

HEALTH DISTRICT UPDATE

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to apply for the PCPCH certification in the next few months; however, the district cannot get in on the Moda plan until next year.

Also at the meeting, the board heard the district's annual audit presentation from their accountants, WIPFLI CPAs and Consultants, represented by Jeff Johnson, certified public accountant and partner, and Jared Haak, CPA and manager. WIPFLI "unqualified opinion" on the district's financial statements is good news. WIPFLI is located in Spokane.

They did note, however, that "due to the size of the district and its staff, individuals with access to cash receipts also have the ability to post adjustments and cash receipts to the accounting system and create new patients. There are some mitigating controls currently in place, but additional controls should be put in place." The accounting firm said that the issue was addressed and additional controls have already been put in place to rectify the situation.

The WIPFLI audit presented good news for the district, reporting that the district's cash has increased over the past year. "The District had a profitable year that included the receipt of Medicare and Medicaid Electronic Health Records incentive payments and grants for the Irrigon Medical Clinic remodel." They also noted that patient accounts receivable increased in 2013 due to an increase patient numbers and a five-percent charge increase across all departments. In addition, the district received the 2012 receivables for

Medicaid wraparound payments, which were approximately \$105,000 and the Medicare cost report settlement, which was around \$213,000.

The district showed an \$895,000 profit for 2013, "partly due to Medicare and Medicaid Electronic Health Record incentive payments, the removal of third-party contingency amounts and an increase in property tax revenue," compared to a \$465,000 profit for 2012, and a \$179,000 profit for 2011.

"Pioneer Memorial has been doing a really good job over the last several years," commented Johnson.

The district was also commended for the number of days of cash on hand. In 2013, MCHD had 110 days of cash on hand, which indicates the number of days the district could operate without collecting additional cash. The district had 76 days of cash on hand in 2012 and 59 in 2011. This number is crucial for operations in the event of an economic downturn.

WIPFLI also provided an update concerning Medicare reimbursements. Because MCHD is a Critical Access Hospital it receives a greater reimbursement ratio. One factor in determining what hospitals receive Critical Access Hospital designation is the distance from the next hospital, which places MCHD in a better position than many other hospitals, especially in the event of possible upcoming changes in CAH distance regulations.

According to WIPFLI, a few key proposed Medicare changes for 2014 from President Obama include:

- "cancelling the Budget Control Act of

2011's sequestration, which required mandatory across-the-board reduction in federal spending. As required by law, President Obama issued a sequestration order on March 1, 2013, which took effect on April 1, 2013. The cancellation of the sequestration will eliminate the annual two percent cut to Medicare payments.

- "reducing CAH payments from 101 percent to 100 percent of reasonable costs. This decrease in payment is estimated to be a loss of reimbursement to CAHs of \$1.43 billion.

- "eliminating the CAH designation for hospitals located fewer than ten miles from the nearest hospital. This change is estimated to eliminate \$690 million reimbursement to affected CAHs. (WIPFLI reps anticipate that the mileage amount between CAHs will be increased, perhaps even substantially.)

- "reduction in traditional Medicare bad debt reimbursement to 25 percent of amounts claimed. This decrease in payments is estimated to eliminate \$36 billion in reimbursement to all hospitals."

According to WIPFLI, there are currently 13 designated necessary providers under the CAH program in Oregon and two additional CAHs that would not meet the distance requirement.

WIPFLI's reimbursement update noted that the Oregon Health Authority's budget for 2013-2015 includes federal funding for coverage of approximately 180,000 new low-income adults who will qualify for the Oregon Health Plan under the new guidelines for Medicaid.

"The 2013-15 budget ends the so-called "health care lottery" for adults who are qualified for care even under current income limits. Beginning in 2014 though 2016, coverage for those newly eligible for OHP will be funded by the federal government.

"Income limits are changing and OHP will be open to adults who earn up to 138 percent of the Federal Poverty Level. That is about \$15,800 a year for a single person or \$32,500 a year for a family of four.

"New Medicaid enrollees will join local coordinated care organizations, which are designed to provide better care while holding costs down."

Some of the key health care reforms for employers include: "grandfathered health plans, extension of dependent coverage, a summary of benefits and coverage, flexible spending account cap changes, W-2 reporting, medical loss ratio rebates and notice to employees of state health insurance exchanges."

The WIPFLI report said that for individuals and families with individual market coverage who move to the marketplaces, premium subsidies are expected to average \$2,672 a year. They said that a Kaiser Family Foundation report noted that 48 percent of people purchasing their own insurance will qualify for federal premium tax credits to reduce their premiums for plans purchased in the marketplaces, formerly known as exchanges. The second lowest cost "silver plan premium," on which the subsidies are based, will cost an average of \$8,250 per year in 2014. It is also estimated that these premiums will be reduced

by an average of \$5,548 or 66 percent per family by all federal premium subsidies.

