

Stoughton Hospital Association Executive Committee

Wednesday, April 23, 2025 | 7:15 a.m. – 8:15 a.m.

MS Teams Link: [Join the meeting now](#) | Meeting ID: 243 271 233 37 | Passcode: dm6ef6kM

Committee Function and Members

Committee Function: Power to transact all regular business of hospital during period between Board meetings and is subject to any prior limitation imposed by Board of Directors. No action may be taken by Executive Committee if such action would require either supermajority or Special Member approval under Article V, Section 8 (B) and (C), if taken by Board. The Executive Committee is accountable for strategic planning in relation to long-term health care needs of the communities served.

Committee Members: Tim Rusch (Chair) | Sue Vanderbilt (Vice Chair) | Glenn Kruser (Secretary/Treasurer) | Matt Kinsella/Dawit Tesfasilassie | Chris Brabant | Michelle Abey

	Item	Discussion	Presenter
	1.	Call to Order	Tim Rusch
A	2.	Review and Approve December 18, 2024 Executive Committee Meeting Minutes (<i>See Attached, Pg. 3-7</i>)	Tim Rusch
A A	3.	Capital Requests (<i>See Attached, Pg. 8-10</i>): <ul style="list-style-type: none"> • Ultrasonic Washer for Robot, \$110,740 (Budgeted) • Stryker Mako Robotic System, \$920,000 (Budgeted) 	Amy Hermes
A	4.	March 2025 Financials (<i>See Attached, Pg. 11-22</i>)	Michelle Abey
A	5.	Quarterly Corporate Compliance Committee Report (<i>See Attached, Pg. 23-24</i>)	Michelle Abey
	6.	Service Line Updates	Chris Brabant
	7.	Open Discussion	All
	8.	Adjournment	Tim Rusch

Upcoming Meetings:

- Quality Committee Meeting: Tuesday, May 27, 2025 at 9:00 a.m.
- Governing Board Meeting: Wednesday, May 28, 2025 at 7:15 a.m.

Note:

- A = Item requiring a Board/Committee Action, Approval, Recommendation or Acceptance

- R = Item requiring a formal Board Resolution

MISSION

The mission of Stoughton Hospital is to provide safe, quality health care with exceptional personalized service.

VISION

We grow to meet the changing needs of the communities we serve and become their health partner of choice.

VALUES

Our patients and community are our number one priority.

Stoughton Hospital Association Executive Committee

Wednesday, December 18, 2024 | 7:15 a.m. – 8:15 a.m.

MS Teams Link: [Click here to join the meeting](#) | Meeting ID: 220 369 910 647 | Passcode: RRdD2T

Or call in (audio only): 1-608-383-6164 | Phone Conference ID: 113 403 324#

Committee Function and Members

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Meeting Attendees: Tim Rusch | Sue Vanderbilt (virtual) | Glenn Kruser | Kris Krentz | Donna Olson | Matt Kinsella (virtual) | Dr. Ashish Rawal | Chris Brabant (virtual) | Michelle Abey | Angie Polster | Amy Hermes | Laura Mays (virtual)

Item	Discussion	Presenter
	1. Call to Order	Tim Rusch
A	2. Review and Approve June 26, 2024 Executive Committee Meeting Minutes	Tim Rusch
	<i>Action: Mr. Kruser made a motion to approve the June 26, 2024 Executive Committee meeting minutes. Ms. Vanderbilt seconded the motion. Motion carried.</i>	
A	3. November 2024 Financials	Michelle Abey
	Ms. Abey provided an overview of the November 2024 Financial Statements, which can be found in the December 18, 2024 Executive Committee meeting packet. She shared November operating income was approximately \$1.2M which was \$888,088 over budget. She stated on the balance sheet, days cash on hand remained steady at approximately 381 days, and days in accounts receivable also remained strong.	
	Ms. Abey stated with the purchase of the TriCor property, a \$200,000 contribution was recorded so the addition to property, plant and equipment for the property was \$730,000. The contribution is shown on the statement of changes in net assets not on the income statement because it is a donation of property, plant and equipment versus cash. MRI revenues continue to lag behind budget for this fiscal year. This can be attributed to one tech unable to return as quickly as expected, thus leading to a 6-7 patients per	

Item Discussion**Presenter**

day average versus the 8-9 that were budgeted. Ms. Hermes added unlike other positions, we do have a couple applications.

Ms. Abey shared contractual adjustments were better than budget at 62.3%, and she noted there was a better mix of higher reimbursing plans resulting in commercial outpatient contractual adjustments being approximately \$612,000 better than budget.

Ms. Abey shared the largest positive variance to the outpatient revenue budget was CT Scanning which led to a positive gross revenue variance of \$404,000. She noted there was an average of 18.63 CT service units per day in November, compared to the budget of 10.97 per day. Ms. Hermes stated access to CT scanning is quicker at Stoughton Health compared to some of the Madison hospitals, and Mr. Brabant noted the ability to receive care so quickly could result in patients returning to Stoughton Health.

Ms. Abey provided a comparison of surgical services by service line showing October and November combined, adding the organization is approximately eight cases ahead of budget YTD. Ms. Abey shared Dr. Lind, new Podiatrist, started last week and began seeing patients this past Monday. She noted he did some consults in the Emergency Room last week and helped with an inpatient over the weekend. Ms. Abey reminded Board members Dr. Lind has yet to be paneled by Dean Heath Plan/Medica but shared she, Mr. Brabant, and several members of the Board met with one of the national directors for Dean/Medica who heard their concerns and was going to take them back to her team. We have not received a response on whether this would change the outcome on our paneling request. Ms. Abey shared from a wound perspective, there are three patients Dr. Lind was unable to see due to them having Dean Health Plan insurance. Finally, Ms. Abey stated there was a patient in the Emergency Room who had some potential surgical needs related to their ankle, but Dr. Lind was unable to treat them since they had Dean Health Plan insurance.

Action: Mr. Kruser made a motion to approve November 2024 Financial Statements. Mr. Kinsella seconded the motion. Motion carried.

