



# State of Hospital Finances

Joint Assembly/Board Meeting – February 1, 2023

**Bartlett**  
Regional Hospital

# Senior Leadership Team

David Keith  
Chief Executive  
Officer



Sam Muse  
Chief Financial  
Officer



Kim McDowell  
Chief Nursing/  
Operations Officer



Tracy Dompeling  
Chief Behavioral  
Health Officer



Dallas Hargrave  
Chief Human  
Resources Officer





# Workforce Realignment

## CEO

- Compliance (Exec. Dir.)
- Medical Staff Services
- IT (Exec. Dir.)
- Hospitalists
- Community Relations
- Home Health & Hospice
- Quality (Exec. Dir.)
  - Staff Development
  - Employee Health
  - Infection Prevention
  - Nutrition Services
  - Process Improvement
  - Risk Management

## CFO

- Contracts
- Accounting
- Health Information Management
- Materials Management
- Patient Access Services
- Patient Financial Services
- Business Development & Strategy (Exec. Dir.)
  - Facilities
  - Food Services
  - Physician Services
  - Rehabilitation Services

## CNO/COO

- Diagnostic Imaging
- Laboratory
- Pharmacy
- Respiratory Therapy
- Sleep Sciences
- Cardiac & Pulmonary Rehab
- Case Management
- Nursing (Exec. Dir.)
  - CCU
  - ED
  - Infusion
  - Medical/Surgical
  - Nursing Administration
  - OB
  - Surgical Services

## CBHO

- Applied Behavior Analysis Therapy
- Addiction Treatment (RRC)
- Community Navigators
- Inpatient and Emergency Mental Health Services
- Community Based Crisis Intervention Services
- Outpatient Psychiatry (BOPS)

## CHRO

- HR
- Benefits

# Growing Financial Pressures

Since 2019...