WIPFLI advised that health care providers "monitor these plans, since the cost-sharing deductible and copay amounts could lead to greater amounts of bad debt and charity for health care providers in the future."

In other business the board:

-learned that the district is searching for a new board member following the resignation of board member David Burns of Irrigon. Despite ads in the East Oregonian, the North Morrow times and the Heppner Gazette-Times, the district has received only one letter of interest and that individual resides in south Morrow County. "I think we've all agreed to do our best to find someone in Boardman or Irrigon," said Board Chair Larry Mills. The district plans to continue the search.

-learned that the district's new ambulance has arrived and is in the process of being licensed. After licensure, it will be delivered to Irrigon to be put into service. Irrigon's old ambulance will go to Heppner to be used as Heppner's secondary ambulance. Heppner's current secondary ambulance will go to Lone to be used as their primary ambulance.

-heard from Grigg that a Critical Access Hospital annual meeting was held in Heppner to receive feedback to "ensure that we are meeting the needs of the communities we serve." Grigg said that two community representatives attended and provided positive feedback.

-learned that the fall board retreat is confirmed

for Thursday, Oct. 17, from 2-9 p.m. at All Saints' Episcopal Church in Heppner. Providers are invited to attend.

-received the following profit/loss statement for August: gross patient revenue was \$588,624, less \$2,757 for bad debts and \$103,008 for contractual and other adjustments, plus \$106,839 in tax revenue and \$16,237 in other operating revenue for \$611,451 in total operating revenue; \$653,819 in total operating expenses and a \$7,160 non-operating gain for a loss of \$35,207 for the month.

-received the following report for August: Pioneer Memorial Hospital had two admissions, two swing bed admissions, eight admitted for observation, one death, one admitted for hospital respite care, 466 total out-patients, 76 emergency room encounters, 1,770 lab tests, 99 x-ray procedures, 22 CT scans, 17 EKG tests, two colonoscopy procedures, two endoscopy procedures, one colonoscopy procedure, 34 respiratory therapy procedures; Home Health had 58 patient visits; Hospice had one death; Pharmacy had 2,034 drug doses for \$59,785 in drug revenue; Pioneer Memorial Clinic had 392 patient visits with 16 new patients, 41 seen by a nurse and seven no-shows; Irrigon Medical Clinic had 181 patient visits, 19 new patients, 49 seen by a nurse and 10 no-shows; Heppner Ambulance had 14 total page-outs and transports for \$18,899 in revenue; Boardman Ambulance had 23 page-outs with 16 transports for \$21,893 in revenue; Irrigon Ambulance had 24 page-outs with 13 transports for \$16,709 in revenue; there were three flights.



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Junior cheerleading camp held



Participants in the recent junior cheer camp were: (Back L-R) Cheerleader Faith Jones, Cheerleader Macy Gibbs, Kylie Boor, Cheerleader Emily Cecil, Zandra Masterson, Hailey Wenberg, Brook Wilson, Katie Wilson, Bridget Wizner, Cheerleader Erica Nelson, (front L-R) Cheerleader Samm Lemmon, Keeley Nairns, Paige Bebee, Avery Lathrop, K.C. and Harley Anderson, Saige Jensen and Irelynn Kollman. -Contributed photo

The Heppner High School cheerleaders conducted a junior cheer clinic for girls ages four years to fourth grade. The girls practiced the week of Sept. 23-27 to prepare for their performance at halftime during the Heppner versus Enterprise football game.

The girls danced to the music of twist and shout and reportedly "wowed" the crowd.

They also partnered with the high school cheerleaders to perform two cheers, "Red Hot" and "Rowdy."

The girls who attended the clinic were: Avery Lathrop, Paige Bebe, Kylie DeBoer, Bridgette Wizner, Sage Jensen, Harley and K.C. Anderson, Katie Wilson, Keeley Nairns, Brooke Wilson, Zandra Masterson, Hailey Wenberg, Ireland Kollman.

Heppner FBLA fundraiser is back

The Heppner High School Future Business Leaders of America (FBLA) once again is supporting breast cancer awareness.

Since October is breast cancer awareness month, the FBLA members are asking the community to

show their support in a number of ways.

The FBLA members will be selling breast cancer awareness items at the home volleyball game this Thursday and at the home football game Oct. 11.

On Oct. 10, the HHS

FBLA is asking everyone to wear pink community-wide in support of this cause. FBLA members will be out and about on the streets of Heppner all of next week selling those items to those who will not be able to make it to the games.

OWGL fall workshops announced

Oregon Wheat Growers League County President Brent Martin will host the county's annual workshop

in conjunction with Morrow County Grain Growers on Wednesday, Nov. 6, at 4 p.m. at the Morrow County

Fairgrounds in Heppner. Visit www.owgl.org for workshop speakers and RSVP information.