4. December Month-to-Date Financials

Michelle Abey

Ms. Abey provided an overview of December Month-to-Date Financials. She noted through Monday, the Emergency Room in Stoughton is projecting to be close to budget for the month. She added she does not expect Oregon to meet budget for the month as the budget had

Item	Discussion	Presenter
	<p>contemplated full-time hours, and Oregon hours are currently limited due to renovations taking longer than anticipated. Mr. Rusch asked whether we should always expect trailing, and Ms. Abey noted some of that is seen with the other Urgent Cares as well, adding there would be larger charges from an emergency standpoint so the Stoughton location makes up the largest part of the variance. Ms. Abey believes we will be close to meeting December budget from a revenue standpoint based upon the projections to date.</p>	
A	<p>5. Capital Requests</p> <ul style="list-style-type: none"> Al-Anon Property – 700 Giles Street: <p>Mr. Schmitz provided an overview of the capital request for purchasing the Al-Anon property at 700 Giles Street for an offer of \$400,000 with a total capital request of up to \$435,000 to include closing costs, etc. He noted the Al-Anon owners are open to Stoughton Health acquiring the property, and the property is in a strategic location for Stoughton Health. He added acquisition of this property would allow for the organization to solve an immediate parking need as well as consideration for future master facility planning, parking ramp considerations and plant operations storage. Mr. Schmitz noted plans would be to ultimately raze the building for parking.</p> <p>Mr. Schmitz shared there are three potential options to support the purchase from Al'Anon:</p> <ul style="list-style-type: none"> Option one would include working with Peter Sveum to purchase a new property for them in exchange for their existing property. Option two would involve providing a dedicated space within the CH&WC which could be accommodated with a basement renovation or providing dedicated first floor space. Option three to provide them with an offer to purchase the property and then they secure their new location. <p>Mr. Schmitz stated Stoughton Health offered the use of the Community Health & Wellness Center basement, but the club researched this and such a location would violate the Al-Anon by-laws.</p> <p>Mr. Rusch noted this is a great opportunity but added he has a problem paying twice as much as the property value. Mr. Schmitz</p>	<p>Chris Schmitz Amy Hermes</p>

Item Discussion**Presenter**

noted the \$400,000 offer is derived from current comparable housing markets. Mr. Rusch asked where Eldon Homes comes in the equation, and Chris noted Eldon Homes is assisting the Alano club with looking at various properties. Dr. Rawal asked whether the club must be residential.

Mr. Rusch asked whether Al-Anon was a 501c3 (tax exempt entity) and how they got into the house. Mr. Schmitz shared they have their own fundraisers to pay bills. He added the inside is not much better than the exterior, and it needs investment. Ms. Vanderbilt asked whether we have an agreement with Eldon Homes, and Mr. Schmitz said there is no agreement between Eldon Homes and Stoughton Health. He added once the capital approval is obtained, a formal offer from Stoughton Health will be made to the property owner.

Action: Mr. Kinsella made a motion to approve the purchase of Al-Anon Property - 900 Giles Street including closing costs, for up to \$435,000. Funds used would be outside of routine capital budget. Mr. Kruser seconded the motion.

Ms. Abey stated we would offer \$400,000 and the remainder would be applied to closing costs. Mr. Kruser asked whether Al-Anon would pay rent while they are using the space after closing. Mr. Schmitz noted the intent is that a minimal amount of rent, along with an agreement as to the length of time which the space can be occupied.

Action: Mr. Rusch made a motion to amend the approval to purchase the Al-Anon Property – 900 Giles Street including closing costs, for up to \$435,000 contingent on full approval by the Governing Board at the January Board meeting. Mr. Kruser seconded the motion. Motion carried.

- Inpatient Bed Replacement: Up to \$230,000

Ms. Hermes provided a brief overview of the capital request for Inpatient Bed Replacement, noting the beds are end of life. She stated replacement of 50% of the beds this year was budgeted based upon the original quote of \$400,000. However, Ms. Dacia Brunner, Accounting and Material Services Manager, was able to secure the purchase of all beds this year for \$230,000 through a Q4 group buy with SSM/Vizient, if they are purchased by the end of the year. Ms. Vanderbilt asked whether there are references on these beds. Ms.

Item	Discussion	Presenter
	<p>Hermes stated she did not currently have that information. Ms. Hermes will gather references and additional information on the vendor and will request a motion to approve the capital via email. Tabled until additional information obtained.</p> <p><i>Action: Mr. Kruser made a motion via email on December 23, 2024 to approve FY25 Capital to replace end-of-life bed frames and mattresses with 19 new Ook Snow medical beds and 1 Ook Snow-all Bariatric bed to furnish the MS and ICU areas, for a total discounted Q4 purchase amount of up to \$230,000. Ms. Vanderbilt seconded the motion. Motion carried.</i></p>	
6.	<p>Wisconsin State Journal Article Recap – Financial Assistance</p> <p>Ms. Abey provided a recap of a recently published Wisconsin State Journal Article related to financial assistance. Since the Finance Committee of the Governing Board reviewed and approved the policy at its November 2024 no further action deemed necessary now.</p>	Michelle Abey
7.	Open Discussion	All
8.	<p>Mr. Rusch requested a motion to adjourn the December 18, 2024 Executive Committee meeting at 8:22 a.m.</p> <p><i>Action: Mr. Kinsella made a motion to adjourn the December 18, 2024 Executive Committee meeting at 8:22 a.m. Mr. Kruser seconded the motion. Motion carried.</i></p>	Tim Rusch

Respectfully submitted,

Mr. Glenn Kruser
Secretary/Treasurer

SBAR: Ultrasonic Washer for Sterile Processing Department (SPD)

S: Situation

With the upcoming implementation of robotics, the sterile processing department (SPD) will need to purchase a new ultrasonic washer that can effectively integrate with robotic systems for cleaning surgical instruments. This upgrade is essential to maintain high standards of instrument sterilization and ensure the successful integration of robotics into the department.

B: Background

Ultrasonic washers are used in SPD to clean surgical instruments using high-frequency sound waves. As the department prepares to implement robotic systems for instrument handling or processing, it is important to ensure that all equipment, including ultrasonic washers, are compatible and capable of meeting the increased demands. Robotics in SPD will require washers with higher efficiency, capacity, and possibly automated features to keep pace with the new workflows.

A: Assessment

The current ultrasonic washer is not equipped to handle the increased throughput or meet the advanced needs required by robotic systems. There is a need for an upgraded model that can offer better integration with automated systems and meet the newest standards for instrument cleaning efficiency and safety. Failure to acquire an updated ultrasonic washer could result in delays in instrument processing and risks to patient safety due to ineffective cleaning.

The need for an ultrasonic washer was carefully vetted with the SPD project team to confirm that there is adequate electrical and plumbing infrastructure to support the new equipment. Initially, the ultrasonic washer was planned to be bundled with the purchase of the robotic system. However, due to the extended lead time for ultrasonic washers (four to six months), it is now critical to initiate the purchase of the washer separately to ensure timely delivery and integration with the robotic system.

