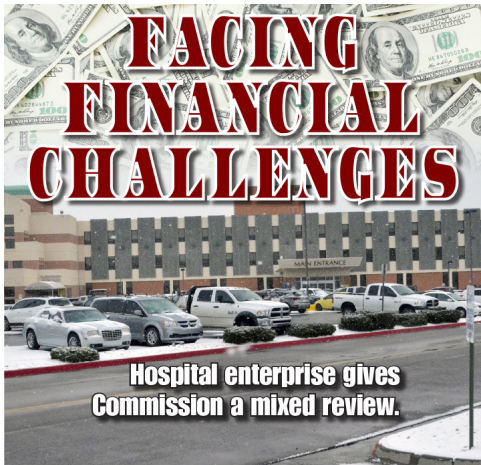


RMCH CEO faces heat over finances

Written by By Deswood Tome Sun Correspondent
Friday, 22 December 2017 06:38



RMCH CEO faces heat over finances

Written by By Deswood Tome Sun Correspondent
Friday, 22 December 2017 06:38



Raises, equipment costs, and a helicopter pad among 2016 expenses

A remodeled helicopter landing pad, staff raises, a new wellness center and new radiology and MRI equipment accounted for significant spending in 2016 at the Rehoboth McKinley Christian Health Care Services' hospital on Red Rock Drive.

Hospital CEO David Conejo discussed 2016 spending among other financial concerns with the McKinley County Board of Commissioners Dec. 12.

Conejo first defended increases to staff pay.

"Raises had not been given to employees in seven years," Conejo said. "None of the salaries have been adjusted."

RMCH CEO faces heat over finances

Written by By Deswood Tome Sun Correspondent
Friday, 22 December 2017 06:38

Previous to the raise, nurses were paid \$20 an hour. Their rate of pay was adjusted to \$24 an hour and an additional 3 percent was added.

“Now a person is where they should be,” Conejo said.

While salary scales for the medical staff were increased, administrative staff did not enjoy the same.

RMCHCS Chief Financial Officer John McMullin gave more details.

“Some people have received more than 10 percent pay rates,” McMullin said. “Some of our people have received 20 percent. My hourly rate was cut 10 percent. My staff and salary people took a 10 percent reduction.”

In a cost saving measure, nurses were placed on flexible hours.

“If there were fewer patients’ nurses were sent home. We need to strengthen our balance sheet,” McMullin said.

The administration wanted to issue merit based raises. But the hospital, which had not made pay adjustments in almost a decade, was unable to do so.

“We couldn’t make that happen,” McMullin told commissioners.

Along with staff compensation, Conejo also attributed the hospital’s budget variances to Medicaid reimbursements.

RMCH CEO faces heat over finances

Written by By Deswood Tome Sun Correspondent
Friday, 22 December 2017 06:38

In 2016, the New Mexico government enacted a “claw back” in Medicaid spending for the hospital from patients seen at the hospital for medical services. A “claw back” is defined as money taken back by forceful means, usually by a state agency.

\$3.8 million was taken by the state in Medicare “claw back” payments, which resulted in a net loss to the hospital.

Conejo informed the commissioners that a cycle of time elapses before a hospital is paid money under Medicaid for medical services provided. Medicaid reimbursements can be a lengthy process.

“We saw a lot of patients,” he said. “But you don’t reconcile the difference for two years.”

According to reports given, the hospital has a debt ratio of \$16 million.

Other expenses were the result of additions and improvements to the hospital.

Extra cost was put into the hospital’s MRI equipment, which required removing the side of a building, Conejo said. A protective shield was built around the MRI equipment.

RMCHCS also opened a behavioral health service component in 2015. In July through September of that same year, Conejo explained they served more than 5,000 clients under the detox component.

And in November, the hospital started recording patient visits through a new electronic system. All medical records prior to the change were hand written. Conejo admitted they were a decade behind in acquiring the technology, and that improvements to record keeping could better capture revenue.

RMCH CEO faces heat over finances

Written by By Deswood Tome Sun Correspondent
Friday, 22 December 2017 06:38

At the Dec. 12 meeting, it was made clear to commissioners that the revenue required was no small sum. The hospital alone needs at least \$4.4 million in incoming revenue every month just to “make ends meet,” Conejo said.

The finances for the hospital seem topsy-turvy at best, with the hospital reporting that it has about one day of operating cash on hand. The hospital fluctuates in the low to high \$100,000 in the daily cash reserves category.

Bond holders require 30 day of cash on hand reserves, past reports on the hospital indicate.

“We are negotiating our bonds,” Conejo said. “When you add the \$1.8 million to the \$1.5, we are looking at \$3.3 million available to the organization” as cash on hand.

But that still leaves the hospital around \$1 million short.

Explaining the hospital’s daily cash flow, Conejo said that a \$1.5 million in mil levy monies are set aside. The hospital receives about \$2.5 million annually in mil levy monies, according to the county assessor’s office.

“We are letting it sit there until we need it,” he said.

Mil levy monies are tapped from property taxes to put toward the hospital’s operating and equipment costs.

No costs were made available at the meeting regarding the remodeled helicopter landing pad.

ANSWERING TOUGH QUESTIONS

RMCH CEO faces heat over finances

Written by By Deswood Tome Sun Correspondent
Friday, 22 December 2017 06:38

At the Dec. 12 meeting, Chairperson Carol Bowman-Muskett asked Conejo about his \$4.4 million monthly spending.

Conejo adjusted the rate to \$4.3 million in answering.

“Last June is the all time high,” he said.

Commissioner Bill Lee, whose questions kept the dialogue going for over an hour, asked Conejo if hospital administration had an annual evaluation method for review of top officials.

Conejo answered that there were not.

“There are no provisions. Evaluating a CEO takes a whole set of metrics,” he said.

Lee also asked Conejo about the hospital’s assets. Conejo listed the assets as follows: “\$30 million, real estate, campuses, staff houses, professional buildings, the new wellness center and equipment.”

Patient billing was yet another concern brought to the commission’s attention by Lee.

“What is the plan in the billing situation getting stabilized?” Lee asked.

Conejo explained that between Medicaid and insurance billing, the hospital is making money. “We are bringing in more money all the time,” he said.

RMCH CEO faces heat over finances

Written by By Deswood Tome Sun Correspondent
Friday, 22 December 2017 06:38

But Lee was as concerned about costs to patients and quality of care as he was the hospital's budget.

Lee addressed a troubling instance in which a patient could be charged exorbitant fees in relation to the care received.

"One story is that someone goes into the ER and is treated for a minor issue and spends three and a half hours and does not see a doctor and they receive a bill for \$2,300," Lee said.

In that case, "We immediately drop what we're doing and talk to them," Conejo responded.

The hospital is three months behind in utility payments to the city, totaling between \$140,000 and \$180,000, Conejo told commissioners.

As the Dec. 12 meeting drew to a close, Lee continued his questioning of hospital leadership.

Quality of care issues consumed the dialogue. Public faith in the hospital and belief that expenses are going towards good care was crucial to commissioners.

"People have got to believe they are going to get the quality of care," Lee said.

***By Deswood Tome
Sun Correspondent***