

**TRI-CITY HEALTHCARE DISTRICT  
AGENDA FOR A REGULAR MEETING  
OF THE FINANCE, OPERATION AND PLANNING COMMITTEE  
Thursday, March 21, 2019  
8:30-11:30 A.M.  
Assembly Room 1  
Tri-City Medical Center  
4002 Vista Way, Oceanside, CA 92056**

The Committee may make recommendations on any of the items listed below, unless the item is specifically labeled "Informational Only"

	AGENDA ITEM	TIME ALLOTTED	PERSON RESPONSIBLE
1.	Call to Order	1 min.	Chair
2.	Approval of Agenda	2 min.	Chair
3.	Public Comments-Announcement Comments may be made at this time by members of the public on any item on the Agenda before the Committee's consideration of the item or on any matter within the jurisdiction of the Committee. NOTE: During the Committee's consideration of any Agenda item, members of the public also have the right to address the Committee at that time regarding that item.	2 min.	Chair
4.	Ratification of minutes – February 21, 2019	2 min.	Standard
5.	Old Business		
6.	New Business		
7.	Consideration of Consent Calendar-(All items will be approved with a single motion, unless pulled for discussion)	5 min.	Chair
8.	Financials	10 min.	Ray Rivas
9.	Work Plan	15 min.	
	a) Wellness Center (bi-monthly)		Scott Livingstone
	b) Meaningful Use (semi-annual)		Mark Albright
	c) Dashboard		Ray Rivas
10.	Comments by committee members	2 min.	Chair
11.	Date of next meeting: April 18, 2019	2 min.	Chair
12.	Community Member Openings (1)		
13.	Adjournment		
	<b>Total Budget Time for Meeting</b>	<b>0 hr. 41 min.</b>	

**NOTE:** This meeting is also called and noticed as a meeting of the Board, but shall be conducted as an Administrative and Finance Committee meeting. Members of the Board who are not members of the Committee may attend the entire meeting, but shall not otherwise directly participate or vote on any item. The Committee shall take no final actions, but may make recommendations to be considered at a future meeting of the Board as to any item on the agenda, including information items. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the District Offices located at 4002 Vista Way, Oceanside, CA 92056 in the office of the Executive Assistant during normal business hours.

Note: If you have a disability, please notify us at 760-940-7323 at least 48 hours prior to the meeting so that we may provide reasonable accommodations.

**Tri-City Medical Center  
Finance, Operations and Planning Committee Minutes  
February 21, 2019**

<b>Members Present</b>	Director Julie Nygaard, Director Leigh Anne Grass, Dr. Mark Yamanaka, Dr. Jeffrey Ferber, Mr. Jack Cumming, Dr. Gene Ma ( <i>joined the meeting at 8:32 a.m.</i> )
<b>Non-Voting Members Present:</b>	Steve Dietlin, CEO, Ray Rivas, CFO, Scott Livingstone, COO, Carlos Cruz, CCO, Susan Bond, General Counsel
<b>Others:</b>	Joni Penix, Thomas Moore, Jane Dunmeyer, Maria Carapia, Mark Albright, Jeremy Raimo, Barbara Hainsworth
<b>Members Absent:</b>	Director Rocky Chavez

Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible
1. Call to order	Director Nygaard called the meeting to order at 8:30 a.m.		Chair
2. Approval of Agenda		<p><b><u>MOTION</u></b> It was moved by Dr. Ferber, Mr. Cumming seconded, and it was unanimously approved to accept the agenda of February 21, 2019.</p> <p><b><u>Members:</u></b>  <b>AYES:</b> Nygaard, Grass, Contardo, Yamanaka, Ferber, Cumming  <b>NOES:</b> None  <b>ABSTAIN:</b> None  <b>ABSENT:</b> Chavez, Ma</p>	
3. Comments by members of the public on any item of interest to the public before committee's consideration of the item.	Director Nygaard read the paragraph regarding comments from members of the public.		Chair
4. Ratification of minutes of January 24, 2019		<p>Minutes were ratified.</p> <p><b><u>MOTION</u></b> It was moved by Director Grass, Mr. Cumming seconded, and the minutes of January 24, 2019 were unanimously approved.</p>	

Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible
5. Old Business	None		
6. New Business			
7. Consideration of Consent Calendar:	<p>It was requested that the following items be pulled for discussion:</p> <p><u>Dr. Yamanaka:</u> 7.a. Collections &amp; Report Management Tool Proposal</p> <ul style="list-style-type: none"> <li>• nThrive Revenue Systems, LLC (Formerly MedAssets)</li> </ul>	<p><b><u>MOTION</u></b> It was moved by Director Grass, Dr. Ma seconded, and it was unanimously approved to accept the agenda of February 21, 2019.</p> <p><b><u>Members:</u></b> AYES: Nygaard, Grass, Contardo, Ma, Yamanaka, Ferber, Cumming NOES: None ABSTAIN: None ABSENT: Chavez</p>	Chair
<p>a. Collections &amp; Report Management Tool Proposal</p> <ul style="list-style-type: none"> <li>• nThrive Revenue Systems, LLC (Formerly MedAssets)</li> </ul>	<p>Joni Penix stated that this system is a replacement for the QMS product which has been used by TCMC for the past 13 years. MedAssets, now rebranded as nThrive, will be sun-setting the QMS system as of August 2019. She further explained that the existing program is used daily by the Patient Financial Services staff for collection worklists, payment sheets, refunds and denials. Ray Rivas interjected that this product is also utilized for reports including delinquent data, month-end reconciliations, month-end reports for Finance and queries on accounts receivables. Joni further conveyed that the use of this updated product will provide consistency, no disruption in cash collections, productivity, reports and continue to minimize bad debt. Significant discussion ensued.</p>	<p><b><u>MOTION</u></b> It was moved by Director Grass, seconded by Dr. Ma to authorize the agreement with nThrive for a term of 36 months, beginning March 1, 2019 and ending February 28, 2022 for an annual cost of \$120,000 and a total cost for the term of \$360,000.</p> <p><b><u>Members:</u></b> AYES: Nygaard, Grass, Contardo, Ma, Yamanaka, Ferber, Cumming NOES: None ABSTAIN: None ABSENT: Chavez</p>	Joni Penix