R: Recommendation

Proceed with the purchase order for the ultrasonic washer now to account for the four-to-six-month lead time to ensure that it will be ready for installation as soon as the robotic system is operational to ensure a seamless transition and avoid delays.

Request Motion to Approve on Behalf of the Governing Board FY2025 Capital for the capital purchase of the ultrasonic washer at the cost of \$110,740 which includes handling/packing and installation.

SBAR: Purchase of the Mako Robot

Situation:

Stoughton Health would like to purchase and implement the Stryker Mako robotic-assisted surgery system to enhance joint replacement procedures, including knee and hip surgeries.

Background:

The Mako robotic system is an advanced, robotic-assisted surgery platform designed for joint replacements, including knee and hip surgeries. It offers 3D pre-operative planning and real-time surgical feedback, enhancing precision and ensuring that surgeries are customized to each patient's unique anatomy. This system enables highly accurate bone resection and implant placement, which reduces the risk of complications and revision surgeries.

Key benefits of the Mako system include:

- Increased surgical precision and alignment accuracy.
- Faster recovery times and reduced postoperative pain compared to traditional methods.
- Minimally invasive procedures that reduce trauma to surrounding tissues.
- Recruit orthopedic surgeons who are accustomed to using the advanced technology.
- Attract individuals who view robotics as a cutting-edge advancement in healthcare.

The Mako system is expected to evolve further, with future applications such as the shoulder surgery module coming in 2026. Purchasing versus leasing has been vetted and makes more financial sense to purchase. This was purchase was part of the 2025 Capital Budget.

Assessment:

As robotic surgery becomes more common in hospitals, adopting Mako Robotics will give us a competitive advantage in attracting patients who seek advanced surgical options.

COST ANALYSIS: Purchase vs Lease

	<u>Monthly</u> <u>Amortization/Payment</u> <u>5 year assumption</u>	<u>Monthly</u> <u>Amortization/Payment</u> <u>7 year assumption</u>	<u>Total Cash Payment</u>	<u>Rebate for volume -</u> <u>\$800 per Case -</u> <u>\$250,000 5 year max</u>	<u>Annual</u> <u>Maint</u>
Buy	\$ 15,333	\$ 10,952	\$ 920,000	\$ (250,000)	\$ 120,000
Lease FMV -Turn in or buy FMV(5YR)	\$ 16,775		\$ 1,006,500	\$ (250,000)	\$ 120,000
Lease \$1 Buyout (5 yr)	\$ 18,291		\$ 1,097,460	\$ (250,000)	\$ 120,000

- Newest version, will allow for shoulder application
- 5-7 years of useful life.

SBAR: Purchase of the Mako Robot

Recommendation:

Request Motion to Approve on Behalf of the Governing Board FY2025 Capital not to exceed \$920,000 to purchase the Stryker Mako SmartRobotics Robot.

**STOUGHTON HEALTH
SERVICES AND FINANCIAL REPORTS**

March 31, 2025

**STOUGHTON HEALTH
FINANCIAL AND SERVICES REPORTS
March 31, 2025**

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Stoughton Health
March 2025 Operational Executive Summary

Situation: March operating income was \$1,391,701 which was \$868,194 more than budget. Year-to-date operating income was \$6,293,597 which was \$3,671,983 more than the budget of \$2,621,614. March excess of revenues over expenses was \$1,087,892 which was \$247,205 more than the budget of \$840,777. Year-to-date excess of revenues over expenses was \$7,227,999 which was better than the budget by \$2,557,377.

Background: Balance Sheet

- Cash and cash equivalents increased by \$3,139,376 from February to March. This was mainly the result of a certificate of deposit (line 1 pg 7) in the amount of \$3,000,000 maturing and not being renewed. There is a correlating decrease in Certificates of deposit (line 2 pg 7) of (\$3,000,000).
- Days revenue in accounts receivable (AR days) was 48 days for March (line 37 pg 7) compared to 48 days at the end of last fiscal year and a budget of 44 days.
- Days cash on hand was 383 days at the end of March (line 38 pg 7) which is more than the budgeted days cash on hand of 368. Expenses per day averaged approximately \$184,000 per day in the month of March.
- The estimated third-party payer settlements liability has increased by \$103,360 in the first six months of fiscal year 2025. This liability represents the estimated amount which Stoughton Health anticipates being overpaid on Medicare claims and potential amounts due upon cost report audit settlement. This liability fluctuates with changes in the payer mix and distribution of expenses.

Income Statement

- Inpatient revenues were more than budget by ~\$593,000 which is primarily due to an increased overall daily census for the month compared to the budget. The average daily census for March was 17.43 compared to budgets of 14.83 and 11.81 in the prior fiscal year. Pharmacy workload units were also high in March adding additional favorability. The following is a comparison of budget to actual for March and year-to-date by service type:

Inpatient Days Comparison Report							
<i>March 31st, 2025</i>							
	<i>March</i>	<i>March</i>		<i>YTD</i>	<i>YTD</i>		<i>Variance</i>
<i>Inpatient Day</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>	<i>Percent</i>
Swing Bed	17	4	13	110	42	68	161.90%
ICU	28	4	24	89	51	38	74.51%
Med/Surg/Detox/Hospice/Telemetry	173	116	57	879	765	114	14.90%
Geri-Psych	224	278	(54)	1,290	1,398	(108)	-7.73%
Total Inpatient Days	442	402	40	2,368	2,256	112	4.96%

- Outpatient gross revenues were \$15,658,059 which was more than the budget by \$586,440. The main factors impacting the variance are as follows:
 - MRI added a traveler this past month, however, there continues to be a reduced number of scans compared to budget which resulted in a negative gross revenue budget variance of around (\$236,000) in March. 144 scans were performed compared to a budget of 185 scans.
 - Med/Surg Observation daily census was 3.17 in March versus a daily budget of 2.0 which resulted in favorable revenue of approximately \$207,000 to budget.
 - Ortho Clinics had favorable revenue to budget of \$108,000 with 393 visits compared to 242 budgeted.

- Surgical Services had higher than budgeted visits for March resulting in gross revenue being favorable to budget by approximately \$225,000 with the mix of Ortho procedures and Colonoscopies performed during the month of March driving the favorability.