Net Revenue: \$19.7M



Labor: \$21.3M

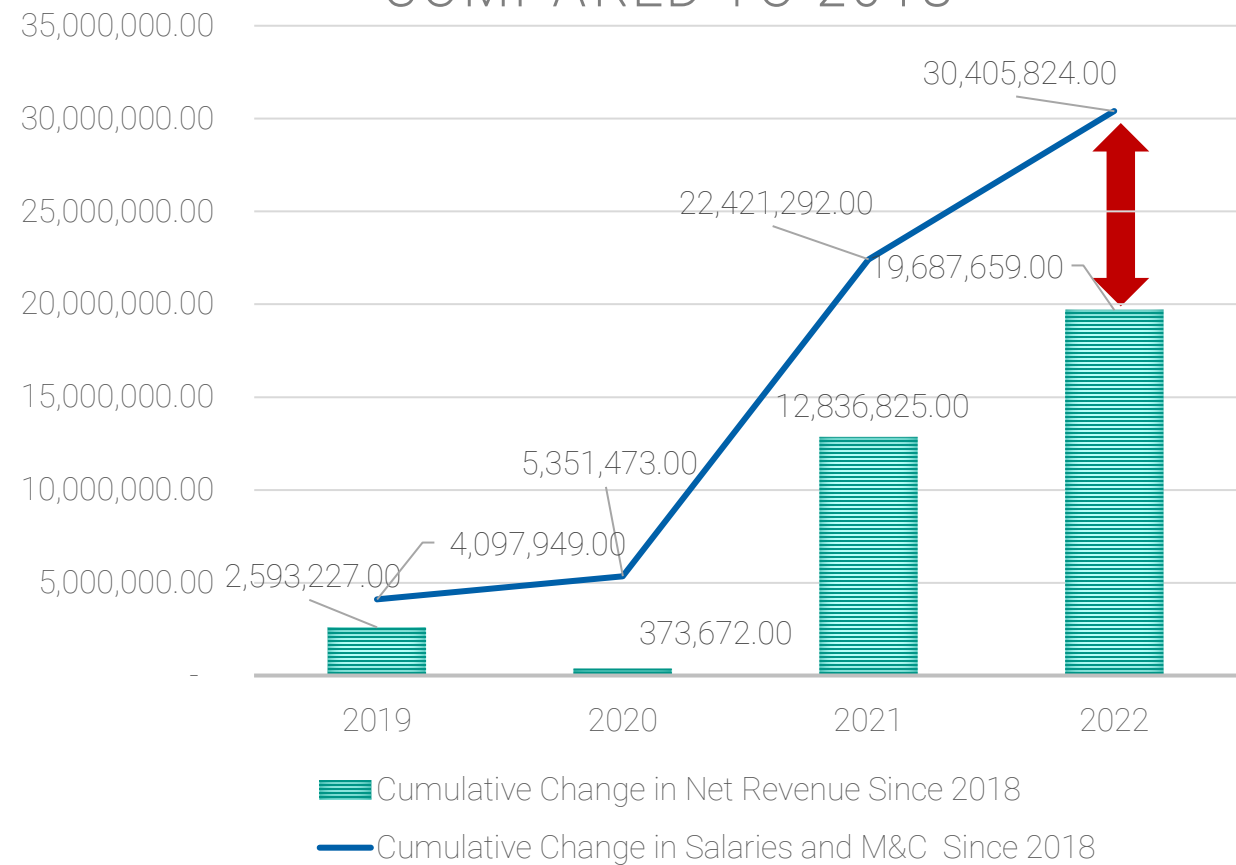


Supply Costs: \$9.1M



Recurring Operating Income: \$10.7M

GROWTH IN NET REVENUES VS.  
GROWTH IN SALARIES AND  
COMMODITIES AND SERVICES  
COMPARED TO 2018



# Today's Financial Picture

## Our Current Challenges



Since 2019 we've increased our staffing hours by 19% or 146 full-time positions.



Bartlett has been losing about \$1M a month since the summer of 2020. This loss was covered up by temporary COVID funding of \$12M a year (or \$1M a month) for the past two years.



COVID funding has stopped, and operational expenses remain unsustainable.



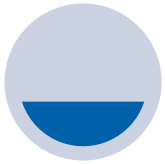
We're expected to lose \$10M this year (averaging \$1M a month).

# Management of Net Position & Indebtedness

- We currently have approximately \$71M in cash (\$43M unrestricted and \$28M restricted)
- Average daily operating costs are currently \$348k – this equals about 6-7 months of operating expenditures
  - Note: Average daily operating costs have increased each year and are now up over 30% from \$266k in FY2019
- We are projecting to end FY2023 with roughly 6 months total days cash on hand
- While we monitor our present financial position, we also must look to the future - certain strategic investments are necessary to ensure we serve our community
- Areas of strategic focus for our Finance team are to examine opportunities of process improvement

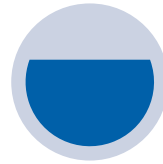
# Phased Plan of Action

The goal is to begin the new fiscal year on July 1, 2023, without a deficit.



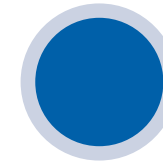
## Phase 1 Considerations (Currently in progress)

- Hiring restrictions
- Discretionary spending reductions
- Overtime reductions
- Purchasing reductions
- Travel reductions
- FY2024 budget reductions



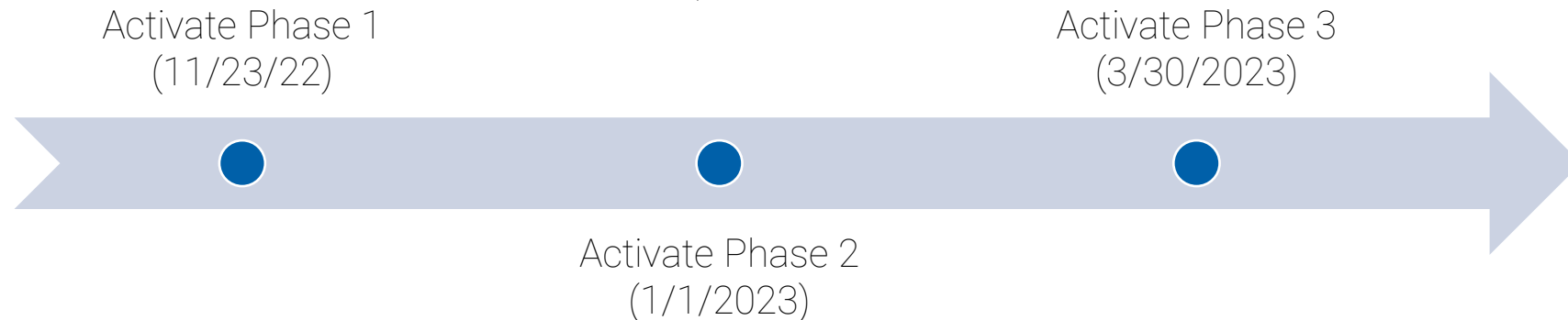
## Phase 2 Considerations (Currently in progress)

- Incentive pay cancellation
- Traveler/Locum reductions
- Contract/Agreement reductions
- PRN/Casual reductions
- Retirement incentive
- Staffing levels and productivity study action plan



## Phase 3 Considerations

- Streamlining leadership
- Realignment of workforce
- Program eliminations
- Strategic initiative delays



# Service Lines & Facilities

Addressing the Continuum of Care – Growing Bartlett's Healthcare Offerings

## Existing Services (Acute Care)

- Over 25 service lines focused on providing inpatient medical care and other related services for surgery, acute medical conditions, or injuries

## New Services in 2023

- Behavioral Health Services   
(Aurora Behavioral Health Center)
  - Crisis Observation & Stabilization
  - Crisis Residential
- Post Acute Care Services
  - Home Health
  - Hospice
  - Long-Term Care/Sub Acute Care (Wildflower Court) 

## Future Growth Opportunities

- Family Practice Building 
- Higher Level Inpatient Specialty Services
- Outpatient and Ambulatory  Services
- Joint Ventures and Partnerships