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b. Physician Agreement for ED On-Call Coverage – General Surgery <ul style="list-style-type: none"> <li>• Hussna Wakily, M.D.</li> </ul>		Approved via Consent Calendar	Sherry Miller																																				
c. Physician Recruitment Proposal – Orthopedic Surgeon <ul style="list-style-type: none"> <li>• Morgan Silldorff, M.D.</li> </ul>		Approved via Consent Calendar	Jeremy Raimo																																				
8. Financials:	<p>Ray Rivas presented the financials ending January 31, 2018 (dollars in thousands)</p> <p><b><u>TCHD – Financial Summary</u></b></p> <p><b><u>Fiscal Year to Date</u></b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Operating Revenue</td> <td style="text-align: right;">\$ 206,514</td> </tr> <tr> <td>Operating Expense</td> <td style="text-align: right;">\$ 210,867</td> </tr> <tr> <td>EBITDA</td> <td style="text-align: right;">\$ 8,930</td> </tr> <tr> <td>EROE</td> <td style="text-align: right;">\$ (175)</td> </tr> </table> <p><b><u>TCMC – Key Indicators</u></b></p> <p><b><u>Fiscal Year to Date</u></b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Avg. Daily Census</td> <td style="text-align: right;">153</td> </tr> <tr> <td>Adjusted Patient Days</td> <td style="text-align: right;">58,924</td> </tr> <tr> <td>Surgery Cases</td> <td style="text-align: right;">3,806</td> </tr> <tr> <td>Ortho Clinic Visits</td> <td style="text-align: right;">48,802</td> </tr> <tr> <td>ED Visits</td> <td style="text-align: right;">32,991</td> </tr> </table> <p><b><u>TCHD – Financial Summary</u></b></p> <p><b><u>Current Month</u></b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Operating Revenue</td> <td style="text-align: right;">\$ 28,899</td> </tr> <tr> <td>Operating Expense</td> <td style="text-align: right;">\$ 31,201</td> </tr> <tr> <td>EBITDA</td> <td style="text-align: right;">\$ 826</td> </tr> <tr> <td>EROE</td> <td style="text-align: right;">\$ (527)</td> </tr> </table> <p><b><u>TCMC – Key Indicators</u></b></p> <p><b><u>Current Month</u></b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Avg. Daily Census</td> <td style="text-align: right;">165</td> </tr> <tr> <td>Adjusted Patient Days</td> <td style="text-align: right;">8,813</td> </tr> <tr> <td>Surgery Cases</td> <td style="text-align: right;">524</td> </tr> <tr> <td>Ortho Clinic Visits</td> <td style="text-align: right;">7,036</td> </tr> <tr> <td>ED Visits</td> <td style="text-align: right;">4,812</td> </tr> </table>	Operating Revenue	\$ 206,514	Operating Expense	\$ 210,867	EBITDA	\$ 8,930	EROE	\$ (175)	Avg. Daily Census	153	Adjusted Patient Days	58,924	Surgery Cases	3,806	Ortho Clinic Visits	48,802	ED Visits	32,991	Operating Revenue	\$ 28,899	Operating Expense	\$ 31,201	EBITDA	\$ 826	EROE	\$ (527)	Avg. Daily Census	165	Adjusted Patient Days	8,813	Surgery Cases	524	Ortho Clinic Visits	7,036	ED Visits	4,812		Ray Rivas
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Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible
	<p><b><u>TCMC - Net Patient A/R &amp; Days in Net A/R By Fiscal Year</u></b></p> <p>Net Patient A/R Avg. (in millions)                         \$ 43.9</p> <p>Days in Net A/R Avg.                         52.4</p> <p><b><u>Graphs:</u></b></p> <ul style="list-style-type: none"> <li>• TCMC-Net Days in Patient Accounts Receivable</li> <li>• TCMC-Average Daily Census, Total Hospital-Excluding Newborns</li> <li>• TCMC-Acute Average Length of Stay</li> </ul>		
9. Work Plan:			
a. Dashboard	No discussion.		Ray Rivas
10. Comments by committee members			
11. Date of next meeting	Tuesday, March 21, 2019		Chair
12. Community Openings (1)			
13. Adjournment	Meeting adjourned 9:52 a.m.		

**Finance, Operations and Planning Work Plan  
Program Tracking Schedule  
FY2019  
March 21, 2019**

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar 2019	Apr	May	June	Responsible Party
<b>Wellness Center (Bi-Monthly)</b> , (Since 2009) (Changed from quarterly to bi-monthly, January 2018)	•		•		•		•		•		•		Scott Livingstone
<b>Physician Recruitment Tracking (Annual)</b> , (Since 2009)												•	Jeremy Raimo
<b>Finance, Operations and Planning Charter, (Annual)</b>										2020 •			Chair
<b>Construction Report, (Quarterly)</b>	•			•			•			•			Scott Livingstone
<b>Infusion Center, (Annual)</b> (Report quarterly until Oct. 2015 then annual)				•									Sharon Schultz
<b>ED Throughput, (Quarterly)</b> (Changed from bi-monthly to quarterly, January 2018)	•			•			•			•			Candice Parras
<b>Meaningful Use, (Semi-Annual)</b> (Begin reporting September 2015 for one year then semi-annually)			•						•				Mark Albright
<b>Medical Director – Surgery (Semi-Annual)</b> (Began reporting in July 2015)				•						•			Debra Feller
<b>IT Physician Liaison (Semi-Annual)</b> (Began reporting in July 2016)	•						•						Mark Albright