Below is a table showing surgical cases by service line for the month:

<i>Surgical Services Comparison Report</i>			
<i>March 31st, 2025</i>			
	<i>CM</i>	<i>CM</i>	
<i>Specialty</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance</i>
Orthopedics	37	22	15
Gynecology	6	4	2
Urology	0	2	(2)
General	23	17	6
Opthamology	14	29	(15)
Podiatry	4	10	(6)
Chest	0	0	0
Dental	14	13	1
ENT	4	5	(1)
Total Surgical Procedures	102	102	0
GI Endoscopy	55	45	10
Total OR Procedures	157	147	10

- Lab, including reference lab, averaged 252.87 service units per day compared to a budget of 204.06. This led to a positive variance to gross revenues budgeted of approximately \$162,000.
- This month's mix resulted in a contractual discount percentage of 62% for the month vs a budgeted contractual discount of 64.3% resulting in a net revenue increase from budget of ~\$421,000.
- Professional fees (line 13 pg 8) were approximately \$55,000 under budget. This was the result of accrued legal fees in a prior month being less than estimated when paid in March, a contracted position being hired full-time while still being budgeted as a contractor and a maintenance energy study that was budgeted but hasn't been started.
- Purchased services (line 14 pg 8) were approximately (\$60,000) more than budgeted. This was mostly the result of an emergency repair to electrical cables that were damaged.
- Supplies expense (line 15 pg 8) was approximately (\$47,000) over budget. This was mostly in the IT department which had \$30,350 of expenses related to minor equipment items which weren't all budgeted to be spent in this month but rather across the year.

Assessment: Net patient service revenue was above budget by approximately \$864,000. Expenses in most areas were close to budget, netting to only a (\$14,652) unfavorable variance to the total expense budget of \$5,687,745. The investment market continues to be volatile. In March, the market fell for a second consecutive month resulting in unrealized losses on investments of (\$616,917) compared to a budgeted gain of \$24,577.

Recommendation:

1. Recruit and retain staff in order to serve the patients of our communities.
2. Continue to grow where it makes sense including working toward the opening of the Stoughton Health Outpatient Center. Growth in podiatry services after opening in December 2024 occurring as the practice builds.
3. Remain nimble to changing circumstances and recalibrate operations, including the evaluation of new and old programs, as needed to adjust course.

**Stoughton Health
Executive Financial Summary
March 31, 2025**

Variance Key: Better than (worse than) budget

INCOME STATEMENT		Current Mo. March	Current Mo. Budget	Current Mo. Variance	YTD March	YTD Budget	YTD Variance	YTD Prior Year
Line	REVENUE:							
	Patient service revenues:							
1	Inpatient	\$ 2,605,269	\$ 2,011,951	\$ 593,318	\$ 12,260,503	\$ 11,362,419	\$ 898,084	\$ 8,899,518
2	Outpatient	15,658,059	15,071,619	586,440	93,547,591	92,352,721	1,194,870	84,169,898
3	Total gross patient service revenues	18,263,328	17,083,570	1,179,758	105,808,094	103,715,140	2,092,954	93,069,416
4	Deductions from revenue	(11,375,097)	(11,059,654)	(315,443)	(67,537,849)	(67,361,067)	(176,782)	(59,290,125)
5	Net patient service revenue	6,888,231	6,023,916	864,315	38,270,245	36,354,073	1,916,172	33,779,291
6	Other income	205,867	187,336	18,531	1,196,191	1,114,830	81,361	1,045,481
7	Total revenues	7,094,098	6,211,252	882,846	39,466,436	37,468,903	1,997,533	34,824,772
	EXPENSES:							
8	Salaries	2,199,761	2,195,946	(3,815)	12,784,226	13,155,743	371,517	11,192,705
9	Fringe benefits	594,226	600,735	6,509	3,488,269	3,797,731	309,462	2,830,142
10	Supplies and other	2,588,689	2,560,531	(28,158)	15,071,295	16,026,065	954,770	14,160,216
11	Interest	27,089	24,338	(2,751)	164,873	147,780	(17,093)	170,902
12	Depreciation and amortization	292,632	306,195	13,563	1,664,177	1,719,970	55,793	1,502,087
13	Total expenses	5,702,397	5,687,745	(14,652)	33,172,840	34,847,289	1,674,449	29,856,052
14	Operating income	1,391,701	523,507	868,194	6,293,596	2,621,614	3,671,982	4,968,720
15	Investment income	282,483	246,860	35,623	1,540,005	1,626,549	(86,544)	1,909,865
16	Unrealized gains (losses) on investments	(616,917)	24,577	(641,494)	(826,608)	147,459	(974,067)	1,598,432
17	Interest in earnings of MRI Joint Venture	30,715	45,833	(15,118)	221,006	275,000	(53,994)	268,489
18	Other non-operating	-	-	-	-	-	-	-
19	Excess of revenue over expenses	\$ 1,087,982	\$ 840,777	\$ 247,205	\$ 7,227,999	\$ 4,670,622	\$ 2,557,377	\$ 8,745,506
BALANCE SHEET				CASH FLOWS				
		03/31/25	09/30/24				YTD	
20	Cash & short-term investments	\$ 28,259,223	\$ 26,462,192				March	09/30/24
21	Certificates of deposit	21,085,620	32,632,163					
22	A/R (net)	9,958,215	8,916,193					
23	Total current assets	61,842,275	71,497,255					
24	Investments	17,771,367	13,148,212					
25	Property & equipment (net)	54,298,686	46,397,517					
26	Other assets	13,390,123	9,926,584					
27	Total assets	147,302,451	140,969,568					
28	Current liabilities	9,667,406	11,686,371					
29	Long-term debt	20,654,224	21,281,131					
30	Other long-term liabilities	3,372,173	1,821,417					
31	Total liabilities	33,693,803	34,788,919					
32	Net assets	113,608,648	106,180,649					
33	Total liabilities & net assets	147,302,451	140,969,568					

**STOUGHTON HEALTH
SERVICES SUMMARY
for the six months ended March 31, 2025**

INPATIENT SERVICES

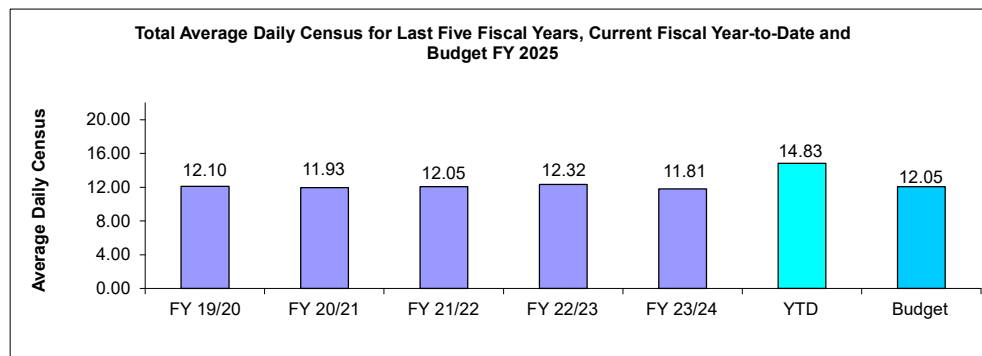
In March, inpatient admissions (including observation patients) averaged 3.41 admissions per day which was below budget by (0.20) admissions per day or (5.5%). Year-to-date inpatient admissions are (0.16) admissions per day or (4.7%) below prior year.

