

BLOUNT MEMORIAL HOSPITAL
Maryville, Tennessee

REPORT TO BLOUNT COUNTY COMMISSION – JANUARY 2018

I. INTRODUCTION:

This report to the Blount County Commission provides you with information on Hospital activities, services, and progress over the past three months. It includes Statistical and Financial Reports and other relevant information. Please let me know if you have questions or need clarifications on this report or any other Hospital activities.

II. STATISTICAL REPORTS: (Please see the attached Statistical Report.)

November was an above average month statistically and financially for the Hospital. November admissions of 953 were 7.7% above budget and 10.6% above prior year.

Patient days were 3,932, which were 2.3% below budget and 1.6% below prior year. Average length of stay for November was 4.16 days, which was 8.6% below budget and 12.4% less than prior year.

For the first five months of this fiscal year, admissions were 4,727, which were 8.0% above budget and 7.3% above prior year. Total patient days for the five-month period were 19,765, which is 0.6% below budget and even with prior year. Length of stay for the first five months was 4.21 days, which is 7.5% below budget and 6.4% below prior year.

III. FINANCIAL REPORT: (Please see the attached Financial Report.)

Financially, November 2017 reflects gross patient revenues of \$84,548,000, which was \$2,041,000 below budget. Net patient revenues of \$21,284,000 were \$320,000, or 1.5% below budget. Total operating revenues of \$22,143 were 1.4% below budget.

Expenses of \$22,123,000 were \$409,000 below budget. Salaries, benefits and contract salaries as a percent of operating revenue were 61.21% compared to budget of 61.96%.

Operating income for the month of \$20,000 was \$94,000 better than budget and \$756,000 better than prior November. Operating income for the year, at a loss of \$1,467,000, was \$2,817,000 better than prior year amounts.

For the year, gross patient revenues, net patient revenues, total operating revenues, and total expenses were 3.4%, 2.7%, 2.7%, and 2.0% below budget, respectively.

Bottom line income for the month of \$353,000 was \$170,000 above budget and \$1,252,000 better than prior year. For the year, bottom line income was a \$1,434,000 gain, which was \$4,614,000 above prior year amounts.

Year-to-date salaries, benefits and contract salaries as a percent of operating revenue were 62.62% compared to prior year of 63.76%.

Balance sheet changes for the month were decreases in cash of \$1,040,232. Gross accounts receivable decreased \$6,627,057 to \$113,037,385. Net accounts receivable decreased \$771,843 to \$25,355,880.

IV. OTHER HOSPITAL MATTERS:

- A. Active Shooter Training: The Hospital's Senior Director of Support Services and the Director of Security presented an active shooter training program for the Hospital Board members at their September meeting.
- B. Volunteer Programs Recognition and Awards Luncheon: This annual event was held Monday, October 23, at the Airport Hilton. A total of 125 volunteers received awards this year representing 303,050 hours of volunteer service to the Hospital. Our volunteers are a very important part of our organization.
- C. Charity Care: During the months of September, October, and November 2017, Blount Memorial's financial assistance program provided \$11,922,246 (up \$2,367,731 from this period in 2016) of charity care to patients with a primary residence in Blount County at the time service was rendered. We continue with our mission, to improve the health and quality of life in the community we serve.
- D. Blount Memorial Physicians Group Services: The Hospital has recruited 28 new physicians since 2015. Since we last reported this information to you in April 2017, we have added three additional physicians to Blount Memorial Physicians Group. We hired Blount County native Dr. Brian Wetherington, Interventional Pain Management, in July 2017; Dr. Moses Osoro, Cardiology, in August 2017; and Dr. Nicole Soto, Dermatology, in October of 2017. Please see the attached brochure, Blount Memorial Physicians Group – 23 Medical Specialties. This includes all physicians who are part of the Blount Memorial Hospital Physicians' Group serving our community.

- E. 3D Mammography: In October, the Hospital began offering 3D Mammography, or breast Tomosynthesis, to women undergoing annual mammograms in the Blount Memorial Breast Health Center. The benefit of 3D mammography to the patient is that it provides an image with much greater visibility of breast tissue structures and possible cancers, which allow for earlier diagnosis of breast cancer, particularly of small, early-stage cancers; reduces call backs for additional imaging following a screening mammogram; and enhances comfort during the exam. The faster we can identify cancers and start treatment, the better chance patients have of surviving. While not all insurances cover this new screening technology, most women are opting to select 3D imaging. To date, Blount Memorial is only the second hospital in the nation to offer the GE Senographe Pristina Digital Breast Tomosynthesis System.

- F. New Linear Accelerator Added to Cancer Treatment Options: In November, the Cancer Center added a new TrueBeam high-precision linear accelerator. The advanced image-guided radiation therapy system customizes high-energy X-rays or electrons to conform to a cancerous tumor's shape. The beams are directed to the cancer cells, sparing normal tissue surrounding them. Our patients will benefit from faster treatments, and we are able to expand the treatment of brain tumors with precise radiosurgery techniques, which is a service we have traditionally referred to send to Knoxville.

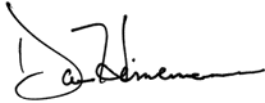
- G. Bonnie J. Addario Lung Cancer Foundation (ALCF) Recognition: Blount Memorial Hospital has been named an ALCF Community Hospital Center of Excellence for its work to drastically reduce lung cancer deaths. This designation means the Hospital's program meets the Foundation's standards of care, ensuring that all patients have access to the newest and most effective diagnostic and therapeutic techniques. In the first full year of operation, our Chest Center Program, which has a goal to detect more early-stage lung cancers where treatment options are more successful, saw a rise in total cases being diagnosed, as well as an increase in the cases that are stage 1 or 2, from 23 percent in 2016 to 38 percent in 2017.

- H. Blount Memorial Cancer Center Annual Report: Attached is the 2017 Annual Report for the Blount Memorial Cancer Center and providing an overview of its programs. This is something we do each year to share the community outreach services of our Cancer Care Program, which is accredited by the American College of Surgeons Commission on Cancer.

V. Conclusion:

Should you have questions or need any additional information regarding this report, please contact me. My office phone number is: 977-5533, and my office e-mail is: dheinema@bmnet.com. Please feel free to contact me at any time if I may be of service.

Best regards,

A handwritten signature in black ink, appearing to read "Don Heinemann", written in a cursive style.

Don Heinemann
Chief Executive Officer

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