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar 2019	April	May	June	Responsible Party
<b>Institutes Update (Annual):</b> <ul style="list-style-type: none"> <li>• Cardiovascular</li> </ul> (Added August 2016, began reporting August 2017)		•											Jeremy Raimo
<b>PRIME Update (Annual):</b> (Began reporting in January 2019)							•						Scott Livingstone
<b>Dashboard</b>		•	•	•	•	•	•	•	•	•	•	•	Ray Rivas

**Finance, Operations and Planning Committee**

**Date of Meeting: March 21, 2019**

**Work Plan:**

- **Wellness Center Update:**  
Scott Livingstone, Chief Operating Officer



**Finance, Operations and Planning Committee**

**Date of Meeting: March 21, 2019**

**Work Plan:**

- **Meaningful Use Update:**  
Mark Albright, VP, I.T. Information Systems



## Financial Information

### TCMC Days in Accounts Receivable (A/R)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD Avg	Goal Range
FY19	51.0	48.5	50.3	49.5	52.3	56.5	58.9	56.7					53.0	48-52
FY18	47.7	47.8	48.9	50.8	49.6	49.5	49.8	47.2	46.8	47.0	46.6	45.8	48.9	

### TCMC Days in Accounts Payable (A/P)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD Avg	Goal Range
FY19	84.9	86.5	90.2	91.4	92.5	87.8	93.1	92.2					89.8	75-100
FY18	82.1	79.1	78.8	83.4	87.7	81.3	82.9	85.2	78.8	83.2	89.2	83.0	82.6	

### TCHD EROE \$ in Thousands (Excess Revenue over Expenses)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD	C/M YTD Budget
FY19	(\$478)	(\$121)	\$119	\$254	\$342	\$236	(\$527)	\$99					(\$76)	\$1,749
FY18	(\$394)	(\$429)	(\$224)	(\$171)	(\$2,571)	(\$383)	(\$1,242)	(\$542)	(\$337)	(\$679)	(\$408)	\$3,118	(\$5,957)	

### TCHD EROE % of Total Operating Revenue

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD	C/M YTD Budget
FY19	-1.64%	-0.39%	0.41%	0.86%	1.19%	0.79%	-1.76%	0.34%					-0.03%	0.76%
FY18	-1.33%	-1.39%	-0.76%	-0.55%	-9.47%	-1.26%	-3.94%	-1.86%	-1.09%	-2.31%	-1.31%	9.07%	-2.49%	



## Financial Information

### TCHD EBITDA \$ in Thousands (Earnings before Interest, Taxes, Depreciation and Amortization)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD	C/M YTD Budget
FY19	\$796	\$1,168	\$1,417	\$1,561	\$1,618	\$1,544	\$826	\$1,468					\$10,398	\$12,541
FY18	\$898	\$864	\$1,091	\$1,146	(\$1,288)	\$908	\$81	\$751	\$963	\$571	\$900	\$4,407	\$4,451	

### TCHD EBITDA % of Total Operating Revenue

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD	C/M YTD Budget
FY19	2.73%	3.81%	4.90%	5.28%	5.65%	5.20%	2.76%	5.07%					4.42%	5.42%
FY18	3.03%	2.80%	3.69%	3.66%	-4.74%	2.99%	0.26%	2.57%	3.13%	1.95%	2.90%	12.82%	1.86%	

### TCMC Paid FTE (Full-Time Equivalent) per Adjusted Occupied Bed

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD	C/M YTD Budget
FY19	6.73	6.70	6.75	6.98	7.82	6.50	6.68	6.52					6.83	6.65
FY18	6.51	5.92	6.90	6.26	6.50	6.43	5.95	5.99	5.86	6.29	6.43	6.43	6.29	

### TCHD Liquidity \$ in Millions (Cash + Available Revolving Line of Credit)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
FY19	\$50.0	\$49.5	\$49.3	\$48.1	\$37.5	\$29.5	\$36.3	\$32.9						
FY18	\$58.5	\$49.8	\$42.3	\$48.2	\$58.6	\$54.5	\$54.7	\$53.1	\$49.4	\$42.7	\$41.5	\$52.8		