19-20	20-21	21-22	22-23	23-24		THIS MONTH	YEAR- TO-DATE	BUDGET
1.22	1.15	1.12	1.32	1.12	Medical	1.19	1.24	1.05
0.37	0.29	0.33	0.29	0.07	Surgical	0.13	0.06	0.11
0.1	0.11	0.05	0.06	0.03	Detoxification	0.03	0.01	0.05
1.4	1.77	1.21	1.33	1.49	Observation	1.48	1.13	1.45
0.07	0.06	0.05	0.06	0.04	Swing Bed	0.03	0.08	0.03
0.08	0.08	0.11	0.10	0.16	Intensive Care	0.13	0.17	0.14
0.28	0.27	0.28	0.32	0.47	Geriatric Psychiatric	0.42	0.53	0.78
3.52	3.73	3.15	3.48	3.38	Average Admissions per day	3.41	3.22	3.61

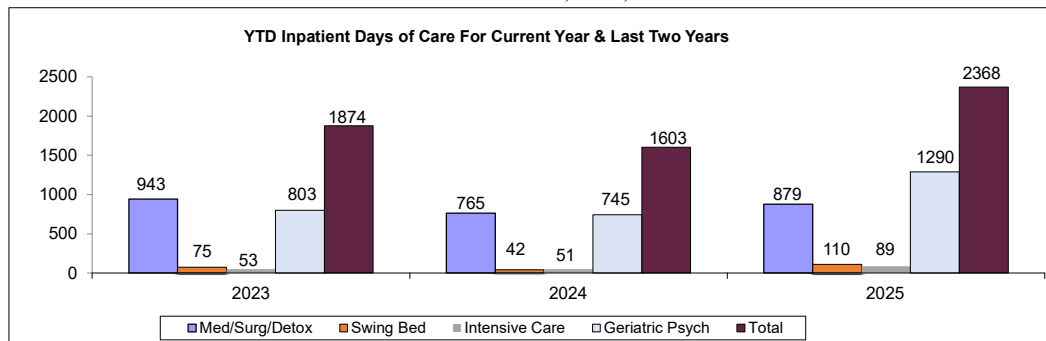
The overall average daily census in March was 17.43 which is above the budgeted average daily census of 12.05 and above the prior year average daily census of 11.81. Inpatient Average Daily Census numbers for the past thirteen months, year-to-date for Fiscal 2025, budget and prior year averages are shown in the following chart:

	MAR 2024	APR 2024	MAY 2024	JUN 2024	JUL 2024	AUG 2024	SEP 2024	OCT 2024	NOV 2024	DEC 2024	JAN 2025	FEB 2025	MAR 2025	CURRENT FISCAL 2025	BUDGET	PRIOR FISCAL YR
Medical / Surgical Unit	3.74	3.03	5.03	4.53	2.90	3.13	4.53	5.23	2.97	4.29	5.65	5.14	5.58	4.83	2.00	4.02
Observation	1.03	2.24	1.59	1.49	2.09	1.25	1.86	1.44	1.02	2.18	1.95	1.07	3.17	1.82	2.02	1.97
Swing Bed	0.13	0.57	0.29	0.37	0.00	1.00	0.30	0.26	0.37	0.42	0.58	1.54	0.55	0.60	0.28	0.33
Intensive Care Unit	0.13	0.07	0.19	0.07	0.39	0.42	0.43	0.32	0.67	0.26	0.23	0.57	0.90	0.49	0.25	0.27
Geriatric Psychiatry Unit	4.77	3.53	5.16	6.00	7.26	8.61	7.57	6.42	5.63	7.00	7.58	8.79	7.23	7.09	7.50	5.22
	9.80	9.44	12.26	12.46	12.64	14.41	14.69	13.67	10.66	14.15	15.99	17.11	17.43	14.83	12.05	11.81

Inpatient average daily census numbers for the past five fiscal years, year-to-date for Fiscal 2025, and budget are shown in the following graph:



Additional inpatient service volume statistics for the six months ended March 31, 2023, 2024 and 2025 are as follows:



**STOUGHTON HEALTH
SERVICES SUMMARY
for the six months ended March 31, 2025**

INPATIENT SERVICES - CONTINUED

Discharge Length of Stay							
19-20	20-21	21-22	22-23	23-24		THIS MONTH	YEAR- TO-DATE BUDGET
2.88	2.28	2.63	2.31	1.71	Medical	8.33	3.02 1.73
1.68	0.29	0.35	0.51	1.21	Surgical	6.67	3.56 0.96
9.12	9.59	16.08	9.15	7.93	Swing Bed	17.00	4.60 7.86
2.73	9.64	3.42	4.88	3.93	Intensive Care	6.00	2.79 3.34
2.22	2.94	3.38	2.24	0.54	Detoxification	-	1.33 0.50
4.09	3.38	2.85	3.10	2.62	Hospice Acute	-	3.00 3.13
13.28	12.31	10.87	9.86	11.35	Geriatric Psychiatric	9.09	10.69 11.49
4.29	3.84	3.71	3.47	3.99		8.30	5.01 4.73

OUTPATIENT SERVICES

Outpatient/Emergency services averaged 212.90 visits per day in March which was 3.12 visits per day or 1.5% above budget for the month. Year-to-date Outpatient/Emergency services are 25.38 visits or 13.4% above the prior year average visits per day of 189.57.

