

## Stoughton Hospital Association Finance Committee

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Friday, August 26, 2022 | 7:30 a.m. – 9:00 a.m.

Phone: 312.626.6799 | Meeting ID: 859 7919 0497 | Passcode: 639322

Zoom Link: <https://us06web.zoom.us/j/85979190497?pwd=T2lRTUJ4NGo2NVBRO3BOTWdCZEd4dz09>

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**Board Members Present:** Steve Staton | Tom Fendrick | Donna Olson | Matt Kinsella (virtual) | Margo Francisco (virtual) | Kris Krentz | Glenn Kruser | Dr. Aaron Schwaab | Tim Rusch (virtual) | Sue Vanderbelt (virtual)

**Hospital Staff Present:** Dan DeGroot | Michelle Abey | Mary Hermes | Chris Schmitz | Laura Mays (virtual) | Teresa Lindfors (virtual) | Angie Polster | Brian Swain

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Item	Discussion	Presenter
1.	Call to Order	Steve Staton
	Mr. Staton called the August 26, 2022 Finance Committee meeting to order at 7:32 a.m. Mr. Staton welcomed and introduced Brian Swain, Accounting and Material Services Manager, who was present at Monday's Executive Committee meeting but not introduced.	
A 2.	July 2022 Financials	Brian Swain
	Ms. Abey stated although July 2022 financials were approved at the August 22, 2022 Executive Committee meeting, the Stoughton Health Governing Board bylaws state approval of financials is managed by the Finance Committee.	
	Mr. Swain shared there were minor shifts of cash on the balance sheet due to moving funds to cash and certificates of deposit to net higher returns. He noted outpatient revenues drove income and although Stoughton Health did see some expenses above budget, this was expected due to higher volumes.	
	<i>Action: Mr. Fendrick made a motion to approve July 2022 Financials. Ms. Olson seconded the motion. Motion carried.</i>	
A 3.	Capital Request: SSM Health Dean Clinic Tenant Improvement Agreement, Stoughton Lease FY2022 Capital = \$270,000	Michelle Abey
	Ms. Abey shared SSM Health leases clinic space in Stoughton and Evansville and added lease negotiations are ongoing. She noted the	

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Item	Discussion	Presenter
	<p>SSM Health Dean Clinic in Stoughton is in need of improvements and Stoughton Health wishes to assist in funding through a tenant improvement addition to the new lease.</p> <p><i>Action: Ms. Olson made a motion to approve \$270,000 of FY2022 budgeted capital expenditures for tenant improvements for the Stoughton SSM Health Dean Clinic. Mr. Fendrick seconded the motion. Motion carried.</i></p>	
A	<p>4. FY2023 Budget</p> <p>Ms. Abey provided an overview of FY2022 projections and the FY2023 budget which can be found in the August 26, 2022 Finance Committee meeting packet. She shared projections are to see consistent volumes for the remainder of FY2022, noting gross revenues were expected to be approximately 10% ahead of budget as of earlier this week. Ms. Abey noted there will be a service recognition bonus paid to staff in September based on years of service with an expected cost of approximately \$600,000. She also noted projections include recognition of the last of available Provider Relief Funds (Phase 4) which will be reported on in March 2023, as well as a loss due to demolition of the three houses in September.</p> <p>Ms. Abey moved on to the FY2023 budget noting this is the first year Stoughton Health used Multiview software for the budgeting process. She outlined overarching assumptions include the lack of additional COVID funding, lower volumes in some areas, increased compensation and benefit costs and increased expenses as a result of supply chain and inflationary pressures. Mr. Schmitz noted although staffing is currently at a 14% vacancy rate, the budget assumes those vacant positions would be filled.</p> <p>Ms. Abey noted the FY2023 budget includes an expected 12% increase in compensation and benefits. She noted this is attributed to changes in department staffing predicated on the ability to maintain staffing levels so productivity standards are met, as well as a wage increase in January 2023 (if feasible), which has not yet been communicated to staff. Also attributing to this increase are shared programs and incentives which will remain in place and health insurance costs, which are expected to increase by 5-6% in January 2023. She added there are also increases in other line items which are consistent with anticipated increases in volumes and inflation.</p> <p>Ms. Abey provided an overview of the balance sheet noting plans for continued focus on AR days and collections. She shared plans to</p>	Michelle Abey

contribute an additional \$1,000,000 to the investment portfolio as well as further laddering of CDs and investment sweep accounts.

A routine capital budget of \$3,000,000 as well as an additional \$500,000 capital for EUA design costs is proposed. Larger capital items to include a Laboratory chemistry analyzer, network switch and wireless access point replacements and parking lot repaving at the Community Health & Wellness Center. Mr. Staton stated he was impressed with Ms. Abey and her team, and Mr. Fendrick and Ms. Francisco concurred.

***Action: Mr. Fendrick made a motion to approve Stoughton Health's FY2023 Budget to move to Governing Board for approval. Ms. Olson seconded the motion. Motion carried.***

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| 5. | FY2022 Audit Communication Letter | Michelle Abey |
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Ms. Abey provided a brief overview of the FY2022 Audit Communication letter noting Stoughton Health wishes to continue their relationship with Eide Bailly. She added the preliminary audit will take place in September 2022 with the final audit taking place in October 2022.

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| 6. | Compliance Updates   | Michelle Abey |
|    | <ul style="list-style-type: none"><li>- OCI Complaint Response</li><li>- COVID Testing Billing</li></ul> |               |

Ms. Abey shared a compliance update noting the quarterly Compliance Committee report would be presented to the Board. She stated the hospital received a patient complaint through the Office of the Commissioner of Insurance (OCI) regarding an alleged violation of the "No Surprises Act" however, the patient's service took place before this act took effect. She added Stoughton Health has seen just four OCI complaints over a fifteen-year time period.

Ms. Abey stated the response to OCI was due 20 days from the date of receipt and the response has already been submitted. Mr. Fendrick enquired whether we could request OCI act as liaison between the insurance companies (Anthem of Michigan and Anthem of Wisconsin) to achieve resolution of this matter. Ms. Abey stated she will follow-up with Ms. Sarah Watkins, Stoughton Health Revenue Cycle Manager.

Ms. Abey also shared Stoughton Health inadvertently requested COVID testing reimbursement through Medicare under incorrect u-

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**Item      Discussion**

**Presenter**

codes. She noted there were new u-codes put into place as of January 2021 which allow additional reimbursement for utilization of high-flow COVID testing equipment allowing test results to be returned within two days; Stoughton Health billed under both the previous and new codes. Ms. Abey stated the hospital submitted a approximately \$13,000 reimbursement payment for voluntary correction refund noting that doing a voluntary correction form to Medicare doesn't happen often so wanted the Committee to be aware.

7. Open Discussion

8. Adjournment

Steve Staton

*Action: Mr. Staton made a motion to adjourn the August 26, 2022 Finance Committee meeting. Mr. Fendrick seconded the motion. Motion carried.*

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Respectfully submitted,



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Steve Staton  
Secretary/Treasurer