment Policy which can be found in the April 22, 2022 Finance Committee meeting packet. Ms. Abey stated there were no suggested edits from Ziegler Capital Management or from management at Stoughton Health.</p> <p>Ms. Abey provided an overview of Stoughton Health’s long-term debt schedule of future maturities and noted we will likely need to refinance the 2018 Bonds when the rate goes to a floating rate.</p> <p>Finally, Ms. Abey shared Stoughton Health’s cash and investment recap as of March 31, 2022. She noted our current cash and equivalents \$38,583,000 and stated this balance is not subject to market risk, although not producing a high return. She added we currently have \$5,000,000 in one year CD ladders. Finally, Ms. Abey shared there is a total of \$54,186,000 in unrestricted cash and investments.</p> <p><i>Action: Ms. Olson made a motion to affirm review of Stoughton Health’s Investment Policy with no changes. Mr. Fendrick seconded the motion. Motion carried.</i></p>	
	<p>b. Future Master Facility Plan Funding</p> <p>Ms. Abey shared Stoughton Health continues to work with EUA and JP Cullen on the Master Facility Plan and noted conservative high level cost estimates for the Master Facility Plan are approximately \$20 million. Ms. Abey noted Stoughton Health would plan to hold a capital campaign with goals of raising \$2-3 million in capital, and expect to finance the remaining \$17-18 million. Ms. Abey shared the goal is to pay for the loan with a combination of cash and long-term investments, or create a separate high quality investment account to capitalize on treasury securities which would mature in 2-3 years. She added treasury securities would produce a higher rate of return than CDs and money market accounts.</p> <p>Finally, Ms. Abey outlined plans to review detailed costs and other nuances (such as allowable debt) and reconvene with Finance Committee and Executive Committee for review. The request for funding would be presented to the Governing Board for approval at the July 27, 2022 Board meeting.</p>	
A	<p>4. March Financial Review</p> <p>Ms. Abey shared an overview of March 2022 Financials which can be found in the April 22, 2022 Finance Committee packet.</p> <p>Ms. Abey shared March operating income is \$628,446 which is above budget by \$387,044. She added March excess of revenues over expenses is \$669,148, which</p>	Michelle Abey

Item	Discussion	Presenter
	<p>is above budget by \$340,900. Finally, Ms. Abey noted year-to-date operating income through March is \$4,427,427 which is above the budget by \$2,958,378, and year-to-date excess of revenues over expenses of \$4,511,562 which is \$2,678,001 above budget.</p> <p>Ms. Abey stated volumes continue to remain strong specifically on the Outpatient and Surgical Services sides. Surgical Services provided 23 procedures more than budget and as a result the department is \$358,000 ahead of budget. Ms. Abey added OrthoTeam professional fee revenues were approximately \$240,000 above budget for the month, after starting the year out a little less than budget.</p> <p>Ms. Abey highlighted a larger charity case which put Charity Care over budget by (\$189,774). This is primarily related to one patient who had significant charges.</p> <p><i>Action: Mr. Fendrick made a motion to accept the March 2022 Financials. Ms. Francisco seconded the motion. Motion carried.</i></p>	
A	<p>5. Patient Financial Services Compliance</p> <p>a) Financial Assistance Policy</p> <p>Ms. Abey provided an overview of Stoughton Health’s Financial Assistance Policy. This is an important policy which is required in order to maintain the hospital’s tax exempt status.</p> <p><i>Action: Ms. Olson made a motion to approve the Financial Assistance Policy. Mr. Fendrick seconded the motion. Motion carried.</i></p> <p>b) Price Transparency Update</p> <p>Ms. Abey provided a Price Transparency update and noted Stoughton Health is in compliance. She stated we have pricing and quality information on the 75 most common inpatient stays and the 75 most frequent outpatient surgical procedures in Wisconsin. This information can be found on the Stoughton Health website.</p> <p>c) No Surprises Act Implementation</p> <p>Ms. Abey shared a brief overview of implementation of the No Surprises Act. She noted we will be required to post signage at all locations as well as on our website specific to the Act.</p>	Michelle Abey

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	<p>Ms. Abey also noted we will be required to provide No Surprises Act information to patients in-person, through the mail or email, as selected by the patient:</p> <ul style="list-style-type: none"> • 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. 	
A	<p>6. Quarterly Compliance Report</p> <p>Ms. Abey provided a brief overview of the Quarterly Corporate Compliance Committee Report which can be found in the April 22, 2022 Finance Committee packet. She noted the SH Civil Rights Plan was completed prior to the April deadline. Ms. Abey shared there were two Kronos customers whose data was exfiltrated, but Stoughton Health was not one of those customers. Mr. Fendrick inquired about 340b savings and Ms. Abey stated the \$184,150.69 in savings is total FY2022 YTD.</p> <p><i>Action: Ms. Olson made a motion to approve the Quarterly Corporate Compliance Committee Report. Mr. Kinsella seconded the motion. Motion carried.</i></p>	Michelle Abey
	7. Open Discussion	
	8. Adjournment	Steve Staton
	<p><i>Action: Ms. Olson made a motion at 8:52 a.m. to adjourn the April 22, 2022 Finance Committee meeting. Mr. Kinsella seconded the motion. Motion carried.</i></p>	

Respectfully submitted,



Steve Staton
Secretary/Treasurer