19-20	20-21	21-22	22-23	23-24		THIS MONTH	YEAR- TO-DATE BUDGET
13.36	14.57	16.90	18.99	20.53	Emergency Department	21.61	21.34 23.03
37.02	34.06	54.67	43.61	45.73	Urgent Care - Stoughton	45.84	50.57 44.98
6.47	6.30	8.24	11.02	11.65	Urgent Care - Oregon	20.19	13.74 19.48
-	2.11	11.19	18.53	20.49	Urgent Care - McFarland	19.32	21.29 21.52
-	-	-	-	-	Urgent Care - Cottage Grove	9.94	11.27 13.00
2.95	3.20	2.84	2.95	3.21	Ambulatory Infusion	3.90	3.42 3.19
3.12	3.72	4.37	4.66	5.09	Surgical	4.32	4.52 6.31
0.68	1.04	0.77	1.05	1.21	Sleep Lab	0.97	1.21 1.13
23.79	30.60	34.87	35.95	39.74	PT - SWAC/Hosp Rehab	42.32	44.27 36.53
15.42	19.82	19.44	19.79	19.97	PT - Oregon	21.10	20.94 19.57
9.48	15.27	17.73	19.13	21.95	Rehabilitation - Other	23.39	22.38 21.04
112.29	130.69	171.02	175.68	189.57	Average Visits per day	212.90	214.95 209.78

DIAGNOSTIC SERVICES

Diagnostic services (laboratory & medical imaging areas) averaged 334.19 service units per day in March which was 40.38 units or 13.7% above budget. Year-to-date diagnostic services are 47.11 service units per day or 16.5% above last year's average.

19-20	20-21	21-22	22-23	23-24		THIS MONTH	YEAR- TO-DATE BUDGET
176.31	192.08	203.97	196.68	202.13	Lab including reference lab	252.87	247.07 204.06
20.53	20.57	26.84	27.51	30.49	Medical Imaging	31.77	33.83 37.29
5.73	8.16	8.65	9.27	10.01	Mammography	9.45	10.12 9.52
11.01	11.62	14.83	15.68	17.94	CT	18.87	18.70 20.23
1.42	2.96	4.87	6.68	8.37	Echocardiogram	7.81	7.80 8.79
4.88	5.92	6.76	6.78	7.98	Ultrasound	7.35	7.32 7.03
0.61	0.94	1.27	1.26	1.50	Nuclear Medicine	1.42	1.94 0.94
4.04	4.87	4.95	5.90	6.30	MRI	4.65	5.05 5.96
224.53	247.12	272.14	269.76	284.72	Average Service Units per Day	334.19	331.83 293.81

**STOUGHTON HEALTH
SERVICES SUMMARY
for the six months ended March 31, 2025**

GENERAL SURGERY SERVICES

General Surgery had 23 surgical cases in March. Inpatient cases were 3 cases or 150% above budget for the month and outpatient cases were above budget by 3 cases or 20.0%.

FY 2020	FY 2021	FY 2022	FY 2023	FY 2024		THIS MONTH ACTUAL	THIS MONTH BUDGET	LAST MONTH ACTUAL	YEAR- TO-DATE ACTUAL	YEAR- TO-DATE BUDGET
26	24	20	21	15	Inpatient Surgical Cases	5	2	4	21	8
212	218	201	207	228	Outpatient Surgical Cases	18	15	20	130	115
238	242	221	228	243	Total Surgical Cases	23	17	24	151	123

ORTHOPEDIC SERVICES

OrthoTeam had 37 surgical cases in March. Inpatient cases were above budget by 1 cases or 25.0% for March. Outpatient cases were above budget by 14 cases or 77.8% for the month of March.

FY 2020	FY 2021	FY 2022	FY 2023	FY 2024		THIS MONTH ACTUAL	THIS MONTH BUDGET	LAST MONTH ACTUAL	YEAR- TO-DATE ACTUAL	YEAR- TO-DATE BUDGET	YEAR- TO-DATE Variance
152	45	28	23	22	Inpatient Surgical Cases	5	4	1	18	23	(5)
109	197	252	344	315	Outpatient Surgical Cases	32	18	30	191	171	20
261	242	280	367	337	Total Surgical Cases	37	22	31	209	194	15

MULTI-SPECIALTY CLINIC SERVICES

In March, the General Surgery clinic had a total of 119 visits for the month which was (14) visits or (10.5%) below the prior month but above budget by 28 visits or 30.8%.

FY 2020	FY 2021	FY 2022	FY 2023	FY 2024		THIS MONTH ACTUAL	THIS MONTH BUDGET	LAST MONTH ACTUAL	YEAR- TO-DATE ACTUAL	YEAR- TO-DATE BUDGET
1,081	1,001	968	1,007	1,014	General Surgery Clinic Visits - Traditional	81	73	92	586	509
15	41	41	35	10	General Surgery Clinic Visits - Virtual	1	0	1	6	0
879	701	687	426	335	Wound Clinic Visits	37	18	40	209	129
1,975	1,743	1,696	1,468	1,359	Total Clinic Visits	119	91	133	801	638

The OrthoTeam Clinic (Stoughton and Madison) had 393 visits and averaged 18.7 visits per clinic day. March visits were 151 visits or 62.4% above budget.

FY 2020	FY 2021	FY 2022	FY 2023	FY 2024		THIS MONTH ACTUAL	THIS MONTH BUDGET	LAST MONTH ACTUAL	YEAR- TO-DATE ACTUAL	YEAR- TO-DATE BUDGET
3,002	1,489	3,265	3,841	3,948	OrthoTeam Clinic Visits - Traditional	345	203	282	2,112	1,823
261	106	399	654	570	OrthoTeam Clinic Visits - Virtual	48	39	31	268	278
3,263	1,595	3,664	4,495	4,518	Total OrthoTeam Visits	393	242	313	2,380	2,101

For the month of March, the Cardiology Clinic had 81 visits compared to a budget of 47 visits. Year-to-date visits are above budget by 182 visits or 75.2%.

FY 2021	FY 2022	FY 2023	FY 2024		THIS MONTH ACTUAL	THIS MONTH BUDGET	LAST MONTH ACTUAL	YEAR- TO-DATE ACTUAL	YEAR- TO-DATE BUDGET
57	299	349	598	Cardiology Clinic Visits	81	47	74	423	241

The Urology Clinic had 41 visits for the month compared to a budget of 41 visits. Year-to-date visits are above budget by 13 visits or 5.1%.

FY 2023	FY 2024		THIS MONTH ACTUAL	THIS MONTH BUDGET	LAST MONTH ACTUAL	YEAR- TO-DATE ACTUAL	YEAR- TO-DATE BUDGET
323	460	Urology Clinic Visits	41	41	35	270	257

The Podiatry Clinic had 125 visits for the month compared to a budget of 85 visits. Year-to-date visits are above budget by 81 visits or 40.5%.

	THIS MONTH ACTUAL	THIS MONTH BUDGET	LAST MONTH ACTUAL	YEAR- TO-DATE ACTUAL	YEAR- TO-DATE BUDGET
Podiatry Clinic Visits	125	85	69	281	200

STOUGHTON HEALTH
BALANCE SHEET
March 31, 2025

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Line	ASSETS	3/31/2025	Audited 9/30/2024
	Current Assets		
1	Cash and cash equivalents	\$ 28,259,223	\$ 26,462,192
2	Certificates of deposit	17,000,000	20,000,000
3	Short-term Investments - Assets Limited As to Use	4,085,620	12,632,163
4	Patient accounts receivable, net of allowances	9,958,215	8,916,193
5	Supplies	883,174	854,602
6	Other current assets	1,656,043	2,632,105
7	Total current assets	61,842,275	71,497,255
	Assets Limited as to Use		
8	Board designated and other	17,771,367	13,148,212
		17,771,367	13,148,212
9	Property and equipment	96,562,957	89,807,328
10	Less accumulated depreciation	(42,264,271)	(43,409,811)
11	Net property and equipment	54,298,686	46,397,517
	Other Assets		
12	Interest in net assets of Stoughton Hospital Foundation Inc.	3,839,652	3,866,412
13	Other non-current assets	3,410,361	3,351,248
14	Operating lease assets	4,564,141	1,103,961
15	Investment in Stoughton Hospital Imaging LLC	1,575,969	1,604,963
16	Total assets	\$ 147,302,451	\$ 140,969,568

LIABILITIES AND NET ASSETS

	Current Liabilities		
17	Current portion of long-term debt	\$ 1,208,518	\$ 1,163,020
18	Current portion of finance lease liabilities	112,375	103,115
19	Current portion of operating lease liabilities	409,846	447,288
20	Accounts payable	2,150,260	2,059,395
21	Construction payable	2,447,428	5,019,369
22	Accrued salaries and related withholdings	644,359	593,433
23	Accrued vacation compensation	1,691,389	1,410,296
24	Accrued interest	95,693	94,412
25	Other current liabilities	33,348	25,213
26	Estimated third-party payor settlements	874,190	770,830
27	Total current liabilities	9,667,406	11,686,371
28	Deferred compensation liability	468,258	604,553
29	Long-term debt, net of current portion	20,654,224	21,281,131
30	Long-term portion of finance lease liabilities	590,742	610,447
31	Long-term portion of operating lease liabilities	2,313,173	606,417
32	Total liabilities	33,693,803	34,788,919
	Net Assets		
33	Without donor restrictions	109,601,220	102,173,221
34	With donor restrictions	4,007,428	4,007,428
35	Total net assets	113,608,648	106,180,649
36	Total liabilities and net assets	\$ 147,302,451	\$ 140,969,568

	Budget		
37	Days revenue in accounts receivable	44	48
38	Days cash on hand, all unrestricted sources	368	383
39	Current Ratio	7.3	6.1
40	Age of Plant	11.5	13.7

STOUGHTON HEALTH
INCOME STATEMENT
For the six months ended March 31, 2025

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Variance Key: Better than (worse than) budget

Line		Current Month March	Budget	Variance	Year to Date TOTALS	Budget	Variance	Year to Date LAST YEAR
	REVENUES							
	Patient service revenue:							
1	Inpatient	\$ 2,605,269	\$ 2,011,951	\$ 593,318	\$ 12,260,503	\$ 11,362,419	\$ 898,084	\$ 8,899,518
2	Outpatient	15,658,059	15,071,619	586,440	93,547,591	92,352,721	1,194,870	84,169,898
3	Gross patient charges	18,263,328	17,083,570	1,179,758	105,808,094	103,715,140	2,092,954	93,069,416
4	Contractual discounts and allowances	(11,325,668)	(10,988,017)	(337,651)	(67,170,795)	(67,088,975)	(81,820)	(59,058,203)
5	Charity care	(49,429)	(71,637)	22,208	(367,054)	(272,092)	(94,962)	(231,922)
6	Patient service revenue	6,888,231	6,023,916	864,315	38,270,245	36,354,073	1,916,172	33,779,291
		-62.01%	-64.32%		-63.48%	-64.69%		-63.46%
7	Other operating revenue	97,831	84,606	13,225	409,036	501,731	(92,695)	483,544
8	Contributions	17,682	27,062	(9,380)	294,624	164,370	130,254	125,537
9	Rental income	90,354	75,668	14,686	492,531	448,729	43,802	436,400
10	TOTAL REVENUES	7,094,098	6,211,252	882,846	39,466,436	37,468,903	1,997,533	34,824,772
11	Salaries	2,199,761	2,195,946	(3,815)	12,784,226	13,155,743	371,517	11,192,705
12	Employee benefits	594,226	600,735	6,509	3,488,269	3,797,731	309,462	2,830,142
13	Professional fees	690,004	745,309	55,305	4,161,377	4,417,878	256,501	3,594,531
14	Purchased services	909,974	845,877	(64,097)	4,896,229	5,285,224	388,995	4,908,411
15	Supplies	721,985	675,501	(46,484)	4,379,728	4,470,986	91,258	4,296,949
16	Interest	27,089	24,338	(2,751)	164,873	147,780	(17,093)	170,902
17	Administrative and general	240,425	269,331	28,906	1,475,631	1,705,024	229,393	1,229,300
18	Insurance	26,301	24,513	(1,788)	158,330	146,953	(11,377)	131,025
19	Depreciation and amortization	292,632	306,195	13,563	1,664,177	1,719,970	55,793	1,502,087
20	Total expenses	5,702,397	5,687,745	(14,652)	33,172,840	34,847,289	1,674,449	29,856,052
21	Operating income (loss)	1,391,701	523,507	868,194	6,293,596	2,621,614	3,671,982	4,968,720
	Other income (loss):							
22	Investment income (loss) - realized	282,483	246,860	35,623	1,540,005	1,626,549	(86,544)	1,909,865
23	Unrealized gains (losses) on investments	(616,917)	24,577	(641,494)	(826,608)	147,459	(974,067)	1,598,432
24	Earnings (loss) in Sto Hosp Imaging	30,715	45,833	(15,118)	221,006	275,000	(53,994)	268,489
25	Excess of revenues over expenses	\$ 1,087,982	\$ 840,777	\$ 247,205	\$ 7,227,999	\$ 4,670,622	\$ 2,557,377	\$ 8,745,506
26	Operating Margin	19.6%	8.4%		15.9%	7.0%		14.3%
27	Total Margin	14.7%	12.9%		17.5%	11.9%		23.6%
28	Adjusted Patient Days	3,098	3,423		20,436	20,782		16,764
29	Net revenue per APD	\$ 2,223	\$ 1,760		\$ 1,873	\$ 1,749		\$ 2,015
30	Salaries per APD	\$ 710	\$ 642		\$ 626	\$ 633		\$ 668
31	Benefits per APD	\$ 192	\$ 175		\$ 171	\$ 183		\$ 169
32	Supplies per APD	\$ 233	\$ 197		\$ 214	\$ 215		\$ 256

STOUGHTON HEALTH
STATEMENT OF CHANGES IN NET ASSETS
For the six months ended March 31, 2025

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	3/31/25	Audited 9/30/24
Unrestricted net assets:		
Excess (deficit) of revenues over expenses	\$ 7,227,999	15,957,568
Net assets released from restrictions	-	1,940
Contributions and grants for purchases of property and equipment	200,000	8,930
Increase (decrease) in unrestricted net assets	7,427,999	15,968,438
Temporarily restricted net assets:		
Restricted contributions	-	3,825
Change in interest in net assets of the Foundation	-	1,162,211
Net assets released from restrictions	-	(1,940)
Increase (decrease) in temporarily restricted net assets	-	1,164,096
Increase (decrease) in net assets	7,427,999	17,132,534
Net assets, beginning	106,180,649	89,048,115
Net assets, ending	\$ 113,608,648	106,180,649

STOUGHTON HEALTH
STATEMENT OF CASH FLOWS
For the six months ended March 31, 2025

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	Current Month	YTD March	Audited 9/30/2024
Cash Flows From Operating Activities			
Increase (decrease) in net assets	\$ 1,087,983	\$ 7,427,999	\$ 17,132,534
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:			
Change in interest in net assets of Stoughton Hospital Foundation Inc.	-	-	(1,162,211)
Depreciation and amortization	292,632	1,664,177	3,169,309
Amortization of debt issuance costs	3,193	19,073	41,872
Net realized and unrealized gains and losses on investments	576,632	683,265	(2,778,898)
Loss (gain) on disposal of property and equipment	-	97,204	37,916
Change in investment in Stoughton Hospital Imaging, LLC	(30,716)	(221,006)	(525,356)
Distribution from Stoughton Hospital Imaging, LLC	-	250,000	250,000
Contributions and grants for property and equipment	-	(200,000)	(12,755)
Increase (decrease) from changes in:			
Patient accounts receivable, net	(763,878)	(1,042,022)	(1,310,902)
Supplies	17,815	(28,572)	65,653
Estimated third-party payor settlements	49,609	103,360	574,338
Other current / non-current assets	63,185	(803,349)	(1,375,944)
Accounts payable, accrued expenses and other current liabilities	(587,588)	607,265	521,233
Net cash provided by (used in) operating activities	708,867	8,557,394	14,626,789
Cash Flows From Investing Activities			
Purchase of property and equipment	(2,393,629)	(12,301,940)	(16,612,612)
Proceeds from insurance and disposal of property and equipment	-	-	39,310
Net (Purchases) and Sales of certificates of deposit	-	-	(5,000,000)
Purchases of assets limited as to use	(704,004)	(8,762,003)	(36,084,540)
Sales/Proceeds from maturities of assets limited as to use	5,640,163	19,211,577	30,490,308
Net cash provided by (used in) investing activities	2,542,530	(1,852,366)	(27,167,534)
Cash Flows From Financing Activities			
Proceeds from issuance of new debt	-	-	15,165,000
Payment of debt issuance costs	(1,200)	(3,880)	(239,366)
Repayment of long-term debt	(101,652)	(596,602)	(1,161,818)
Payments on finance leases	(9,130)	(54,256)	(87,543)
Restricted contributions and grants	(40)	26,761	12,755
Net cash provided by (used in) financing activities	(112,022)	(627,977)	13,689,028
Net increase (decrease) in cash	3,139,375	6,077,051	1,148,283
Cash, beginning	25,119,848	22,182,172	21,033,889
Cash, ending	<u>\$ 28,259,223</u>	<u>\$ 28,259,223</u>	<u>\$ 22,182,172</u>

TO: Stoughton Health Governing Board

FROM: Corporate Compliance Committee
Jennifer White, Compliance Officer/Committee Chairperson

DATE: April 2, 2025

SUBJECT: Corporate Compliance Committee Report

The following is a summary of activities of the Corporate Compliance Committee from January 1, 2025, through March 31, 2025.

- Office of Inspector General (OIG) work plan was reviewed through March 2025. No follow-up action items were identified.
- 340B savings for FY 2025 YTD is \$182,828.97.
- Five new subpoenas were received this quarter. All five were for legal blood draws, there were no quality-of-care concerns related to SH.
- No requests to Amend Protected Health Information (PHI) were received this past quarter.
- One call was received in February on the customer concern line for this past quarter. Patient received a bill but claimed they had not been seen at Stoughton Health. Patient was seen at McFarland Urgent Care.
- Ten breaches and zero Good Catch/Near Misses occurred over the past quarter (November 25, 2024 - March 27, 2025). Risk analysis, notification letters and OCR submissions have been completed for applicable events.
- No employee HIPAA breaches occurred this quarter. This is when an employee/contracted employee would have accessed records inappropriately. Random sample audits did not occur this quarter and zero concerns for inappropriate access were brought forward since last quarter.
- Twelve grievances have been received in the calendar year 2025 to date. No quality-of-care concerns identified, all behavior concerns were addressed with those involved and all action items were completed.
- One complaint was received from United Health Care (UHC) on behalf of their member. Internal review process was completed and concluded there were no quality-of care concerns. Response letter to UHC was sent on 03/26/2025, awaiting next steps from UHC following their review.
- Risk Management Coverys NOI Claims – One new potential claim filed with Coverys. Case was sent through the Peer Review.
- OIG came out with new guidance in December around Compliance Committees. There are 7 elements to the infrastructure. We completed the annual risk assessment and are in the process of developing goals for high-risk areas that we will focus on in 2025.
- PARA results, some Certified Registered Nurse Anesthetist (CRNA), Ambulatory Infusion Center (AIC) and Urgent Care (UC) audits completed. Audit results have been reviewed and opportunities for improvement have been completed.

- Certifications and/or Accreditations:
 - Mammography Quality Standards Act (MQSA) survey was completed on 01/29/2025 with a successful inspection with all items in compliance.
- QM projects related to Compliance Risk that have been approved for completion this past quarter include:
 - GP Utilization Review
 - Blood Culture Contamination Reduction
 - Lab Fine Needle Aspiration Coverage
 - Imaging Use of Power Ports
 - Nurse Server Cabinet Design and Restocking Process